

# YOUR SERVICE, YOUR CHOICE.

DISCUSS FARE AND SERVICE CHANGES.



Massachusetts Bay Transportation Authority

*Driven by Customer Service*

# INTRODUCTION

Today, the MBTA is serving more people more efficiently than ever before—with customers taking more than 1.2 million trips every day. Despite this, the T faces one of the most serious financial crisis in its history.

In Fiscal Year 2010, revenues are expected to decline while operating expenses increase. This structural deficit will continue to grow through Fiscal Year 2012 and beyond under current conditions. To maintain financial stability, the T will have to make decisions in the next few months that will significantly impact fares and potentially service as well. This booklet describes in detail the options under consideration and how they will affect you.

---

## What caused the deficit?

- **Underperformance of state sales tax**

Legislation passed in 2000 dedicated 20% of the state's sales tax receipts to funding the MBTA's annual operating budget, with projections of a 3% increase in revenue annually. However, in the past nine years the sales tax has averaged only 1% annual growth, and for the 2010 fiscal year, sales tax revenues are expected to be flat. All told, unrealized revenues from the sales tax will total \$275 million by FY2010.

- **Highest debt burden of any U.S. transit agency**

The MBTA owes \$5.2 billion in debt, accumulated over many years for the funding of new transit initiatives as well as vital system maintenance. Nearly 30% of the T's operating budget goes to principal and interest payments on this debt. This is the highest debt burden of any transit agency in the United States.

- **One of the lower revenue recovery ratios of large transit agencies**

Fare collection and non-fare revenues only fund 48.7% of the T's annual operating budget. This is one of the lower revenue recovery ratios of comparable transit agencies in the country.

- **Current economic conditions**

The current recession has exacerbated the T's financial situation and limited its means for relief. In this the T is not alone. Each of the ten largest U.S. transit agencies is experiencing financial challenges, and many are considering fare increases and service cuts.

## What are the options?

Facing a multi-year deficit, the T has three options—increase revenues by raising fares, reduce costs by cutting service, or implement a combination of both fare increases and service cuts.

After analyzing the impacts of each of these alternatives, we recommend a fare increase as the most cost-effective option overall and the least disruptive to T customers. Service cutbacks do remain under consideration and are outlined in this booklet. However, the projected loss in ridership resulting from these cuts would limit cost savings to just \$55 million, far short of what is needed to close the budget gap for the next fiscal year. The Massachusetts Legislature must be thanked for its recent actions, which add \$160 million in new revenue to deal with this year's deficit. Without it, the T would have unavoidably faced both a drastic fare increase and extreme service cuts for this year.

To resolve this budget crisis, we encourage all T customers to take an active role in helping to choose the right option. Please review the proposed fare increase and service reductions detailed in this booklet and provide your feedback by attending one of the public meetings (listed on pages 13-15).

# FINANCIAL OVERVIEW

The MBTA supports its operations from four main sources of revenue—a dedicated percentage of sales tax receipts, assessments on cities and towns served by the T, customer fares, and non-fare revenues from advertising, real estate transactions, parking revenue and other initiatives. Last month the State Legislature added a fifth source of revenue: a new \$160 million set aside from the sales tax. This money has saved the T from a massive fare increase and service cuts that could have gutted core services beginning this year. Nevertheless, the T’s multi-year budget problems remain.

Overall, the T’s income has declined while its costs have increased. The opening of Silver Line I and II, expanded commuter rail service to Worcester, increased paratransit ridership, the addition of Quincy Commuter Boat Service, and the opening of the Greenbush Commuter Rail Line in 2007 have added to the T’s operating costs with no corresponding increase in the T’s operating subsidy.

However, two major contributing factors account for the T’s structural budget deficit:

1. Since 2000, the T’s primary source of funding—a 20% share of statewide sales tax receipts—has not produced the steadily increasing revenue stream originally projected, and in the coming fiscal year sales tax revenue will be flat.
2. The T is financially burdened with principal and interest payments on \$5.2 billion in debt that consume nearly 30% of its annual operating budget.

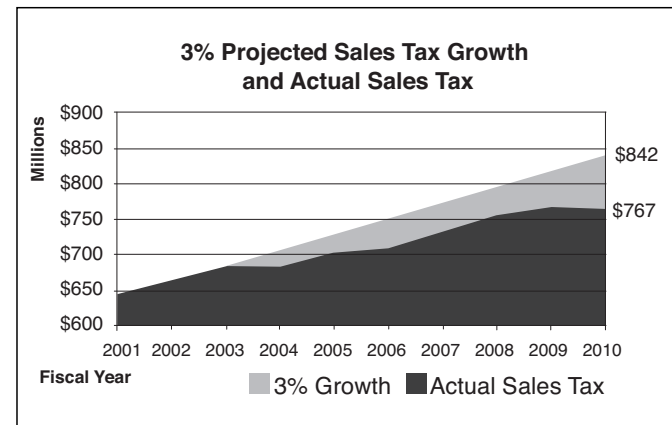
## Chronic underperformance of sales tax from the start of Forward Funding

In 2000, the Massachusetts Legislature restructured the MBTA’s funding by enacting “Forward Funding” legislation that subsidized the T through two key mechanisms: assessments levied on the 175 cities and towns in the T service area, and the Commonwealth’s commitment of 20% of statewide sales tax receipts.

T service area assessments of \$150 million have performed as anticipated. However, sales tax, which makes up 50% of the T’s annual revenue, has not grown even at the most pessimistic levels anticipated under Forward Funding.

Sales tax collections, which grew at an average of 6.5% annually from 1990 to 2000, have risen just 1% on average since 2000. For Fiscal Year 2010, sales tax receipts are not projected to increase at all. This has created a minimum sales tax revenue shortfall of \$75 million in Fiscal Year 2010 and \$275 million cumulatively since the start of Forward Funding.

The Forward Funding legislation also includes a provision guaranteeing the T a minimum subsidy from sales tax receipts, which it has received for the past six years. This minimum guarantee, however, has proven insufficient to meet the operating and capital needs of the MBTA.



## FARE INCREASE

### MBTA's debt burden highest of any U.S. transit agency

The T carries a debt burden of \$5.2 billion, the highest of any transit agency in the United States. Principal and interest

payments on this staggering debt consume nearly 30% of the T's operating budget.

Prior to the enactment of the "Forward Funding" legislation in 2000, which restructured T funding, the Commonwealth of Massachusetts borrowed money through the MBTA to fund T capital projects and repaid these debts. Under the legislative restructuring, the T inherited \$3.6 billion in outstanding transit debt from the state. A significant portion of this debt originated

Fiscal Year	Sales Tax Gap*
2001	\$0
2002	\$0
2003	\$0
2004	\$21
2005	\$21
2006	\$35
2007	\$36
2008	\$37
2009	\$50
2010	\$75
Total	\$275

\* Millions

from public transportation projects the state committed to build as part of the Big Dig; the rest comes from other capital projects and maintenance.

Since 2000, the T has issued its own debt for major projects, which have included Big Dig initiatives it has been legally required to complete, and about \$470 million per year in capital investment to maintain the current \$2.7 billion backlog in much needed system maintenance and repair projects.

The Fiscal Year 2010 budget contains a dramatic jump in debt service costs at over \$77 million, and another \$37 million in FY2011 as the bill on the Authority's \$5.2 billion in outstanding debt comes due.

The MBTA has three options to address the structural deficit—increase revenues by increasing fares, reducing costs by cutting service, or implementing a combination of both. None of these options are presented because we want to raise fares or cut service. But without further action soon we will simply be back in a deficit again next year, and the year following. The proposed fares below represent a 19.5% overall price increase, and would produce approximately \$69.0 million in additional revenues. It will also enable the T to maintain the same level of service to its customers over at least the next 2 years.

Core CharlieCard Fares	Existing	Proposed
Adult Local Bus	\$1.25	\$1.50
Senior Local Bus	\$0.40	\$0.50
Student Local Bus	\$0.60	\$0.75
Adult Rapid Transit	\$1.70	\$2.00
Senior Rapid Transit	\$0.60	\$0.70
Student Rapid Transit	\$0.85	\$1.00
Local Bus + Rapid Transit	\$1.70	\$2.00
Inner Express Bus	\$2.80	\$3.25
Outer Express Bus	\$4.00	\$4.65

NOTE: Seniors and students pay half-fare on Express Bus; children 11 and under ride free with adult

Core CharlieTicket/Onboard Cash Fares	Existing	Proposed
Local Bus	\$1.50	\$2.00
Rapid Transit	\$2.00	\$2.50
Inner Express Bus	\$3.50	\$4.50
Outer Express Bus	\$5.00	\$6.50

Non-Core Fares	Existing	Proposed
Commuter Rail Zone 1A	\$1.70	\$2.00
Commuter Rail Zone 1	\$4.25	\$5.00
Commuter Rail Zone 2	\$4.75	\$5.50
Commuter Rail Zone 3	\$5.25	\$6.00
Commuter Rail Zone 4	\$5.75	\$6.75
Commuter Rail Zone 5	\$6.25	\$7.25
Commuter Rail Zone 6	\$6.75	\$7.75
Commuter Rail Zone 7	\$7.25	\$8.25

<b>Non-Core Fares</b>	<b>Existing</b>	<b>Proposed</b>
Commuter Rail Zone 8	\$7.75	\$8.75
Commuter Rail Interzone 1	\$2.00	\$2.50
Commuter Rail Interzone 2	\$2.25	\$2.75
Commuter Rail Interzone 3	\$2.50	\$3.00
Commuter Rail Interzone 4	\$2.75	\$3.25
Commuter Rail Interzone 5	\$3.00	\$3.75
Commuter Rail Interzone 6	\$3.50	\$4.25
Commuter Rail Interzone 7	\$4.00	\$4.75
Commuter Rail Interzone 8	\$4.50	\$5.50
Hingham, Quincy, & Hull Boats	\$6.00	\$7.00
Inner Harbor Ferries	\$1.70	\$2.00
THE RIDE	\$2.00	\$2.50

NOTE: Seniors and students pay half-fare; children 11 and under ride free with adult

<b>Pass Type</b>	<b>Existing</b>	<b>Proposed</b>
Local Bus	\$40.00	\$47.00
LinkPass	\$59.00	\$69.00
Senior LinkPass	\$20.00	\$24.00
Student LinkPass	\$20.00	\$24.00
1-Day LinkPass	\$9.00	\$11.00
7-Day LinkPass	\$15.00	\$19.00
Inner Express	\$89.00	\$102.00
Outer Express	\$129.00	\$150.00
Commuter Rail Zone 1A	\$59.00	\$69.00
Commuter Rail Zone 1	\$135.00	\$159.00
Commuter Rail Zone 2	\$151.00	\$174.00
Commuter Rail Zone 3	\$163.00	\$187.00
Commuter Rail Zone 4	\$186.00	\$216.00
Commuter Rail Zone 5	\$210.00	\$239.00
Commuter Rail Zone 6	\$223.00	\$254.00
Commuter Rail Zone 7	\$235.00	\$266.00
Commuter Rail Zone 8	\$250.00	\$280.00
Commuter Rail Interzone 1	\$65.00	\$79.00
Commuter Rail Interzone 2	\$77.00	\$92.00
Commuter Rail Interzone 3	\$89.00	\$105.00
Commuter Rail Interzone 4	\$101.00	\$118.00
Commuter Rail Interzone 5	\$113.00	\$136.00
Commuter Rail Interzone 6	\$125.00	\$150.00
Commuter Rail Interzone 7	\$137.00	\$163.00
Commuter Rail Interzone 8	\$149.00	\$179.00
Commuter Boat	\$198.00	\$228.00

## POSSIBLE SERVICE REDUCTIONS

Without a fare increase, the T will have to significantly reduce operating costs by making major service cutbacks. These service reductions will impact all T services—Bus, Subway, Commuter Rail, Commuter Ferry, THE RIDE, and Suburban bus programs. However, reducing service will result in a large loss in ridership, and the \$55 million in projected cost savings will fall short of what is needed to close the budget gap for the next fiscal year.

<b>Bus</b>	<b>Annual Operating Cost</b>	<b>Lost Revenue from Reduced Ridership</b>	<b>Net Cost Savings</b>
Eliminate routes with high costs due to low ridership or long route lengths, including Routes 25, 48, 52, 60, 62/76, 76, 78, 170, 201, 202, 217, 236, 245, 275, 276, 277, 325, 350, 351, 354, 431, 435, 436, 439, 448, 449, 451, 465, 468, 500, 505, and 558.	\$ 10,103,292	\$ 1,675,555  Customers affected: 2,204,678	\$ 8,427,737
Eliminate routes that overlap or are within walking distance of other transit routes, including Routes 4, 5, 8, 17, 18, 29, 33, 55, 72, 79, 83, 85, 90, 121, 136, 137, 212, 459, 501, 502, 503, 504, and CT1.	\$ 10,428,043	\$ 1,821,004  Customers affected: 2,396,059	\$ 8,607,039
Eliminate weekend service on Routes 132, 553, and 554.	\$ 3,342,280	\$ 762,399  Customers affected: 1,003,157	\$ 2,579,881
Adjust schedule or route on Routes 7, 9, 14, 16, 31, 64, 68, 71, 73, 74, 92, 93, 95, 99, 112, 114, 120, 214, 215, 216, 220, 222, 326, 441, 442, 450, 455, and supplemental services that operate on school days only.	\$ 3,398,908	\$ 1,108,877  Customers affected: 1,459,049	\$ 2,290,031
Reduce all weekend bus service by 50%.	\$ 7,540,957	\$ 3,359,594  Customers affected: 4,420,518	\$ 4,181,363

<b>Bus (continued)</b>	Annual Operating Cost	Lost Revenue from Reduced Ridership	Net Cost Savings
Eliminate service at Quincy and Lynn bus garages after 9:00 P.M. weekdays and all day on weekends. Routes affected: 114, 116, 117, 119, 120, 210, 211, 214, 215, 216, 220, 222, 225, 426, 429, 441, 442, 450, and 455.	\$ 4,233,352	\$ 1,524,204  Customers affected: 2,005,531	\$ 2,709,148
Eliminate outlying routes to reduce the size of the bus service district, including Routes 34E, 59, 62, 230, 238, 240, 352, and 434.	\$ 4,755,225	\$ 1,547,186  Customers affected: 2,035,771	\$ 3,208,039
<b>Subway</b>			
Eliminate redundant Green Line B branch surface stations: BU East, BU West, and Pleasant St.	\$ 27,500	\$ 0 <sup>1</sup>  Customers affected: 0 <sup>1</sup>	\$ 27,500
Eliminate redundant Green Line C branch surface stations: Brandon Hall, St. Paul St., and Hawes St.	\$ 27,500	\$ 0 <sup>1</sup>  Customers affected: 0 <sup>1</sup>	\$ 27,500
Eliminate Mattapan Trolley after 8:00 P.M. weekdays and all day on weekends.	\$ 240,595	\$ 166,852  Customers affected: 219,542	\$ 73,743
Eliminate E Line branch service beyond Brigham Circle; eliminate E Line branch service on weekends; extend C Line to Lechmere.	\$ 881,101	\$ 0 <sup>2</sup>  Customers affected: 0 <sup>2</sup>	\$ 881,101
Reduce weekday midday Subway service by 50% from 10:00 A.M. to 12:30 P.M.	\$ 3,024,000	\$ 2,541,440  Customers affected: 3,344,000	\$ 482,560
Reduce weekday evening Subway service by 50% between 8:00 P.M. and 12:30 P.M.	\$ 3,841,690	\$ 2,015,520  Customers affected: 2,652,000	\$ 1,826,170

<b>Commuter Rail</b>	Annual Operating Cost	Lost Revenue from Reduced Ridership	Net Cost Savings
Close low ridership or redundant Commuter Rail stations: Hastings, Silver Hill, Waverley, Plimptonville, Readville (Franklin Line platform only), Wyoming Hill, Ballardvale, Greenwood, Plymouth, Mishawum, Rowley, West Gloucester, Beverly Farms, and Prides Crossing.	\$ 650,000	\$ 0 <sup>1</sup>  Customers affected: 0 <sup>1</sup>	\$ 650,000
Eliminate weekday service after 7:00 P.M.	\$ 13,487,758	\$ 8,154,329  Customers affected: 2,682,345	\$ 5,333,429
Eliminate all weekend Commuter Rail service.	\$ 10,876,646	\$ 9,277,794  Customers affected: 3,051,906	\$ 1,598,852
<b>Commuter Ferry</b>			
Eliminate all Commuter Ferry services, including Hingham - Boston, Quincy/Hull - Boston, and Charlestown Navy Yard - Long Wharf.	\$ 4,539,137	\$ 0 <sup>3</sup>  Customers affected: 1,295,000	\$ 4,539,137
<b>Private Carrier Bus Program and Suburban Bus Program</b>			
The Private Carrier Bus Program contracts with private bus operators to provide bus service in selected MBTA member communities. This program would be eliminated, and would lead to elimination of Route 710 in Medford, Routes 712/713 in Winthrop, Route 714 in Hull, and Route 716 in Canton.	\$ 1,819,669	\$ 0 <sup>3</sup>  Customers affected: 607,826	\$ 1,819,669
The Suburban Bus Program provides subsidies to selected municipalities that either operate bus service or contract with private bus operators. Subsidies would be eliminated to Bedford, Boston - Mission Hill Link, Beverly, Burlington, and Lexington.	\$ 371,000	\$ 0 <sup>3</sup>  Customers affected: 190,500	\$ 371,000

## PLEASE GET INVOLVED

THE RIDE Paratransit Service	Annual Operating Cost	Lost Revenue from Reduced Ridership	Net Cost Savings
<p>THE RIDE service area would be modified to provide service within three-quarter miles of MBTA-operated transit service in 35 communities, rather than the entire municipality.</p> <p>20 municipalities would no longer be in THE RIDE service area; they include: Bedford, Beverly, Canton, Cohasset, Concord, Danvers, Dover, Holbrook, Hull, Medfield, Middleton, Needham, Norwood, Peabody, Randolph, Reading, Sharon, Topsfield, Walpole, and Wenham.</p> <p>Fifteen municipalities would only have THE RIDE service within three-quarter miles of MBTA-operated transit service; they include: Burlington, Dedham, Hingham, Lincoln, Lynnfield, Milton, Nahant, Stoneham, Wellesley, Weston, Westwood, Weymouth, Wilmington, Winchester, and Winthrop.</p> <p>Note: this would not affect any of THE RIDE customers' eligibility; it only affects THE RIDE service area locations where pick-ups and drop-offs would be made.</p>	\$ 5,813,968	\$ 343,288	\$ 5,471,680
		Customers affected: 171,144	
<b>Total MBTA Service</b>	<b>\$89,402,621</b>	<b>\$29,739,026</b>	<b>\$55,105,579</b>

### Notes

1. It is expected that customers will travel to a nearby station.
2. It is expected that customers will either travel to a nearby station or take the Route 39 bus.
3. For contracted services such as ferry, private carrier bus, and suburban bus, assumptions regarding estimated fare revenue are built into the subsidy request. The operator keeps any revenue collected.

### Attend a public workshop or the public hearing

We invite you to attend one of the public workshops to share your comments and discuss your suggestions with MBTA officials. The public hearing will be an opportunity to offer your recorded comments. Comments at all meetings will be considered by MBTA staff and Board of Directors for further action. A court reporter will be present at the public hearing to record comments.

- American Sign Language services available at all public workshops and hearings. All locations are fully accessible to persons with disabilities.
- Written comments will also be accepted through September 4, 2009 and should be mailed to MBTA, Ten Park Plaza, Boston, MA 02116, Attention: Fare Proposal Committee.
- You can also submit your comments electronically at [fareproposal@mbta.com](mailto:fareproposal@mbta.com).

### PUBLIC WORKSHOPS

#### Monday, August 10

##### Boston

Gardner Auditorium-State House  
24 Beacon Street  
4:00-7:00 P.M.  
Interpreter: Chinese, Spanish  
Written Material: Cape Verdean Creole, Chinese, Haitian Creole, Italian, Spanish

#### Tuesday, August 11

##### Revere

Garfield Elementary School Auditorium  
176 Garfield Ave.  
5:30-7:30 P.M.  
Interpreter: Spanish  
Written Material: Khmer, Spanish

#### Wednesday, August 12

##### Braintree

Thayer Public Library  
798 Washington Street  
5:30-7:30 P.M.  
Interpreter: Chinese  
Written Material: Chinese

#### Thursday, August 13

##### Somerville

Somerville High School Auditorium  
81 Highland Ave.  
5:30-7:30 P.M.  
Interpreter: Portuguese  
Written Material: Haitian Creole, Portuguese, Spanish

---

**Monday, August 17**

**Salem**

City Hall Annex, Room 313  
120 Washington Street, 3rd floor  
6:00-8:00 P.M.  
Written Material: Spanish

**Tuesday, August 18**

**Framingham**

Town Hall-Blumer Room  
150 Concord Street  
6:00-8:00 P.M.  
Interpreter: Portuguese  
Written Material: Portuguese, Spanish

**Wednesday, August 19**

**Worcester**

Union Station  
Union Hall, 2nd Floor  
2 Washington Square  
6:00-8:00 P.M.  
Interpreter: Spanish  
Written Material: Spanish

**Thursday, August 20**

**Attleboro**

City Hall Council Chambers  
77 Park Street  
6:00-8:00 P.M.  
Written Material: Cape Verdean  
Creole, Spanish

**Monday, August 24**

**Haverhill**

Haverhill Public Library  
99 Main Street  
6:00-8:00 P.M.  
Interpreter: Spanish  
Written Material: Spanish

**Tuesday, August 25**

**Dorchester**

Grove Hall Community Center  
51 Geneva Ave.  
5:30-7:30 P.M.  
Interpreter: Cape Verdean Creole  
Written Material: Cape Verdean  
Creole, Spanish

**Tuesday, August 25**

**Roxbury**

Roxbury Community College -  
Media Arts Center  
1234 Columbus Ave.  
5:30-7:30 P.M.  
Interpreter: Haitian Creole  
Written Material: Cape Verdean  
Creole, Spanish

**Wednesday, August 26**

**Fitchburg**

Fitchburg State College  
Ellis White Lecture Hall  
160 Pearl Street, Hammond Building  
6:00-8:00 P.M.  
Written Material: Spanish

---

**PUBLIC HEARING**

**Thursday, August 27**

**Boston**

State Transportation Building  
10 Park Plaza  
5:30-7:30 P.M.  
Interpreter: Chinese, Spanish  
Written Material: Cape Verdean  
Creole, Chinese, Haitian Creole,  
Italian, Spanish

---



# *Massachusetts Bay Transportation Authority*

*Deval L. Patrick*  
Governor

*Timothy P. Murray*  
Lt. Governor

*James A. Aloisi, Jr.*  
Secretary and MBTA Chairman

*Daniel A. Grabauskas*  
General Manager

For more information or for an alternate format of this document please call 617-222-3200, TTY 617-222-5146 or visit [mbta.com](http://mbta.com).

**This is an important notice. Please have it translated.**

**Este é um aviso importante. Queira mandá-lo traduzir.**

**Este es un aviso importante. Sirvase mandarlo traducir.**

**ĐÂY LÀ MỘT BẢN THÔNG CÁO QUAN TRỌNG  
XIN VUI LÒNG CHO DỊCH LẠI THÔNG CÁO ẤY**

**Ceci est important. Veuillez faire traduire.**

**本通知很重要。請將之譯成中文。**

**នេះគឺជាដំណឹងល្អ សូមមេត្តាបកប្រែជូនផង**