

YOUR SERVICE, YOUR CHOICE.

DISCUSS FARE AND SERVICE CHANGES.



Version 17 - 7/8/09



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 crises in its history.

In the 2010 fiscal year, revenues are expected to decline while operating expenses increase. This structural deficit will continue to grow through Fiscal 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 FY10.

- **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 their 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 of 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.

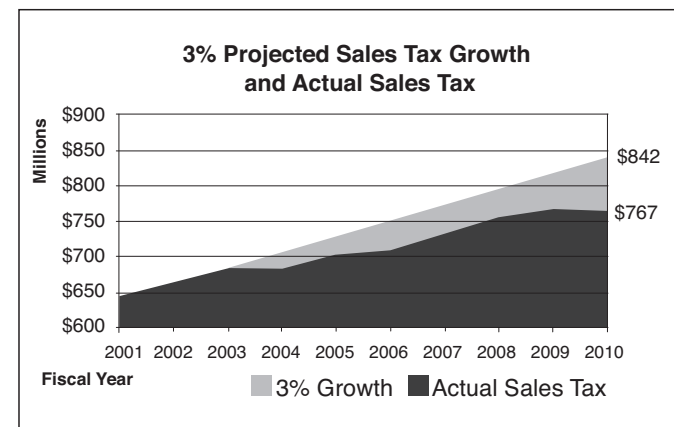
Chronic underperformance of sales tax from the start of Forward Funding

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 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 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 dollar backlog in much needed system maintenance and repair projects.

The fiscal year 2010 budget contains a dramatic jump in debt service costs at over \$77M, and another \$37M 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

Non-Core Fares	Existing	Proposed
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

Pass Type	Existing	Proposed
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.

Bus	Annual Operating Cost	Lost Revenue from Reduced Ridership	Net Cost Savings
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. 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.	\$ 3,342,280	\$ 762,399 Customers affected: 1,003,157	\$ 2,579,881
Reduce all weekday evening bus service by 50% after 8:00 P.M.	\$ 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

Bus (continued)	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
Subway			
Eliminate redundant Green Line B branch surface stations: BU East, BU West, and Pleasant St.	\$ 27,500	\$ 0 ¹ Customers affected: 0 ¹	\$ 27,500
Eliminate redundant Green Line C branch surface stations: Brandon Hall, St. Paul St., and Hawes St.	\$ 27,500	\$ 0 ¹ Customers affected: 0 ¹	\$ 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 ² Customers affected: 0 ²	\$ 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

Commuter Rail	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 ¹ Customers affected: 0 ¹	\$ 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
Commuter Ferry			
Eliminate all Commuter Ferry services, including Hingham – Boston, Quincy/Hull – Boston, and Charlestown Navy Yard – Long Wharf.	\$ 4,539,137	\$ 0 ³ Customers affected: 1,295,000	\$ 4,539,137
Private Carrier Bus Program and Suburban Bus Program			
The Private Carrier Bus Program provides 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 ³ 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 ³ 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, and 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, and 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	
Total MBTA Service	\$89,402,621	\$29,739,026	\$55,105,579

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 and at the public hearing a court reporter will be present 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.

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

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

Tuesday, August 11

Revere

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

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