PIONEER INSTITUTE
PUBLIC POLICY RESEARCH

PUBLIC COMMENT

Public Comment for the Stakeholder Input Meeting

October 20, 2016

Thank you for the opportunity to share our perspective on the Strategic Plan ("the Plan") being developed by the Fiscal and Management Control Board. Please allow me to make a few observations on "Strategic Planning Update, September 26, 2016," the 23-page slide deck that has been made publicly available. The deck includes a comprehensive set of considerations, so I will provide comments in the order of the pages and elements of the Plan. I would note up front that some of the elements fall outside of Pioneer Institute's areas of expertise (e.g., preparation for the impacts of climate change).

PROGRESS TO DATE

These comments refer to page 2 of the Strategic Planning document.

Regarding progress to date, I would like to start by applauding your hard work, accomplishments, and the seriousness with which every member of the Control Board has approached this arduous challenge. Your progress has been impressive on many fronts, including lowering the unit cost of delivering services, capital and operating investments focused on achieving a state of good repair, public engagement, and decision-making that has thus far taken into consideration where current services can be improved.

That seriousness is evident in the FMCB's approach to getting the MBTA into a state of good repair. The FMCB is taking the MBTA's $7.3 billon state of good repair backlog on directly by including $4.89 billion in the MassDOT 2016-2021 Capital Plan. The scale of this capital commitment, which includes $3.7 billion for reliability improvements and $1.19 billion for modernization,[i] represents what may be the most significant step forward the FMCB has taken to date, albeit one that has not received the attention it deserves. After decades of patching and re-patching its unreliable and broken infrastructure at great recurring annual cost, the MBTA has committed itself to a system-wide state-of-good repair initiative aimed at improving reliability and reducing emergency repair costs and service disruptions.

DRAFT VISION, MISSION, VALUES STATEMENTS

These comments refer to page 3 of the Strategic Planning document.

As regards the **Vision statement**, the term "world-class" is not sufficiently useful in projecting what the MBTA must do to meet its enormous financial, operational, capital and human resource challenges. The document must more directly communicate the priorities and urgency associated with fixing the MBTA. Such a direct and plain-spoken

Center for Better Government

October 2016

As for the second bullet, which is related to additional investments needed to ensure safe service, please see several of the elements included under Priority 3.

Priority 2: Provide superior service capable of attracting 20 percent more riders system-wide over a 5-year period, including setting ridership goals by transit mode.

Provide Exceptional Customer Service (Page 8)

When it comes to customer service, the key elements are the quality of service and communication. The best resources available to answer questions about customer service are riders, the dedicated MBTA workforce and peer agencies. To develop your thinking on these issues, conducting a survey of each would be extremely helpful. Finally, it would be useful to engage a local university to develop a study to understand what peer agencies around the world do to ensure high-quality customer service. Of these respondents, the most important when it comes to customer service is the rider and system user. The FMCB and the MBTA management team need to have a communication strategy and the right tools so riders can express their praise, criticism and ideas for service improvement.

Modernize and Expand the System to Support the Region's Economic Growth; and Implement Environmental Stewardship and Climate Resiliency (Pages 9 and 17)

Modernization, system enhancement, and service improvement will facilitate economic growth in our region, but it will also support the region's quality of life and public health.[ii] Harnessing the MBTA's potential to relieve traffic congestion in the Greater Boston region, especially, is a goal that should be highlighted and reinforced. Congestion continues to get worse, and generates significant costs for commuters and local businesses. An average Boston-area driver spends 64 hours per year sitting in traffic, at an annual cost of $1,400 for the average commuter. This is twice what it was around the city 30 years ago.[iii] Research indicates that public transportation can relieve some of this traffic on targeted traffic corridors. Professor Michael Porter of HBS conducted a survey that identified traffic congestion as a major impediment to economic growth in our region. Getting more passengers on MBTA commuter rail (and reversing the decline in ridership) has the potential to relieve congestion for commuters at relatively little marginal cost, as is the case across all modes. The economic benefits of relieving traffic congestion should be considered when measuring the net costs of the MBTA.

Increased public transportation utilization also improves regional air quality and public health.[iv] Environmental stewardship is best served by getting more commuters to use public transit, thereby reducing carbon emissions and encouraging commuters to incorporate walking from commuter stations to work on a daily basis.

We are firmly of the view that an emphasis on boosting ridership is a critical driver of greater equity in service provision. But to understand potential future demand—and whether a goal of increasing ridership by 10, 15 or even 20 percent is even imaginable—the FMCB will need to understand its customers. For example,

> *What would it take to convince automobile commuters to switch to public transportation along congested traffic corridors; i.e., transit time savings, service scheduling, fare pricing, T parking options, shopping and other convenience options near T stations, etc.?*
>
> *What kind of outreach is needed to attract additional riders? What kind of communications will build and maintain trust with riders?*
>
> *What initial service provision steps or pilots might allow the MBTA to assess and develop new ridership? For example, would partnerships with private vendors be useful pilots to determine in real time what level of demand is truly not being served?*
>
> *What changes in service provision, whether through private vendors or bus rapid transit would allow the MBTA to meet latent demand in a cost-effective manner? If so, how can those services be integrated into the existing system?*
>
> *What enhanced collection methodologies would facilitate the use of a variety of service*

providers? What fare collection methodologies would provide riders with a more consistent and fairer (such that all riders pay) experience, while avoiding commuter delays caused by fare collection models that result in bottle-neck effects?

Regarding infrastructure resilience to climate change, we recommend that the FMCB engage with leaders of national and international public transit agencies that operate in climate-challenged environments, as well as with experts from industry, academia and governmental bodies, to ascertain and institute best-practices for system preparedness. As the Greater Boston region was made painfully aware by the MBTA's operational failure in the winter of 2015, preparedness requires that the MBTA utilize effective system design, specialized equipment, and operational practices prior to, during, and after severe weather events.

Ensure an Equitable Distribution of Transit Services and Benefits (Page 10)

Questions 1 and 2 on this page once again underscore why the new Vision and Mission for the MBTA must emphasize equitable distribution of transit services in system planning. Equitable distribution extends the transit system's benefits to as many Greater Boston citizens as possible. In FY2016, the MBTA's commuter rail system provided only 8.6 percent of the MBTA's total unlinked passenger trips but consumed 26.7 percent of its operating expenses. Conversely, the MBTA's hard rail subway system provided 44.6 percent of total unlinked passenger trips while consuming only 23.1 percent of its operating expenses. Considerations about equitable distribution of limited resources should play a major role in decision-making about capital planning, service expansion, and resource allocation.

Transit equity should include a quantifiable method for measuring expanded ridership per dollar spent.

Transparency about how decisions are made is also an important issue – i.e., what metrics are considered in choosing among competing options? The MBTA should set forth the decision metrics very clearly, emphasizing that decisions should be made with the goal of providing convenient, fast mobility for the maximum number of people.

Improve T Accessibility for Customers of Differing Abilities (Page 11)

Pioneer Institute was very pleased that the FMCB took into consideration the testimony of users of The Ride in deciding not to save money by reducing MBTA paratransit service areas to the minimum geographical zone allowable under federal ADA transit regulations. We believe that many users of The Ride are likely to have made housing decisions based on availability of public paratransit services.

At the same time, we are pleased to see the FMCB commit to provide better service at lower unit costs. It is absolutely the right course of action to derive considerable savings through procurement and provider network innovation, efficiencies in scheduling of rides, and market competition through the use of a broad network of cabs and Uber vehicles for persons who do not need specialized vehicles.

The cost differential between The Ride's services delivered in the traditional manner and the use of hackney or ridesharing services is significant. Pioneer Institute reports demonstrate that the differential could be as large as $49 versus $13 per trip. Moreover, the use of alternative service delivery methods does not require the purchase and upkeep of vehicles by the MBTA. This 'asset-light' approach to providing service frees up resources for maintenance of other valuable MBTA capital. Such a model, which is growing rapidly in the private sector with firms like Uber, Airbnb and others that offer 'crowd-based' services, could potentially be replicated to achieve savings in other transit services offered by the T. Finally, the quality of the user experience is in many ways improved in as much as the time from a call or e-hailing of the service is likely to be much faster than the time to call and access service from existing Ride vendors.

We believe ridesharing and hackney companies should be fully engaged in this process. Given the needs of the riders serviced, it is valid to ask whether that will require more rigorous training and vetting