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POLICY BRIEFING

MBTA Spends Smaller Percentage Of Budget On Maintenance Salaries Than Most Large Transit Agencies

Contrary to claims of abnormally high maintenance costs in a recent white paper by the Pioneer Institute, the MBTA spends a smaller percentage of its budget on maintenance salaries than most large transit agencies in the United States.

The white paper, entitled *2015 MBTA Bus Maintenance Costs Were Nation's Highest*, used data from the National Transit Database (NTD) to compare the MBTA's maintenance costs to five "peer" metropolitan-area bus agencies and the top 25 largest public transit agencies in the country. The Pioneer Institute white paper however, is a case-study in how to lie with statistics, as are, unfortunately many of the presentations made week after week to the Fiscal and Management Control Board.

Pioneer failed to justify the inclusion of some of the agencies in their comparison despite significant differences across the agencies. Using likeness scores calculated by the Integrated National Transit Database Analysis System (INTDAS), an aggregator of nationwide transit data, Pioneer compared the five bus agencies with the closest scores to the MBTA.

However, the INTDAS warns that **two of the five agencies may be unsuitable for comparison**. The scores for both Miami-Dade Transit and Metropolitan Atlanta Rapid Transit are in a range that the database highlights as having "potential differences that may make them unsuitable" to use for comparison. According to the INTDAS, Miami's buses serve a much denser area than Boston, and Atlanta's buses serve an area that is experiencing much faster population growth than Boston.

Both of these factors have significant implications for how a bus system is utilized, and therefore make comparisons to Boston difficult to justify. Pioneer makes no effort to explain the agencies' inclusion in their comparison given these key differences to the MBTA.

Despite this questionable foundation for comparison, **Pioneer failed to acknowledge key trends in their own datasets that help provide a more complete picture of the MBTA's relative costs and performance**. Using the same publicly available dataset from the NTD, we found that the numbers paint a very different picture than that laid out by Pioneer.

When looking at the top 25 transit agencies in the country, we found:

- In 2015, the **MBTA spent a smaller percentage of their budget on maintenance salaries than 16 of the top 25 large transit agencies** in the country.
- When adjusted for cost of living, MBTA bus maintenance workers were paid **just 2% higher** than the average for the top 25 transit agencies in 2015.

When looking at the same five peer agencies identified in Pioneer's report, we found:

- In 2015, the MBTA **spent about the same proportion of their bus maintenance budget on salaries** as their five bus agency peers on average.
- When adjusted for cost of living, MBTA bus maintenance workers were paid **only 7% higher** than the average for their five peer bus agencies in 2015.

Pioneer's analysis claims that the MBTA's bus service is costlier both in terms of maintenance expenses and labor hours, but fails to account for factors such as the age of the fleet. Data from INTDAS shows that the MBTA's bus fleet is disproportionately older than the five bus agency peers Pioneer uses in its comparison. **The average age of MBTA buses in 2015 was 10.7 years, 33% older than the average of their five peer agencies (8.1 years).**

Looking at the same publicly available data from the National Transit Database, we can see that the MBTA has a disproportionately older fleet which requires more maintenance. The MBTA paid their workers about average, and spent less of their budget on paying their workers than other large bus systems.

The bus maintenance data misleadingly includes specialized vehicles that are more costly to maintain. MBTA officials and the Pioneer Institute included garages that perform maintenance for electric trolleys and the electric/diesel hybrid buses used on the Silver Line in overall bus maintenance costs.

- In 2015, the T's Bus Maintenance Overview found that the **average bus garage cost per mile driven was \$3.50.**
- The North Cambridge garage that services electric trolleys has a cost-per-mile driven of \$12.42.
- The South Hampton shop that services hybrid Silver Line buses has a cost-per-mile driven of \$7.39.

Analyzing bus maintenance costs including these garages significantly skews the data. If the goal is to do a fair comparison of current operating costs with other agencies and private contractors, this point calls for serious reexamination.

Figure 1. The MBTA spends a smaller percentage of their maintenance budget on salaries than average for the top 25 transit agencies in 2015.

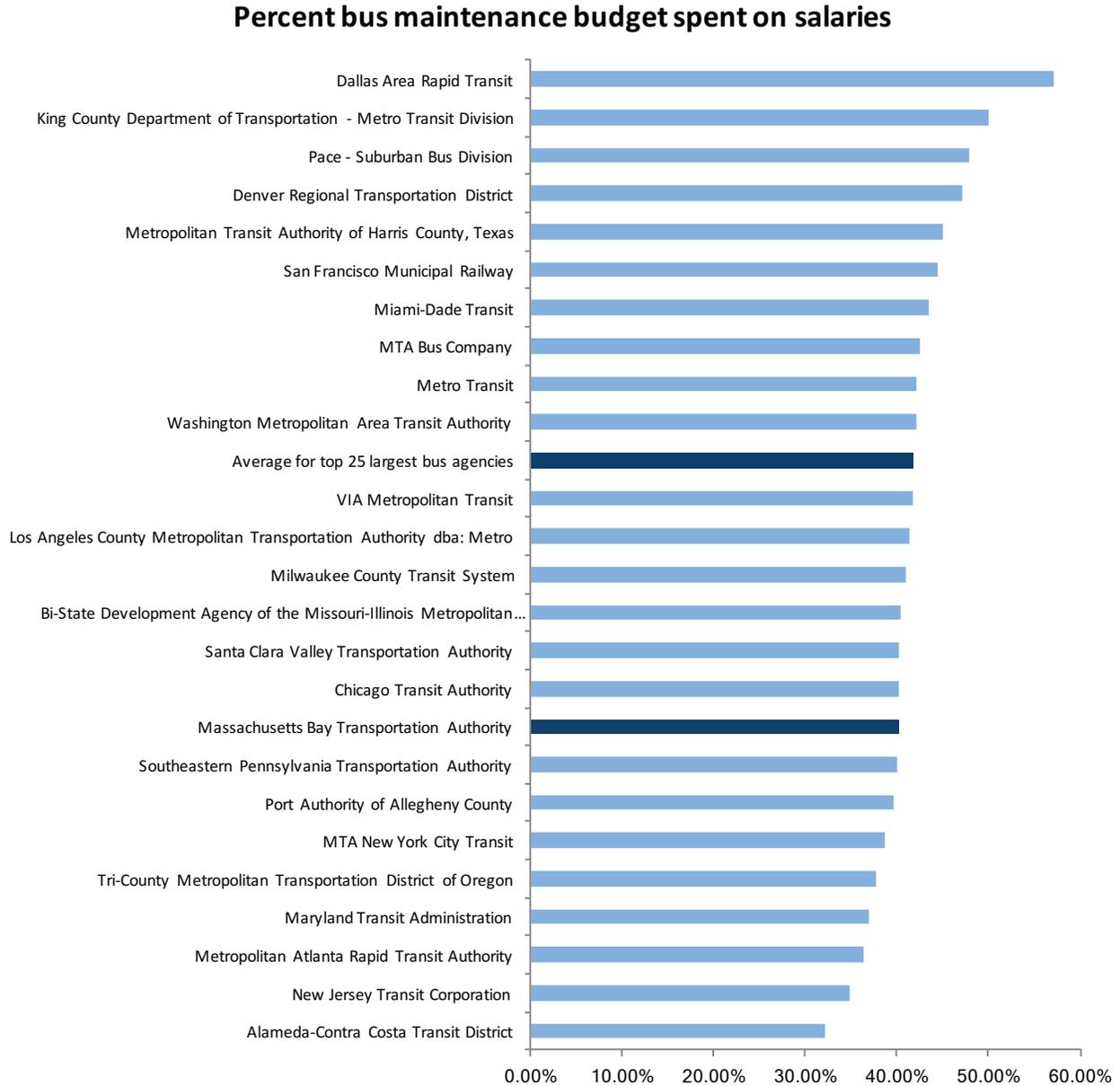


Figure 2. MBTA maintenance workers are only paid 2% higher than the average for the top 25 transit agencies in the country, when adjusted for cost of living.

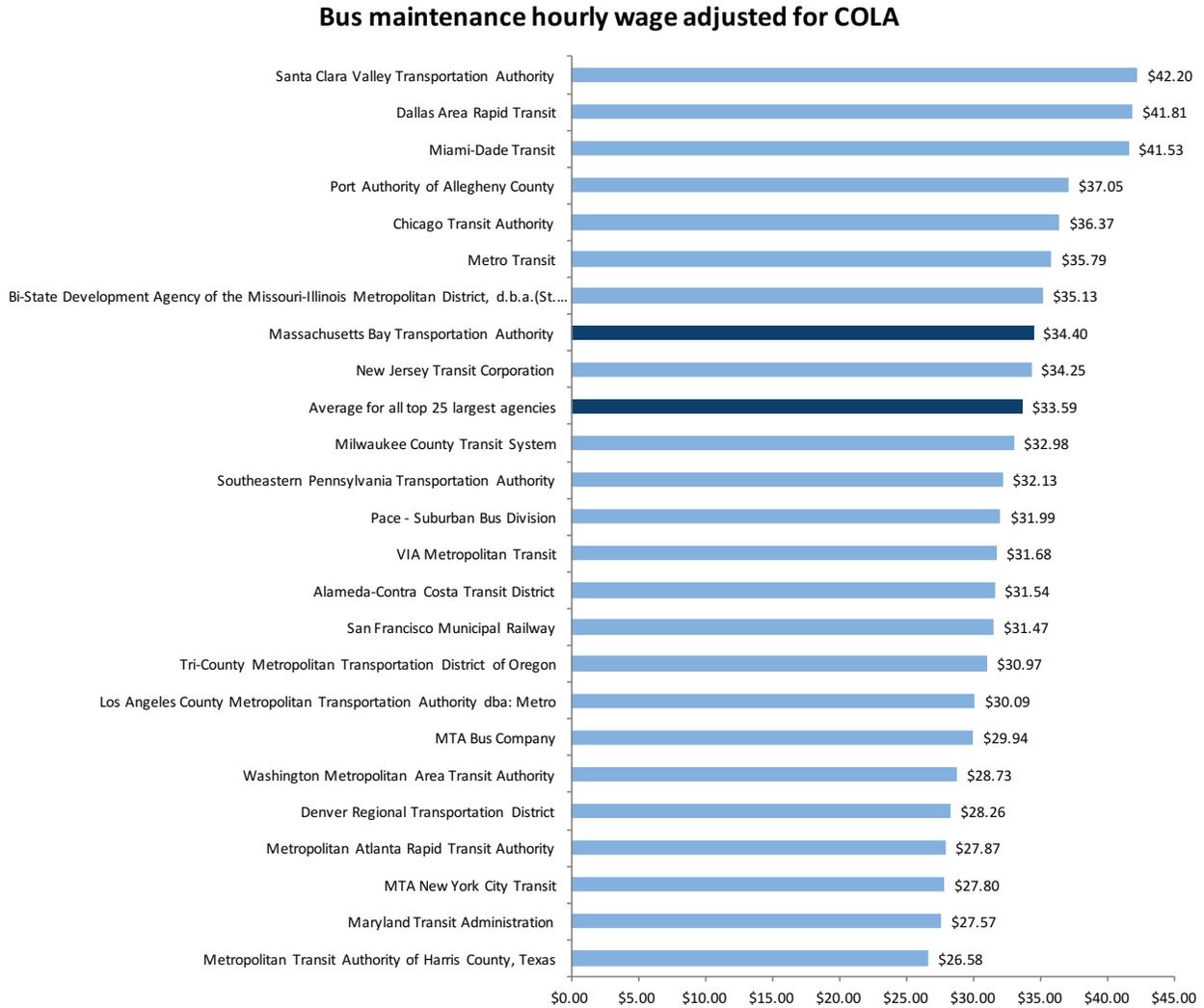


Figure 3. In 2015, the MBTA spent about the same proportion of their vehicle maintenance budget on salaries as their five bus agency peers on average.

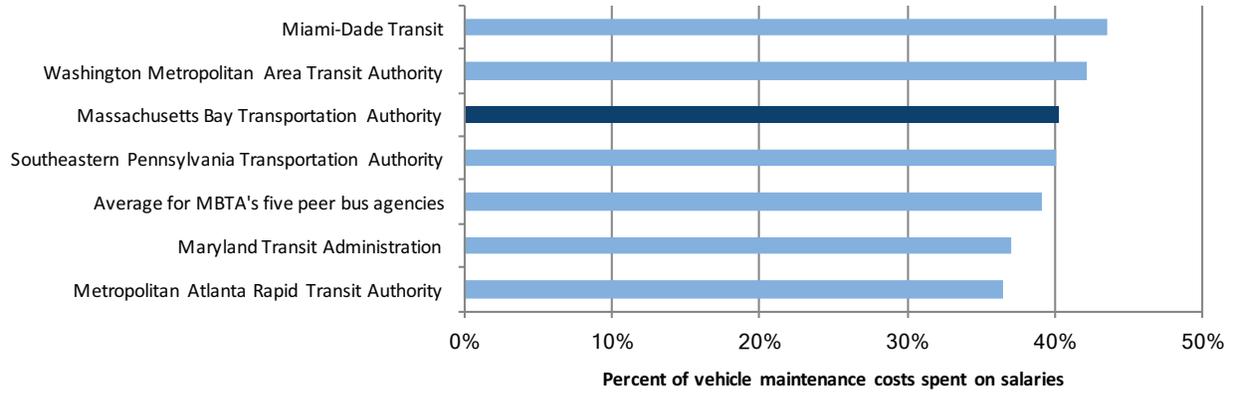
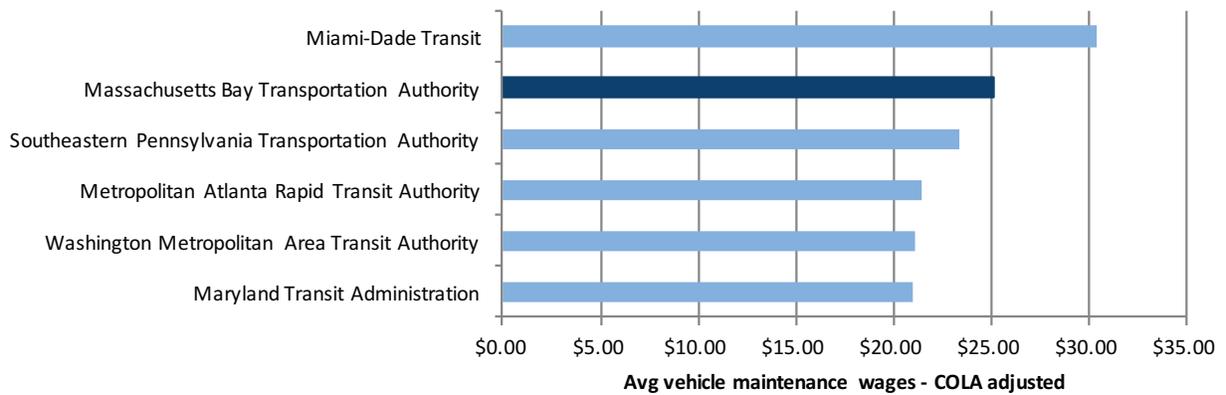


Figure 4. Average MBTA bus maintenance wages were only 7% higher than their five peer bus agencies in 2015.



SUMMARY:

When you buy a used car, you know you're saving some money upfront on the initial purchase price, but most likely you're going to have to spend more on maintenance and upkeep. That's the tradeoff of having an older vehicle.

Our public transit system works the same way. If you don't pay more upfront to buy newer buses, trains, and keep IT systems up to date, you're going to have to pay increasingly more for maintenance and upkeep costs. It's a simple fact.

What's often overlooked in the context of our public transit is that **choosing not to invest in those improvements doesn't mean the money doesn't get spent, it's a choice that's made about when and where money gets invested.** Because officials have chosen not to invest in updated infrastructure and effective funding measures for the MBTA in the past, we are paying more for maintenance now.

Despite a fleet that is significantly outdated and more varied compared to many other major cities, **our buses travel more miles between breakdowns than any other transit agency** in the United States, according to data reported by the MBTA in the National Transit Database. That's because the machinists employed by the MBTA are extremely skilled at what they do.

As presented in the Authority's own 2016 Bus Maintenance Efficiency Study, MBTA buses average 12,946 miles between breakdowns. Compare that to New York where buses are likely to breakdown after only 5,696 miles or Chicago where breakdowns occur after an average of 3,008 miles.

Looking at the same publicly available data from the National Transit Database, we can see that the MBTA has a disproportionately older fleet which requires more maintenance. **The MBTA paid their workers about average, and spent less of their budget on paying their workers than other large bus systems.**

The problem doesn't lie with the innovative, expertly qualified workforce or the quality of work. The problem is that MBTA buses are old and the fleet includes specialty vehicles that drive up costs. It's simple mechanics and simple mathematics.

WHO WE ARE:

INVEST NOW is dedicated to ensuring investments in Massachusetts public transit. INVEST NOW includes riders, workers, community groups, non-profit organizations, businesses, elected leaders and municipalities that support public transit.

WHAT WE STAND FOR:

Massachusetts workers and riders agree that the time to invest in public transit is now. The MBTA should continue to make improvements to its current operations, but that cannot distract from the greater need to invest in public transit for riders, workers, and our communities.

The long term costs of sweeping privatization are often higher than expected – as has been demonstrated in cities across the nation as well as internationally. Let's keep public transportation public – and invest in a stronger future for riders, workers, and the Massachusetts economy.

April 2017
