

Pilot Transit Service Draft Policy

Fiscal Management and Control Board

November 28, 2016



Current Service Requests

- Even while the MBTA focuses on improving the performance of the core system, opportunities will arise to provide new services and the MBTA currently lack a framework for responding.
- The MBTA has been approached by various entities about the possibility of providing permanent or pilot transit service to a particular location or group of users, including:
 - Bourne Commuter Rail Service
 - Foxborough Commuter Rail Service
 - Full Commuter Rail Service at the GE/Riverworks Stop in Lynn
 - Ferry Service (including from Lynn to Boston)
 - Overnight Bus Service in Boston
- MBTA does not currently have a formal policy to guide decision-making for pilot proposals, so today's discussion is intended as a first step in the development of such a policy.

Development of a Draft Policy

- Staff recommends that all new services begin as pilots and that the FMCB develop an overall policy by which to both assess proposals for implementation and judge implemented pilots.
- Staff recommends that all service pilot requests be required to have at least one city or town as a “sponsor,” which would be the official entity requesting the pilot.
- A draft pilot policy would establish a framework for:
 - Determining whether a proposal meets minimum criteria for implementing a pilot; and
 - Evaluating the effectiveness of the pilot to determine if the new service should be made permanent.

Elements of a Draft Policy

- At a minimum, staff recommends that a policy on service pilots address:
 - Ridership
 - Operating cost effectiveness
 - Operational impacts
 - Capital Costs
- Staff seeks FMCB feedback on whether and how other considerations should be incorporated into the evaluation of proposed service pilots.

Ridership

- Each pilot should be required to develop a projection of ridership for the proposed service.
 - Staff will conduct an independent review of these projections.
 - When possible, sponsors should provide information on the expected demographics of passengers.
- For most proposals, the policy should require that over time the pilot project achieve a ridership approximating that achieved by similar MBTA services. OPMI and Planning are currently working on developing examples of possible ridership metrics.
 - For example, for commuter rail pilots we might consider requiring a minimum number of daily boardings (250 boardings = the 25th percentile of existing commuter rail stations)
- We are also developing a metric to track ridership growth over the life of the pilot.

Operating Cost Effectiveness

- Each pilot proposal should need to meet a threshold of projected cost effectiveness, measured as subsidy cost per passenger.
- The FMCB could require pilots to demonstrate that the required subsidy per passenger approximates current modal subsidies:
 - Commuter Rail = \$6.56
 - The RIDE = \$44.53
 - Ferry = \$3.14
 - Heavy Rail = \$0.77
 - Light Rail = \$1.73
 - Bus = \$2.77
- Subsidy thresholds could also be modified as appropriate to better reflect pilot circumstances (e.g., use of peak vs. off peak subsidies).
- Failure to meet the subsidy per rider measure could be mitigated by contributions from project-sponsors or other stakeholders.

Operating Impacts

- Staff recommends that no service pilot be approved without an evaluation by the appropriate operating division (bus ops, commuter rail, etc.) addressing whether and how the pilot could affect ongoing operations:
 - Use of MBTA assets (vehicles, etc.)
 - Use of MBTA workforce
 - Ability to conduct maintenance and execute approved projects

Capital Costs

- Staff recommends that each pilot be assessed based upon its capital costs.
- The capital cost assessment would be limited to the capital cost expected to be borne by MassDOT/MBTA, and this metric could, therefore, be affected by a project leveraging contributions from other resources.
- It should also be noted that the capital costs for a pilot may be different than the ultimate cost for a project if the decision is made to convert to full-time service, and a pilot that passes this screen for start-up may need to be reassessed prior to the decision to go to full service.

Other Considerations

- In addition to assessing projects in terms of their transportation benefits, non-transportation metrics may also play a significant role.
- Staff seeks FMCB feedback on whether or how other considerations should be assessed:
 - Ability to leverage/support economic development
 - Potential to reduce GHG emissions
 - Provision of service to underserved or disadvantaged populations or communities.

Next Steps

- Based on FMCB input, staff will draft a Policy on Pilot Transit Service for FMCB consideration and approval.
- Staff will work with sponsors with pilot service requests to ensure that needed assessments are undertaken before the FMCB is asked to approve new service pilots.