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MBTA's new fare system will cost \$930 million, a big increase from previous estimates

By [Adam Vaccaro](#) Globe Staff, Updated April 27, 2020, 7:08 p.m.



Transit advocates criticized the MBTA for pushing ahead with a fare-collection system that they say will be developed before the transit system's policies on fares are really settled. Josh Reynolds

The Massachusetts Bay Transportation Authority on Monday once again approved a massive upgrade to an all-electronic fare system, a long-delayed project that will now cost much more than previously envisioned.

The MBTA's oversight board approved major changes to an existing contract with a joint venture led by industry leader Cubic Corp. MBTA officials say the new system will give them the [flexibility to charge different fares](#) based on time of day or other factors and integrate ferry and commuter rail fare transfers with the bus and subway systems, while allowing faster boarding of buses and trolleys.

The board [first approved the project](#) more than two years ago, but it was [hampered by](#) technological issues, policy debates, and lengthy negotiations over how to address both problems. Last year, officials [said the project would take years longer](#) than planned and cost much more than the original estimates. On Monday, they unveiled just how much: about \$210 million, bringing the price tag to more than \$930 million.

Yet MBTA officials say the new contract has many advantages. In part, that's because the original timetable, which would have had the new system fully in place by next year, was unrealistic. Instead, the changes will be rolled out in stages by 2025.

The renegotiated deal will also benefit riders, they said, including by providing more places where they can load money onto CharlieCards. That's an important consideration, because the project will eliminate cash payments on board vehicles.

"Our once-aspirational dreams are now memorialized into an agreement that fills over 3,000 pages," said the MBTA's chief transformation officer, Ron Renault, who is overseeing the project. "It's a significant investment in upgrading our worn fare-collection equipment."

Developing and installing the system will cost nearly \$600 million, while more than \$330 million will cover the costs of operating and maintaining it for a decade, officials said.

Several major contract changes are causing the cost increase, including a more concrete guarantee about the number of fare machines to be installed at stations (486) and on streets (767); a promise to explore technology that's meant to make fare gates more accessible for riders with disabilities; and several software customizations, such as a system that will prevent people from being overcharged if they fail to tap a CharlieCard as they exit the commuter rail.

The approval came over the objections of transit advocates who have long been skeptical of the need for new fare equipment. Some have [been concerned](#) about ensuring that a system without on-board cash payments is fair to low-income and minority riders and have [pushed for the T to offer free bus rides](#) or questioned why the deal would be approved during a global pandemic.

Stacy Thompson, director of the Livable Streets Alliance advocacy group, said the MBTA should determine what its future fare policy will be before developing the technology to implement it.

What the fare policy will be "is still the big open question. Technology should not supersede policy, and we should have sorted out the policy questions first," she said.

Some advocates who commented during Monday's board meeting, held via teleconference, questioned if the agency should take on such a huge project at a time of major financial uncertainty. [The pandemic has caused fare revenue](#) to plummet, and the T has new costs to address the virus, such as buying personal protective equipment for employees.

While the MBTA has [reduced service](#) in recent weeks, it may soon have to run more trains and buses to allow passengers to spread out as they return to work and ridership picks up, potentially increasing costs. General Manager Steve Poftak said Monday that the MBTA is creating a working group to chart its plan for when the [region's economy](#) reopens.

Poftak also said the MBTA will be drafting a new budget proposal for the fiscal year that starts July 1 because the pandemic has created a huge change in circumstances since the budget was approved. The MBTA has received more than [\\$800 million through the federal CARES Act](#), but Poftak cautioned on Thursday that even that sum is "unlikely to fund us at the level we would like."

Joseph Aiello, chairman of the MBTA board, said forecasting a budget for next year will be "like throwing darts" and directed Poftak's team to develop a plan that would allow the transit system to be flexible.

Ridership "will be a function of decisions made by others about the general economy, and then sort of about what we can do in terms of best practices to attract riders back," he said.