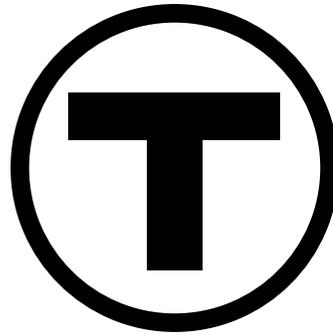


---

# *Transit Pilot Policy*

---



Policy on the Evaluation and Selection of MBTA Service Pilots

MBTA Fiscal and Management Control Board  
Approved March 27, 2017

---

# Policy on the Evaluation and Selection of MBTA Service Pilots

---

## Background

The MBTA is periodically approached by municipalities, land owners, developers, elected officials, and/or advocacy organizations with proposals for new types of MBTA service. These proposals vary greatly in their specifics, as well as in the refinement of the concepts and rigor of the analyses that underlie them. Nevertheless, the proposals represent authentic requests for new transit service and some proposals would clearly fill gaps in the transit system that have also been identified by MBTA staff and other stakeholders. The MBTA therefore needs a structured and transparent process to evaluate proposed service concepts for potential trial implementation and a policy that governs that process.

## Statement of Policy

The MBTA is primarily focused on strengthening and modernizing its existing assets and services. But public demand for new services, many with opportunities to support economic development initiatives, continues to exist throughout the MBTA service area and it is in the interests of the Commonwealth to encourage ridership growth. In keeping with two of the core agency values articulated in the MBTA Strategic Plan – **Focus on Customer Experience** and **Flexibility to Adapt and Evolve** – the MBTA needs to be able to consider potential new service in places where it can be introduced without unduly burdening the existing MBTA system, where the subsidy required is fiscally responsible, where its efficacy can be measured, and where it is likely to succeed.

This policy lays out a framework and process for the MBTA to consider and accept/reject proposals to implement new MBTA services on a pilot basis. This policy may be modified at the discretion of the Fiscal & Management Control Board.

## Key Principles

Going forward, all new services (new services that are not developed as part of a MassDOT/MBTA-managed service planning process) will begin as limited-duration, experimental **pilots**, so that their cost-effectiveness and overall success can be evaluated before any decision is made about whether to make them permanent. The initial duration of each service pilot will presumptively be eleven months, although a different duration may be specified as part of the approval of any pilot.

Service pilots are different from system expansion projects in that they will generally **require little or no capital investment**; by contrast, an expansion project is an expansion of both capital assets and service to a new location, requiring substantial investment in new assets. There may be cases where capital investments can be justified in connection with a service pilot because the investment benefits other services, modes, accessibility, or transportation providers (i.e. rail freight) while also facilitating a service pilot. In addition, capital projects that are already funded in a MassDOT/MBTA Capital Investment Plan and that support a service pilot will not be counted toward the costs of the pilot.

To be considered by the MBTA, service pilots need to have a **clear and consistent sponsor**, preferably the municipal government(s) of the city/cities or town(s) in which the pilot will take place. If the relevant municipality is not the primary sponsor, it needs to be closely involved with and supportive of the pilot proposal. Sponsor(s) will be required to collaborate with the MBTA on the development of the pilot service and to sign a Memorandum of Understanding laying out the terms of a service pilot should pilot service be implemented.

To be considered for implementation, service proposals need to have demonstrated **public support** behind them. The extent of any opposition to a proposed service pilot will also be weighed by the MBTA, as well as whether any opposition can be addressed through cost-effective mitigation measures.

Any proposals for passenger service that are submitted to the MBTA through the **Innovation Proposal Policy** shall be reviewed and considered under the framework established by this policy.

## Process

MBTA staff will follow the procedure described below when evaluating proposals for pilot services:

1. After all pilot service proposals initiated prior to the adoption of this policy have been evaluated, MBTA staff will establish an annual period of time in which proposals will be accepted for review and consideration. The annual submission window will correspond with the annual MBTA budget cycle.
2. Staff will inform the FMCB of all received proposals.
3. MBTA staff will collaborate with the sponsor(s) of a pilot concept in order to establish a workplan for fully developing the proposed concept. The products of the workplan will allow MBTA staff to evaluate the proposed service concept on the following criteria:
  - a. The characteristics of the proposed service, including optimal duration of the pilot
  - b. Anticipated capital and operating costs, to include an estimate of both capital and operating funds pledged to support the proposed service from other agencies and branches of the Commonwealth outside of MassDOT/MBTA
  - c. Anticipated annual incremental depreciation of the value and usability of MBTA assets, infrastructure, and vehicles, as related to the operation of the pilot service
  - d. Anticipated travel demand and likely market receptivity, with estimates of both total ridership and net new riders
  - e. Density of affected residents and jobs, including projected growth resulting from investments planned to support economic development
  - f. Access to economic and educational opportunities and job markets underserved by transit, particularly for low-income individuals
  - g. Availability of parking, if needed
  - h. The operational burden (e.g. impact to the system) placed on the MBTA operating divisions and/or Keolis, including demand for revenue vehicles and reduction of maintenance windows<sup>1</sup>

---

<sup>1</sup> For Commuter Rail proposals, this should include a discussion of any impact to the upcoming installation of Positive Train Control technology.

- i. The anticipated environmental benefits, including the reduction of greenhouse gases (to be offset by any emissions associated with the implementation of the service)
  - j. The anticipated benefits for multimodal connections and greater walking, bicycling, and transit usage
  - k. The anticipated benefits for freight movement or highway capacity
  - l. The anticipated benefits to the safety of the MBTA system and/or the surrounding transportation network
  - m. Whether the pilot will assist the MBTA in meeting its service delivery standards; filling a gap in service previously identified through MassDOT/MBTA planning processes; and/or strengthening existing MBTA services (increasing ridership, etc)
  - n. Whether the pilot will contribute to a balancing of new investments across the MBTA system, by region and by mode
  - o. Whether the goals of the proposed service harmonize with MBTA strategic and operational goals, as defined in the Strategic Plan of the Fiscal & Management Control Board and other relevant planning documents
  - p. Demonstrated local support for the proposed service and any opposition (and the extent thereof) that cannot be addressed through cost-effective mitigation measures
4. The MBTA will provide staff time and expertise to support the execution of agreed-upon workplans. The workplans will be executed using professional methodologies that can withstand scrutiny by MBTA staff and the members of the Fiscal & Management Control Board. Pilot sponsors will be expected to provide any necessary technical material and data requested by the MBTA, as well as any necessary expertise. The completion of the analysis will require the development of a hypothetical service plan for the proposed service, which MBTA staff will prepare in consultation with the pilot sponsor.
5. The evaluations will be done such that proposed service pilots can be scored quantitatively, to the extent possible. This will make it possible to compare pilot proposals with each other.
6. Following the completion of the evaluation, MBTA staff will publicly present the findings to the Fiscal & Management Control Board, along with a recommendation about whether or not to implement the pilot service.

7. Public outreach must be sufficiently complete to ascertain the levels of public support and/or opposition prior to the public presentation of the outcome of the evaluation.
8. If a pilot is approved for implementation, the MBTA will enter into a Memorandum of Understanding with the pilot sponsor(s) to memorialize the parameters of the pilot and the roles and responsibilities of the MBTA and the sponsor(s) during the life of the pilot.
9. Memorialized in a Memorandum of Understanding will be a program for gathering data and measuring performance during the life of the pilot. Specific performance goals will be developed for each pilot and will then be used to judge the success of the pilot. Pilot proponents will be encouraged to suggest potential performance goals as part of an initial application. Pilot implementation plans will allow for flexibility and adjustments during the period of the pilot, to facilitate learning during the period of the pilot and maximize the chances of success.
10. No pilot will be approved for implementation without a prior commitment between the MBTA and the sponsor to the metrics below:
  - a. A projected operating subsidy per trip, comparable to the current average per-trip subsidy on the most similar existing service
  - b. An amount of capital expenditure (if any) and identified sources for that spending
  - c. A ridership target for the pilot expressed as both total ridership over the pilot period and average daily ridership, including riders shifted from other forms of public transit and net new riders
  - d. Projected revenue (by day, by week, or by month, as appropriate) for the pilot service
  - e. The proportion of anticipated low-income and/or minority riders
  - f. A performance measure that best measures whether and by how much a pilot achieves the goals originally established for it
11. Other performance goals and accompanying measures will be developed specifically for each pilot. The MBTA and the sponsor(s) will come to agreement prior to the launch of the pilot on the data collection program needed to support the evaluation of the pilot, and particularly on the roles and responsibilities of both the MBTA and the sponsor(s) in the collection and documentation of necessary data.

12. The Chief Operating Officer of the MBTA will be asked to certify to the FMCB that the proposed pilot service can be operated for the anticipated duration without unduly burdening the MBTA and/or Keolis, and the Chief Financial Officer will review and approve the estimated operating and capital costs of the project.
13. The Memorandum of Understanding will include a calendar of interim milestones – gauged to the overall duration of the pilot – for measuring performance and reporting to the Fiscal & Management Control Board on progress of the pilot service.

## **Response to Pilot Results**

At the end of a service pilot period, MBTA staff will report all of the results of the pilot to the Fiscal & Management Control Board. Based on the outcome of the pilot, the Fiscal & Management Control Board will vote on whether and how to continue the service. If the Fiscal & Management Control does not vote or take other affirmative action, a pilot will automatically not be continued. The vote will be based on the performance of the service during the pilot period vis-à-vis the established goals and other outcomes that may not have been anticipated during the planning of the pilot. In addition, the Fiscal & Management Control Board may elect to consider issues such as:

1. Long-term capital needs required to make the pilot service permanent, including such items as parking and MBTA vehicle layover/storage
2. Long-term operating expenses that will accrue to the MBTA
3. Long-term revenue projections for the service
4. Opportunities for long-term public-private partnerships or value capture, based on the continuation of the pilot service.

Pilot sponsors should assume that pilots will not be continued if they have not met key metrics and goals established during the planning for the pilot service.

## **Third-Party Contributions**

The MBTA will consider pilot proposals regardless of whether the pilot sponsor(s) are able to make financial or other types of contributions to the potential implementation of the service. However, a sponsor who is able to partner with the MBTA to support the costs of the pilot service – whether through a cash contribution; in-kind support; a financial ‘back-stop’ should the costs of the pilot exceed the projections; or other means – may earn additional points in the scoring and evaluation of their proposal. This does not mean that the Fiscal & Management Control Board would not vote to implement a pilot concept that came with no contribution, and nor does such a contribution guarantee a decision to implement.