

A BACKGROUND REPORT ON

64-895

THE DISPUTE BETWEEN

THE SOUTHERN CALIFORNIA RAPID TRANSIT DISTRICT

AND THE

UNITED TRANSPORTATION UNION/
AMALGAMATED TRANSIT UNION

August 23, 1976

Without presenting the District's most recent offer to their members, leaders of the United Transportation and Amalgamated Transit Unions called for a work stoppage, halting public transportation services at 12:01 a.m. Monday, August 23. The stoppage leaves many of the 750,000 daily riders of the Southern California Rapid Transit District buses with no way to reach their jobs, medical attention, or other destinations.

Once again, union leaders have exhibited a lack of responsibility by not seriously negotiating a new contract until the brink of the strike deadline was reached.

The expiration of the old contracts with both the United Transportation and Amalgamated Transit Unions on May 31, without agreements to replace them, triggered a 70-day cooling off period and action by the State Conciliation Service to call for the appointment by Governor Brown of an independent Fact-Finding Commission. This cooling-off period and fact-finding process is required by the law that created the SCRTD.

On June 10, 1976, Governor Edmund G. Brown, Jr. appointed a Fact-Finding Commission consisting of Leo Weiss, Chairman, and Robert M. Leventhal and Barbara Bridgewater, commissioners, all of whom have experience and training in arbitration and fact-finding processes. The panel's mandate was to meet and confer with the parties to the dispute, take evidence and testimony on the issues and report back to the Governor and the parties with specific recommended settlements for each issue in dispute.

The Commission held extensive hearings at Los Angeles, in June and July. At these meetings the parties introduced documentary evidence and gave testimony to support their positions. The Commission members questioned all parties on their exhibits and testimony. The Commission submitted a preliminary report to the parties for their comments, and on August 9, sent its final report to the Governor and the parties to the dispute. This report became the basis for further negotiations on the disputed items.

Leaders of the United Transportation Union have ignored the Fact-Finding Commission's recommendations for 76¢ in hourly wage increases and have demanded 97¢ over the term of the contract. This would give RTD drivers increases much greater than other local public and private employees who pay for transit through fares and tax subsidies.

Amalgamated Transit Union leaders representing mechanical and bus service employees are also demanding heavy increases in wages and benefits for all their members. If RTD grants the Union's proposals it would fuel the inflationary spiral of taxes and prices and betray the Board's trust to spend public money wisely.

BINDING ARBITRATION REJECTED

In a final effort to maintain bus service for the public, the RTD on August 22, 1976 offered to submit all disputed items to final and binding arbitration, provided neither Union struck. Binding arbitration is a process in which a neutral person acts as a "judge" and resolves disputed issues while work continues and both parties agree to accept the result as final and binding.

As they had done prior to their strike in 1974, leaders of both Unions have again refused to use binding arbitration for reaching a settlement.

From the start, the District's goal has been to achieve a settlement that is at once fair to its employees and to the patrons and taxpayers who fund the operation of the public transportation system through fares and taxes. RTD guidelines for achieving a settlement follow the same concern displayed by the Governor's Fact-Finding Commission in its recommendations for a settlement. To quote a part of the Commission's report: "...our recommendations on the drivers' wage issue, taken in conjunction with the cost-of-living adjustments, will maintain these employees in their current relative labor market position for the proposed term of agreement (three years)."

In this spirit, RTD proposed to leaders of the UTU, which represents 4,500 RTD drivers, that the cost-of-living escalation allowances already granted be incorporated into new contract wage rates. Overall, the District offered a 19.5% wage and benefit package over three years.

The District's wage and cost-of-living offers, which supplemented the recommendations of the Independent Fact-Finding Commission, would give fair compensation to operators and mechanics in the near future, and would also protect them against rises in the cost-of-living by adding additional wage increases that would go into effect as the Consumer Price Index rose.

POSITIVE ASPECT OF RTD EMPLOYMENT

It is a matter of record that the men and women represented by the United Transportation Union enjoy secure, desirable and well-paid employment not easily duplicated in the private sector.

Union officials have stated the RTD ranks 30th in bus operator pay scale among public transit properties in the nation. The fact is that of the 23 major transit systems in the nation, (cities with 1 million population or more), RTD ranks 13th. With the increase RTD offered to the union (\$7.02) on June 1, 1976, RTD would rank 5th in the nation.

In 1975, annual average earnings of RTD operators were \$16,281. These earnings were achieved when the operator's average hourly wage rate was \$6.24 as compared to its present level of \$6.67.

In addition to these earnings, operators receive fringe benefits totaling 24.5%, which in real dollars equates to an annual rate of pay in excess of \$20,000. These benefits include vacations, sick leave and health and welfare provisions,

paid holidays, workmen's compensation and pensions.

The number of operators who quit these well-paid jobs in 1975 was only 2.4 per hundred employees, compared to a quit-rate of 16.3 per hundred in U. S. manufacturing industries.

A job as an RTD bus driver is much sought after, as indicated by District hiring statistics during a recent three-month period from March 11 to June 11, when 589 new employees were hired from a total of 5,831 applicants.

The job security enjoyed by the District's operators is unmatched in the private sector. During 1975, the overall layoff rate in U. S. manufacturing industries was 25.4%. Among RTD's bus operators, the layoff rate was 0%.

As an equal opportunity employer, the District's achievements are also outstanding. Of its present work force, more than 55% are non-anglo.

With respect to the effects of inflation on purchasing power, the District's operators have fared well during the past 15 years. During this time, when large numbers of Los Angeles area workers were fortunate to break even with the rising cost of living, RTD's operators enjoyed increases of 48.2% in real purchasing power. RTD's offer to the United Transportation Union would have protected that gain through a cost-of-living provision designed to hold the line on inflation, rather than add to the burden already shared by the patrons and taxpayers whose money pays operators' wages.

The UTU has also consistently resisted RTD proposals to change costly railroad-type work rules in the operators' contract.

ABOUT DISTRICT FINANCES

The 1976-1977 Fiscal Year is already marked by greatly increased operating costs and severe cuts in available subsidy money. The Los Angeles County subsidy to the RTD had been cut by more than half and the drying up of some former funding sources caused the District Board of Directors to impose a general fare increase in July. Even with the increased fares, the District is able to provide the 35¢ two-zone fare only by reason of the tax support available. Fares from riders cover only 37 percent of the District's operating costs and the other 63 percent comes from tax sources.

TAX SUPPORT CREATES A MANDATE TO THE DISTRICT TO KEEP LABOR COSTS UNDER CONTROL. WE HAVE AN OBLIGATION TO THE TAXPAYERS TO USE THEIR MONEY WISELY AND WELL. GRANTING EXCESSIVE WAGE AND BENEFIT INCREASES DEMANDED BY UNION LEADERS DOES NOT MEET THAT OBLIGATION.

Who Suffers?

A potential work stoppage by the Unions would hit hardest at those people who are least able to defend themselves: those dependent on public transit to get to work, to shop, to school and the low-income and handicapped citizens. Additionally, there are nearly 500 other unionized District employees who in the past have honored striking Unions' picket lines and would miss work and their paychecks. These employees and their families would gain nothing by a strike and would suffer for the duration of the strike.

The citizen who depends upon public transportation is the big loser. Those who cannot afford cars, the senior citizens who no longer drive and the thousands of handicapped for whom transit means freedom; students trying to get to school -- the family breadwinner unable to get to the job -- these are the real victims in a transit work stoppage.

A transit strike does more than affect individuals -- it affects the total economy of the area, including those persons who do not use public transit. Our efforts to reach a settlement have rested on our knowledge of the hardships caused by a work stoppage. Our intention remains to bring about a settlement.

OTHER DISPUTED ISSUES

The major issues, other than wages and cost-of-living adjustment, in the labor dispute between the District and leaders of the Unions representing RTD drivers and mechanics are sick leave, health and welfare insurance provisions, shift differentials, pensions, paid holidays.

RTD MANAGEMENT HAS STOOD WILLING FROM THE BEGINNING TO NEGOTIATE AT ANY TIME, ON AN AROUND-THE-CLOCK BASIS, IF NECESSARY, TO REACH SETTLEMENTS WITH ITS UNIONS. WE RECOGNIZE OUR OBLIGATION TO ASSURE THAT THESE SETTLEMENTS WILL BE FAIR AND EQUITABLE TO OUR EMPLOYEES, THE PUBLIC WE SERVE, AND TO THE TAXPAYERS WHO PAY THE BILL.

The District notes a disturbing trend statewide in the attitude of union leadership in holding the public as hostage each time a labor contract expires. In the past three or four years alone, crippling transit strikes have occurred in San Francisco, Oakland, Sacramento, San Diego as well as Los Angeles. As in 1974, bargaining with the unions began well in advance of contract expirations. Every effort made by the District to achieve early resolution of issues in dispute was met with indifference bordering on disdain. Once again, the need for open negotiations clearly has been demonstrated.