



NEWS

Labor Negotiations Update #2

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MTA NEGOTIATING TEAM FOCUSING ON KEY COST-CONTAINMENT ISSUES IN EFFORT TO REACH LABOR AGREEMENTS WITH UNIONS

Citing MTA labor unions' obligation to do their part to help balance a budget deficit during lean economic times, MTA's negotiating team has brought key cost-containment proposals to the bargaining table that are necessary to help eliminate a budget deficit and provide a more efficient work product in the future.

The MTA has already taken several significant steps to contain costs internally, said MTA Chief Executive Officer Franklin White. The agency has proposed the following five-point plan to get a \$126 million operating deficit under control: 1.) a fare increase; 2.) service cuts; 3.) seek more money from federal and state sources; 4.) internal cost reductions and 5.) reduced labor costs.

As part of the continuing internal cost reduction effort, White said, a total of 515 administrative positions have already been eliminated and the use of outside services has been cut in half. The MTA Board of Directors also is considering a fare increase, as well as potential service cuts, as part of the FY 1995 budget.

"We recognize that maintaining and operating a bus or train are demanding professions, and that MTA operators and mechanics do good, professional work," said White. "At the same time, if we are to keep providing the level of service expected of us by our riders, we must contain costs. Since 60 percent of our operating budget is labor costs, labor must be part of the solution."

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The MTA has brought four main issues to the table to discuss with leaders of the agency's three principal labor unions -- the United Transportation Union (UTU), which represents almost 4,400 bus operators and schedule checkers; the Amalgamated Transit Union (ATU), which represents more than 1,900 mechanics and service attendants, and the Transportation Communications Union (TCU), which represents more than 600 clerical workers. The

Wages and Cost of Living Adjustments (COLA) -- MTA bus operators are the second-highest paid in the nation. With benefits, the average bus operator compensation is approximately \$68,000. The average ATU compensation is \$59,700 with benefits, while TCU employees earn an average of \$49,660 including benefits. The MTA is not asking anyone to take a cut in pay; the agency is, however, requesting a salary freeze in the first year. In addition, the MTA is one of very few transportation providers in the nation still offering its union-represented employees COLAs. Because they tend to cause wages to spiral without any management control, MTA is recommending they be eliminated.

Benefits -- The amount MTA pays to each union employee's health benefits package is higher than all local government agencies, and most large private agencies as well. The MTA seeks to bring the health plan contribution closer to that of the agency's non-represented employees, which would bring the MTA in line with most transit operators' health plans across the country.

Work Rules -- Current overtime and vacation pay rules require 45 hours of pay for a 40-hour vacation week. Also, in some cases an operator is not required to work a full 40-hour week before being eligible for premium overtime pay. MTA believes these are costs that must be contained. MTA must have more flexibility in the number and use of part-time employees.

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Outside Contracting -- The ATU contract requires work such as making dust pans and mop buckets or rebuilding parts to be done in-house when these things can be obtained outside for much less money. More flexibility is needed under the UTU contract to allow other transit operators to pick up a greater share of public transit when it is more efficient for them to do so.

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