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FOR IMMEDIATE RELEASE

MTA Urges Union Leaders to Back Off from Strike Threat

MTA officials today urged leaders of the union representing MTA's maintenance workers not to go on strike and strand hundreds of thousands of public transit users, wreck the regional economy and clog Los Angeles streets and freeways.

"A strike is not only unnecessary, but it will do great harm to county bus riders who depend on public transportation for their livelihoods," MTA Board Chairman Zev Yaroslavsky said, " Moreover, it will inflict real harm on striking employees and their families, because the income they lose by striking can never be made up. It makes no sense to them, to our customers or to our community for our workers to walk out."

Yaroslavsky noted that despite facing the worst fiscal crisis in decades, brought on largely by the state budget meltdown, the MTA has offered pay raises and substantially more money for health and other benefits to its mechanics and service attendants. Union leaders, he emphasized, have rejected four contract offers in the past year without even sharing those with their members.

The biggest issue dividing MTA negotiators and union leaders is over contributions to health benefits. MTA deposits \$16.8 million annually into a trust fund administered by the maintenance union which buys medical coverage for 2,000 employees plus retirees. An independent audit of the trust fund shows the union has wasted millions of dollars in recent years through duplicative coverage, poor record keeping and other problems.

Among other issues, the audit faulted the union for transferring \$36,000 a month into union operating funds but union officials refused to provide documentation for how the money is spent. The audit also noted that the union has been paying a consultant up to \$15,000 a month since 1998 to automate their record keeping but the task still has not been accomplished and the data is kept manually so the union has no real time information about how the trust fund is doing.

MTA maintenance employees pay very little out-of-pocket (no monthly deductions for employees and only \$3 for a spouse and \$6 for a family) to support their health plan in contrast to most public and private employees who typically pay between 19 and 22 percent of the insurance plan costs.

The maintenance employees' union health and welfare trust fund is on the verge of bankruptcy despite MTA giving the union a one time contribution of \$3.74 million last fall to shore up the fund reserves.

"Union leaders basically ran the trust fund into the ground, and now they want the taxpayers to bail them out and are threatening a devastating work stoppage to strike if they don't get their way," said MTA CEO Roger Snoble.

"Instead of holding a club over the heads of our customers, I urge union leaders to take responsibility to clean up their health trust fund and return to the bargaining table and don't walk out," Snoble said, adding that MTA is committed to working out a new agreement and avoid a disruption in service.

"MTA is not going to strike. It's our unions that are threatening to walk out and deny service to our customers who depend on them," Snoble said, adding "MTA's ability to serve our customers in the long-term is at stake. We can't afford to write our unions a blank check and still be able to maintain bus, rail and highway transportation options for the public."

Besides the human toll on Metro customers, employees and the general public, it is estimated that a transit strike could cost the local economy \$4 million a day in lost wages, sales and productivity.

In the wake of the strike threat announcement by union leaders, MTA is urging its customers to make other transit plans should maintenance workers walk off the job as early as Tuesday. They can call 1-800-commute for

information on service provided by municipal bus operators or log onto www.ridematch.info for rideshare options.

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