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FOR IMMEDIATE RELEASE

**Labor Contract Negotiations**  
**Statement by Metro Deputy CEO John Catoe**

We just briefed the Board on the status of our plans and preparations to begin contract negotiations in March with the Amalgamated Transit Union (ATU) and the United Transportation Union (UTU) with the aim of consummating an agreement by the time the current contracts expire at the end of June 2006.

It has been widely, and correctly, reported that Metro and Union negotiators have agreed to take a radically different approach to the negotiations. We already have begun a helpful dialog with our union counterparts about the process and in February each side will complete a course of professional training in "interest based negotiating" - an approach that has proven successful in similar contract negotiations around the country.

Interest Based Negotiating (IBN) works on the principle that contract negotiations that begin with a focus on each side's real interests and aims, rather than from entrenched positions, tend to be more optimistic, less prone to break down, and more quickly productive of balanced agreements that produce 'no losers.'

Productivity gains, service improvements and modest financial gains made 2005 a good year for Metro and its customers but this does not mean the negotiations will be easy. Indeed, we face the triple financial challenge of negotiating a fair contract that will secure our productivity and service gains, reducing Metro's large structural deficit, and, not least of all, devising a sustainable financial plan capable of funding Metro's operational and other commitments.

Challenges notwithstanding, as head of Metro Operations and lead negotiator for Metro, I am optimistic about our upcoming talks. There is every reason to believe that, if we fully engage in the interest based approach, we can avoid the counterproductive acrimony of past negotiations and achieve new labor contracts that further the interests of Metro, its employees and, most importantly, our customers.

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