



September 25, 2002

Metropolitan
Transportation
Authority

One Gateway Plaza
Los Angeles, CA
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TO: MTA BOARD OF DIRECTORS

FROM: GARY CLARK

SUBJECT: AB 1677 (KORETZ)

Attached please find a one-page synopsis on AB 1677 (Koretz).

The Executive Management and Audit Committee (EMAC) forwarded the bill to the full Board without a recommendation. This bill will be considered by the Board at the September Board meeting on September 26, 2002. This bill is currently on the Governor's desk awaiting his signature or veto.

The attached "Fact Sheet" delineates the bill's provisions and provides background material. MTA staff strongly opposes this bill and desires a veto.

If you should have any questions regarding AB 1677, please contact me at 213/922-2226.



FACT SHEET

AB 1677 (KORETZ)

ISSUE

AB 1677 (Koretz), will require agencies to impose strict meal and rest periods on the operators of public transit systems or pay premium time to operators whose schedules do not meet those requirements.

BACKGROUND

The Industrial Welfare Commission promulgates regulations creating the states' wage and hours worked laws. The current regulation covering the transportation industry (Wage Order No. 9) specifies meal and rest breaks for various categories of workers. The Wage Order contained a clear and definitive exemption for public agency drivers which mirrors California law and practice that has existed for decades.

AB 1677 (Koretz), would overturn current law. Currently, meal and rest periods are provided based on MTA service scheduling and collective bargaining. Imposition of these requirements will force the MTA to either completely reschedule transit routes and disrupt transit service, hire new operators to run the system during break times, or pay premium rates for breaks and meal periods. The MTA estimates it will cost approximately \$6 million annually to implement the bill's provision.

In addition, the MTA believes these breaks should be addressed during the collective bargaining procedures as they have been for the last 100 years. The state should not mandate premium pay for breaks that may be impossible or undesirable to schedule. Currently, the most senior drivers will often actually request that management schedule so-called "Straight 8's" allowing drivers to come in as early as possible, complete a route, and go home for the day. The language of AB 1677 with its guarantee of breaks in the middle of routes, would require transit systems to break up these preferred routes, hire additional drivers to cover the same work, and/or pay premium pay on top of breaks that drivers don't want but are now statutorily required to receive. These funds could be better spent providing more transit service to our communities. The bill is sponsored by the Amalgamated Transit Union (ATU). The United Transportation Union (UTU) does not have a position on this bill.

The MTA strongly urges an oppose position.