



August 22, 2002

Metropolitan  
Transportation  
Authority

One Gateway Plaza  
Los Angeles, CA  
90012-2952

**TO: BOARD OF DIRECTORS**

**FROM: ROGER SNOBLE** 

**SUBJECT: AB 1677 (KORETZ)  
INDUSTRIAL WELFARE COMMISSION AMENDMENTS**

**ISSUE**

AB 1677 (Koretz), would impose mandatory meal and rest period requirements for public transit and other public agencies that utilize commercial drivers. AB 1677 would do this by imposing upon public agencies the regulations of the Industrial Welfare Commission currently applicable to privately employed commercial drivers. AB 1677 has been on hold in the Senate inactive file since last year and new amendments are being pursued by organized labor groups in the last days of this year's legislative session. The bill could be heard on the Senate floor within the next few days.

Specifically those regulations require:

- A mandatory 30-minute meal period after 5 hours of work.
- Mandatory ten minutes of rest for each four hours of work.
- Compensation for that time if the meal and rest periods are not provided.

**BACKGROUND**

AB 1677 would impose meal and rest period requirements upon public transit agencies irrespective of the way in which public transit services are delivered.

On the last day of last year's legislative session, AB 1677 was amended to address an issue raised by the Silicon Valley Manufacturing Group and negotiated with labor unions. In return for addressing the concerns of the Manufacturing Group, legislators carrying the bill agreed to address a number of unrelated employee issues identified by labor unions. Included in this list is the application of meal and rest periods for commercial drivers.

Industrial Welfare Commission's Wage Order #9 mandates meal and rest periods for commercial drivers employed in the private sector. This order requires that a meal period of 30 minutes be provided after 5 hours of work and that a rest period of 15 minutes be provided for each 4 hours of work. The Wage Order declares that meal

and rest periods are considered paid time and authorizes differing arrangements to be made so long as the meal and rest period is compensated time.

It is important to note that all public transit operators currently provide meal and rest periods. The structure of these periods is the result of collective bargaining and allows management the flexibility to structure the delivery of services. Currently, meal and rest periods are based on the routing of service. Operators bid on the routes understanding the schedule of the breaks within that route. This allows for shifts in which operators work for a longer period of time, and take their breaks at the end of shift rather than breaking up the workday to provide a rest period.

Under AB 1677 the flexibility for both management and employees would be removed. Even though employees' choice would be removed, they would however, be eligible for compensation under the new regulations. AB 1677 would create an extremely complicated and onerous requirement on public transit. Agencies would either be required to interrupt transit service to provide these breaks or compensate drivers for this new benefit. If transit agencies were to implement the breaks, bus schedules in all likelihood, would have to be completely restructured to allow the breaks and significant numbers of new operators would have to be deployed to relieve operators when taking breaks.

The alternative for transit agencies is to not provide the meal and rest periods and compensate operators for the time which has the same effect of providing a wage increase. Staff suggests that this subject should be a part of the collective bargaining process as opposed to a legislated mandate.

### **NEXT STEPS**

Currently, organized labor is attempting to move a number of pieces of legislation during the last two weeks of session. These efforts were highlighted in a Los Angeles Times article on Tuesday, August 20. AB 1677 is one such bill. As previously mentioned, AB 1677 could be heard on the Senate Floor in the next few days. The bill will then be returned to the Assembly for concurrence and, if approved, would be transmitted to the Governor. It is important for opposition to the measure to be registered immediately.

Staff recommends that a letter of opposition be sent to members of the Los Angeles County State Legislative Delegation and to the Governor. The California Transit Association is actively opposing this measure and staff are working with the Association.

MTA Government Relations will provide an update to the Board on the status of this bill at the September Executive Management and Audit Committee Meeting.



**FAX COVER**

**MTA SECRETARY'S OFFICE**

**Date: August 22, 2002**

**TO: MTA BOARD OF DIRECTORS**

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**cc: CEO; DCEO**

**FROM: BOARD SECRETARY'S OFFICE**

**SUBJECT: AB 1677 (KORETZ) Industrial Welfare Commission Amendments**

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