



June 1, 1995

Franklin E. White
Chief Executive Officer

Los Angeles County
Metropolitan
Transportation
Authority

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TO: MTA BOARD MEMBERS AND ALTERNATES
FROM: FRANKLIN E. WHITE *F. White*
SUBJECT: LAYOFF OF ATU EMPLOYEES

213.623.1194

As you know, the layoff of 88 ATU represented employees was scheduled effective June 3. This is in addition to the 94 non-union employees who were laid off on May 17.

Today, in response to a suit brought by the ATU, Superior Court Judge Diane Wayne issued a temporary restraining order preventing the ATU layoff until at least June 16, when a hearing will be held on the merits of this case. However, Judge Wayne did require the union to post a \$200,000 bond to offset any damages the MTA may incur should it prevail at the June 16 hearing.

The union's position is that layoffs are contrary to the collective bargaining agreement provisions dealing with subcontracting. Our position is that the side letter negotiated in 1994 allows for both these layoffs and our subcontracting efforts. Separate from the lawsuit, an expedited arbitration on this issue is scheduled for June 19 and 20.

The lawsuit by ATU was anticipated and TRO's are not unusual in these situations. However, our projected annual savings for the layoffs is approximately \$4,900,000. The ATU furloughs are an important element of the cost savings required to balance the budget for this year as well as next year.