



INTEROFFICE
MEMORANDUM

May 6, 2003

TO: MTA Board Directors

FROM: Roger Snoble 

SUBJECT: Press Release

To support Board legislative positions, I plan soon to issue the attached press release. If you have any concerns please call me.

DRAFT**CONFIDENTIAL****NEWS**

May , 2003

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MTA MEDIA RELATIONS

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WWW.MTA.NET/PRESS/PRESSROOME-MAIL: mediarelations@mta.net**FOR IMMEDIATE RELEASE****MTA BOARD FIGHTS LEGISLATION THAT BYPASSES COLLECTIVE BARGAINING, PUTS TAXPAYER DOLLARS AT RISK**

MTA is lashing out at state legislation sponsored by its labor unions that would usurp the collective bargaining process and potentially cost taxpayers tens of millions of dollars with little or no public accountability for how those monies are spent.

The MTA Board of Directors strongly opposes AB 1720 (Nuñez) and AB 98 (Koretz), bills that would impose costly provisions in MTA labor contracts and bypass the collective bargaining process. The Board also has expressed concerns over AB 199 (Oropeza), which would give special treatment to one of MTA's labor unions.

"AB 1720 is particularly egregious," said MTA Board Chairman Hal Bernson. "The leadership of the Amalgamated Transit Union (ATU), representing MTA mechanics and maintenance employees, is seeking what amounts to a 50 percent boost in MTA contributions to a union trust fund that pays health benefits for those workers. That could tack on \$6 million a year on top of the \$12 million MTA annually contributes to that fund."

Under the bill, MTA would have to make sure the union-administered trust fund maintains a \$6 million reserve. Just six months ago, MTA gave ATU \$3.74 million to bring that reserve to \$6 million, a one-time payment required under the recently expired ATU contract with MTA.

"Now the ATU leaders are telling legislators the trust fund could go broke this spring," Bernson noted. "How did the union go through \$6 million so fast and why hasn't MTA been given an accounting for those expenses?"

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Bernson noted MTA contributes more for health benefits for the 2,600 ATU employees and retirees (\$533 a month plus the reserve payment) than for the other MTA employees and ATU member co-payments for medical services are minimal.

Even though the ATU contract with MTA has expired and a new one is being negotiated, MTA is still honoring terms and conditions of the previous contract and continues to make contributions to the ATU health and welfare trust fund.

MTA Deputy CEO John Catoe said MTA also is troubled by misinformation that ATU President Neil Silver and his lobbyists are telling legislators.

"They're telling lawmakers that MTA is sitting on substantial cash reserves, but there are no reserves," Catoe said. "We have fund balances but those monies are committed to capital projects such as street and highway improvements, busways and light rail projects that are under construction or are pending construction. The vast majority of these funds are restricted by law for capital purposes and can't be used for operating expenses, and if MTA were to scrap these projects it also would have a serious regional impact on traffic congestion."

"If MTA were flush with cash, why are we proposing such draconian measures as cutting more than 100 jobs, freezing wages (unless pay increases are specified in union contracts), and adjusting fares to cope with the state budget deficit and other financial constraints?" Catoe asked.

Catoe noted that MTA offered ATU a 16 percent increase in MTA's medical contributions to the union trust fund as part of a new contract package but ATU rejected the package.

"Now they're exercising their political clout in Sacramento to gain what they couldn't get in collective bargaining in Los Angeles," Catoe said.

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Two similar bills also are moving quickly through the Legislature.

Another bill initiated by the ATU, AB 98 (Koretz), would cost MTA an additional \$11 million a year in overtime wages to comply. The bill would dictate when and how MTA would structure rest times and meals for its bus operators, something that for decades MTA and the United Transportation Union, which represents MTA bus and rail operators, have negotiated in their contracts.

The American Federation of State, County and Municipal Employees (AFSCME), which represents about 550 Metro bus and rail supervisors, is sponsoring AB 199 (Oropeza), a bill that would put the collective bargaining oversight for that union under the Public Employees Labor Relations Board. This bill fails to address all the rights set forth under the current laws that regulate public transportation labor relations. Historically, collective bargaining for public transportation unions has been regulated under the Public Utilities Code.

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