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LABOR

IN THE

TRANSIT

INDUSTRY

THE U.S. DEPARTMENT OF TRANSPORTATION
Assistant Secretary for Policy, Plans and International Affairs
The Office of Transportation Systems Analysis and Information
May, 1976

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16. Abstract

The labor component of the transit industry in the United States has a pervasive impact on the industry. Labor compensation is the major operating cost element in most transit activities and comprised approximately 65 percent of the industry's operating expenses in 1974. In addition to its cost significance, transit labor, through its bargaining patterns and work agreements influence such matters as service continuity and productivity.

This study examines the labor component of the transit industry to provide an understanding of this matter which might be useful in developing future policies and programs. Among the matters examined are employment and compensation trends, labor/management relations, government involvement in transit labor, and employee productivity.

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LABOR IN THE TRANSIT INDUSTRY

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prepared for
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INTRODUCTION

The increasing urbanization of America and the growing concentration of people in our metropolitan areas have placed considerable strain on our urban transportation systems. These systems, which consist of various combinations of mass transit and highway facilities, have been hard pressed in efforts to promote continued urban mobility.

Mass transit ridership has declined nearly 70 percent since 1945.* A number of factors have contributed to this decline. Among these have been the trend toward low density development, growing affluence, increased highway spending programs, and our continued commitment to the automobile. Consequently, the automobile has emerged as the dominant mode of urban movement in all but a few cities.

As illustrated in Table 1, as ridership has declined, the transit industry has incurred increasing deficits. The aggregate loss for the industry exceeded $1. 29 billion in 1974.[1] Numerous bankruptcies have occurred, and many medium-sized communities have lost transit services completely.[2] The

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*This trend was reversed during 1973 and 1974. Revenue Passengers carried increased slightly in each of those years.

[1]American Public Transit Association, '75 -'76 Transit fact Book (Washington, D.C.: American Public Transit Association, 1975), p. 28.

[2]Wilfred Owen, The Metropolitan Transportation Problem (Washington, D.C.: The Brookings Institution, 1966), p. 93.

erosion of transit has attracted increasing federal attention because, as stated by the Department of Transportation in its Statement of National Transportation Policy, mass transportation serves such national objectives as:

> ... the enhancement of our cities as vital commercial and cultural centers, control of air pollution, conservation of energy, access to transportation for all citizens and particularly the disadvantaged, facilitation of full employment and more rational use of land.3

One federal response to the desire to revitalize mass transit has been a substantial increase in federal funding of mass transit, primarily through the $11. 8 billion National Mass Transportation Assistance Act of 1974. Additionally, the Federal-Aid Highway Act of 1973 provided greater local flexibility in the use of federal financial assistance, and offered new and expanded sources of funds for public transportation improvements.

Table 1

Transit-Operating Income (Deficit), 1950-1974

Year	(Thousands)
1950	$66,370
1955	55,710
1960	30,690
1965	(10,610)
1970	(288,212)
1971	(411,400)
1972	(513,126)
1973	(738,499)
1974	(1,299,673)

Source: American Public Transit Association, '75 -'76 Transit Fact Book (Washington, D. C.: American Public Transit Association, 975), p. 28.

[3]U.S. Department of Transportation, Office of the Secretary, A Statement of National Transportation Policy (Washington, D.C.: U.S. Government Printing Office, 1975), p. 8.

In order that mass transit might assist in the achievement of the objectives outlined by the Department of Transportation, it is necessary that attention be devoted to many aspects of the industry so as to promote efficiency as well as service improvements. One major element of the industry which must then be analyzed is the labor component. The importance attributed to labor in mass transit operations was illustrated by a 1970 survey of transit executives in cities of 500, 000 or more people. Survey results indicated that rising labor costs were seen as the most critical issue facing urban transit. The responses to this survey are summarized in Table 2. Respondents were asked to rank order several critical problems facing urban mass transportation.

Table 2
Transit Executives Rank Ordering of Critical Problems Facing Urban Mass Transportation
(1970 Survey)

1. Rising labor costs
2. Declining demand for the service caused by factors beyond the control of management (e.g., extension of residential and industrial activity in the suburbs)
3. Inequitable government policies (e.g., federal promotion and financing of express highways)
4. Inability to finance capital improvements
5. Failure of technology to develop a mass transit vehicle which can divert the public from the private automobile
6. Lack of dynamic, trained personnel rising up through management in the urban mass transit industry.

Source: John A. Bailey, A Survey of Transit Management Attitudes in Large Cities in the United States: Development Since 1962, Monograph, The Transportation Center at Northwestern University, 1970, p. 5.

Labor compensation is the major operating cost element in most transit activities. Employment payroll comprised approximately 65 percent of industry operating expenses in 1974.[4] The importance of the magnitude of labor compensation is illustrated by the fact that in several of the nation's major systems employee compensation exceeds the operating revenues of the properties involved.[5] In addition to its cost significance, transit labor, through its bargaining patterns and work agreements influence such matters as service continuity and worker productivity.

Purpose of the Study

It is the purpose of this study to examine the labor component of the transit industry to provide an understanding of this matter which might be useful in developing future policies and programs. Among the matters examined are employment and compensation trends, labor/management relations, government involvement in transit labor, and employee productivity.

EMPLOYMENT

As illustrated in Table 3, transit employment declined from 240, 000 in 1950 to 153, 100 in 1974. This reduction reflects not only the bankruptcies of many transit properties, but also cutbacks of ongoing systems related to the long-term decline in transit patronage. The workforce reduction has been gradual, and it has been primarily accomplished through attrition. The extent of employment reduction has varied considerably among the modes of

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[4]American Public Transit Association, '74-'75 Transit Fact Book, p. 23.

[5]For example, during 1974 Boston's MBTA system generated $64.7 million in transportation revenue while incurring wage and fringe benefit costs of $124.8 million.

Table 3
Transit Employment and Earnings

Year	Average Number of Employees	Average Annual Earnings
1950	240, 000	$3, 479
1955	198, 000	4, 364
1960	156, 400	5, 481
1961	151, 800	5, 642
1962	149, 100	5, 889
1963	147, 200	6, 062
1964	144, 800	6, 332
1965	145, 000	6, 645
1966	144, 300	6, 895
1967	146, 100	7, 222
1968	143,590	7, 727
1969	140,860	8, 404
1970	138, 040	9, 230
1971	139, 120	10, 014
1972	138, 420	10, 515
1973	140, 700	11, 544
1974	153, 100	12, 849

Source: American Public Transit Association, '75-'76 Transit Fact Book (Washington, D.C.: American Public Transit Association, 1975), p. 38.

mass transit, with die largest declines occurring in railway and trolley coach employment as the technology of the industry has changed over the past two decades.[6]

In the long run, pressures for further reduction of the transit workforce may lessen. In fact, transit employment actually increased significantly during 1973 and 1974. The capital and operating assistance provided by the National Mass Transportation Assistance Act of 1974 and related programs might be expected to play a major role in this area. Such expenditures may

[6]Darold T. Barnum, Collective Bargaining and Manpower in Urban Mass Transit Systems (Springfield, Virginia: National Technical Information Service, 1972), pp. 55-77.

well lead to a future expansion and revitalization of mass transit thereby promoting employment increases.

At this point it should be noted that the Urban Mass Transportation Act of 1964 contained job protection provisions for transit employees whose jobs might be affected by federal transit grants. These employee protection provisions have caused considerable controversy during the past several years, and they are discussed in detail in Chapter 3 of this study.

Management Development

One area which deserves future attention is the management development efforts of the transit industry. If the industry is to be revitalized and expanded, it will necessarily have to attract and hold talented managers. However, the industry has historically devoted little attention to this matter. A recent study of the industry by Mundy and Spychalski indicated that relatively little formal organization and planning concerning the development and utilization of managerial resources exists within the industry.[7] The economic decline of the industry has contributed to this situation, and most

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[7]Ray A. Mundy and John C. Spychalski, Managerial Resources and Personnel Practices in Urban Mass Transportation (State College, Pennsylvania: Pennsylvania State University, Pennsylvania Transportation and Traffic Safety Center, 1973), p. xi.

training and development of supervisory and managerial personnel has been abandoned.[8] At the same time, unusually low executive compensation scales have forced many transit properties to fill managerial positions with inadequately qualified personnel.[9] An additional problem exists in that the majority of professionally trained industry leaders will retire within the next decade and there does not appear to be an adequate supply of replacement personnel.[10] Contributing to this problem is the industry's long-standing adherence to the policy of requiring those interested in managerial careers to work their way up through operating ranks.

Attempts to improve the quality of transit management (which comprises approximately 15 percent of transit industry personnel) may focus on both the improvement of the educational background of existing industry personnel and the training of university students for placement in the industry. Industry and government efforts in these areas are examined in the following discussion.

Training Industry Employees

Heavy industry reliance on promotion from within to managerial ranks has resulted in a situation in which many managers are lacking adequate educational backgrounds and functional skills to perform effectively. The lack of formal education is illustrated by the fact that 93 percent of American

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[8] Ibid.

[9] Ibid.

[10] Ibid. pp. 9-11.

transit managers are not college graduates.[11] These circumstances indicate that there is a great need for managerial orientation and training programs within the industry. This need has been recognized by industry spokesmen who have stated that at least 2, 000 persons in the industry are in need of such training.[12] However, orientation and management training programs are quite rare in the industry.[13] This is at least partially a function of the financial condition of the industry which dictates that "frills" be eliminated.

By far, the most significant management development program for transit industry personnel is sponsored by the Urban Mass Transportation Administration (UMTA) of the federal Department of Transportation. UMTA, which has established an Office of Transit Management to assist in the development of the industry's human resources, is actively involved in sponsorship of continuing education programs for industry personnel. Primary UMTA involvement has taken the form of sponsorship of short courses in management of two to six weeks in duration. The majority of these short-courses are offered by Northeastern University in Boston and Carnagie-Mellon University in Pittsburgh. Each year approximately 85 transit industry employees

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[11] Ibid., p. 216.

[12] Ibid.

[13] Ibid., p. 210.

are awarded fellowships by UMTA to attend these courses. Additionally, approximately 10 more grant recipients take summer courses in administation at other universities, while 5 or 6 grants are made annually for year-long study programs, primarily in engineering.[14]

Table 4
UMTA Expenditures for Managerial Training Grants, 1964-1974

Fiscal Year	Number of Fellowships	Amount
Pre-1971	16	$80, 000
1971	100	520, 000
1972	100	333, 000
1973	100	500, 000
1974 (estimated)	100	500, 000

Source: House Appropriations Hearings, FY 1974, p. 905. as cited in George W. Hilton, Federal Transit Subsidies (Washington, D.C.: American Enterprise Institution for Public Policy Research, 1974), p. 90.

In such programs, UMTA ordinarily pays 75 percent of the training grant, with the balance coming from the recipient's local sponsor. Given that UMTA's annual industry-aid budget exceeds $1 billion, as indicated in Table 4, managerial training grants have been a relatively minor budget item. As such, they have offered benefits to a limited number of industry

[14] George W. Hilton, Federal Transit Subsidies: The Urban Mass Transportation Assistance Program (Washington, D.C.: American Enterprise Institution for Public Policy Research, 1974), pp. 89-90.

personnel. In this regard, however, UMTA has little discretion. Section 10 of the Urban Mass Transportation Act, which provides for such grants, limits the number of managerial training grant recipients to 100 per year. In 1973, the investigative staff of the House Appropriations Committee recommended an end to the restriction of the number of fellowships offered in a single year, establishment of regional seminars in the industry, and expansion of the UMTA staff.[15] UMTA has similarly called for legislative changes to allow expansion of the program, but Congress has not yet acted on this matter. This is unfortunate because it continues the "hardware" orientation of urban transportation funding while devoting inadequate attention to the human element of transit operations.

Top level transit industry personnel have taken steps to further define the continuing education needs of transit system personnel. In late-1975 the American Public Transit Association (APTA) established a Task Force on Education and Manpower Development which intends to work closely with UMTA in this field.[16]

Recruiting Transit Management

The transit industry does very little systematic recruiting of professionally educated personnel.[17] Additionally, the "up through the ranks" personnel policy

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[15] Ibid., p. 90.

[16] Conversation with Chester W. Higgins, Senior Personnel Administrator, Massachusetts Bay Transportation Authority, Boston, Massachusetts, December 30, 1975.

[17] Mundy and Spychalski, Managerial Resources and Personnel in Urban Mass Transit Systems, p. 152.

of the industry has likely discouraged many potential employees with stronger academic credentials. At the same time, it has been estimated that, due to retirement patterns, the industry needs to hire about 3, 000 management and technical personnel each year in the immediate future if the industry is to maintain the present scale of its managerial and technical staff.[18]

To partially alleviate this critical manpower shortage Congress added Section 11 to the Urban Mass Transportation Act in 1966. This section provides for grants to colleges and universities for research and education in urban transportation. One of the objectives of these grants is the interdisciplinary education of students for management or research positions in transit companies.

As illustrated in Table 5, UMTA university grants have also been a relatively small component of the UMTA budget, never exceeding $3 million on an annual basis. By April, 1972 at least 80 students who had received support under the program had taken positions in the transit industry or related activities. As noted by Hilton, this would appear to be a low level of effectiveness, given the $8 million which had been expended on the program by that date, but the program has also produced a considerable volume of urban transportation research.[19]

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[18] Ibid., p. 151.

[19] Hilton, Federal Transit Subsidies, p. 93.

Table 5
UMTA Expenditures for University Research and Training, 1967-1974

Fiscal Year	Institutions	Amount (Millions)
1967-1970	41	$4.71
1971	33	2.99
1972	30	2.50
1973	30	2.50
1974 (estimated)	25	2.50

Source: Housing Appropriations Hearings, FY 1973, p. 899: FY 1974, p. 704. as cited in George W. Hilton, Federal Transit Subsidies (Washington, D.C.: American Enterprise Institution for Public Policy Research, 1974), p. 91.

While a limited number of transit properties have taken individual steps to improve and expand recruiting efforts, the most significant development in this area is the recent joint effort of AFTA and UMTA to create an industry "job bank".[20] This program will inventory not only college students interested in transit management positions, but also transit properties in need of personnel.

COMPENSATION

Labor compensation is the major operating cost element in most transit operations. Although the industry has experienced a major financial downturn in recent years, transit labor succeeded in increasing average hourly wage rates

[20]Conversation with Chester W. Higgins, December 30, 1975.

by 73.3 percent between 1967 and 1974.[21] Table 3 also indicates that the average annual wages of transit workers reached $12,849 during 1974.* While this figure exceeds the average annual wages per employee in American industry of approximately $11, 000 during 1974, it is lower than the average annual wages of workers employed by intercity carriers. For example, during the same year average wages per employee exceed $18, 000 in the airline industry, and were more than $14, 000 in the railroad industry.[22]

The increase in transit employee compensation shows no signs of leveling off. In fact, during the year ending July 1, 1975, wages of local transit operating employees rose 11.3 percent to an average of $6.25 per hour excluding overtime.[23] In contrast, the average wage gain of all collective bargaining units with at leats 1, 000 workers was 8.5 percent during the same period.[24] This transit increase, the 11.7 percent increase for the year ending July 1, 1974, were the two largest transit gains since 1945/1946 when wages jumped 17.5 percent following the termination of wartime wage control.

The magnitude of the most recent increases in transit wages is to a great extent a function of contract-stipulated cost-of-living escalator adjust-

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* Preliminary APTA figures indicate average annual wages reached $13,933 in 1975. Fringe benefit contributions added approximately 16 percent more to the average transit worker's total compensation package.

[21] Bureau of National Affairs, "Wage Rates for Local-Transit Operating Employees, " Daily Labor Report, Economic Section, No. 88 (May 6, 1975), p. B-1.

[22] Air Transport Association of America, Air Transport, 1975 (Washington, D.C.: Air Transport Association of America, 1975), p. 6; and Association of American Railroads, Yearbook of Railroad Facts, 1975 edition (Washington, D.C.: Association of American Railroads, 1975, p. 58.

[23] U.S. Department of Labor, Bureau of Labor Statistics, Union Wage Rates for Local-Transit Operating Employees, July 1, 1975 (January, 1976), p. 1.

[24] Information supplied by U.S. Department of Labor, March 30, 1976.

ments based on the national or local Consumer Price Indexes (CPI). Such escalator clauses are common in transit contracts. Table 6 contains the average hourly union wage rates of local transit operating employees as of July 1, 1975. It should noted, however, that prevailing transit wage rates do tend to vary from city to city. For example, as of July 1, 1975, the following average hourly wage rates applied to transit operating employees: Cleveland -$5.75; Philadelphia -$5.88; Newark-$6.62; New York-$6.72; Chicago-$7.12; and Boston-$7.19.[25]

Table 6

Union Wage Rates of Local Transit Operating Employees, July 1, 1975

Classificaton	Hourly Average a	Increase from July 1, 1974	
		Cents/Hour	Percent
All local transit operating employees	$6.25	64¢	11.3%
Operators of surface and buses	6.19	65¢	11.5
Elevated and subway	6.73	54¢	8.8

a Wage rates used in calculating these averages represent those available and payable on July 1, 1974, and do not include increases made later that are retroactive to July 1 or before.

Source: U.S. Department of Labor, Bureau of Labor Statistics, Union Wage Rates for Local-Transit Operating Employees, July 1 1975 (January, 1976), p. 4

[25] Information supplied by Mary Kay Rieg, Division of Occupational Wage Structures, Bureau of Labor Statistics, Department of Labor.

While substantial wage increases have taken place in the transit industry in recent years, much of the increase has been absorbed by inflation. This is illustrated in Table 7 which compares actual wages, increases in the CPI, and real wage increases of local transit operating employees.

Table 7
Actual and "Real" Changes in Average Union Wage Rates of Local-Transit Operating Employees, July, 1963-July, 1973
(in percent)

Year, July to July	Actual Wage Increase	CPI Increase	Real Wage Increase
1962-63	3.7	1.5	2.8
1963-64	4.0	1.1	3.6
1964-65	4.2	1.8	2.3
1965-66	4.2	2.7	1.6
1966-67	6.8	2.9	2.3
1967-68	6.6	4.3	1.4
1968-69	7.8	5.5	1.4
1969-70	8.8	5.9	1.5
1970-71	8.5	4.4	1.9
1971-72	6.7	3.0	2.2
1972-73	7.2	5.7	1.3
1973-74	11.5	11.5	.0
1974-75	11.3	9.7	1.5

Source: Mary Kay Rieg, "Price Hikes Dampen Wage Gains For Transit Employees," Monthly Labor Review (July, 1974), p. 56, and more recent data supplied by Ms. Rieg.

Wage Structure and Benefits

A recent survey conducted by the Bureau of Labor Statistics (BLS) of the Department of Labor indicated that in most cities transit wage rate progressions are based on:

> . . . the basis of length of service, usually from an entrance or starting rate to one or more interme-

> diate rates, and then to a maximum or top rate. The rates for new workers are typically increased after a period of either 3 or 6 months on the job with the maximum rates reached after a year of service. In more than half of the 64 cities reporting length-of-service progressions, the increases from entry to top job rate ranged from 5 to 25 cents an hour over a 1-year period. 26

The survey also indicated that:

> Health and welfare plans wholly or partly financed by employers were provided to virtually all local-transit operating employees covered by the survey. Plans included one or more of the following benefits: Life insurance, hospitalization, medical, surgical and other similar types of health and welfare benefits. Over nine-tenths of the employers surveyed were under contracts providing retirement pension benefits (other than social security). Most were under plans providing vacation pay and holidays. 27

Labor Compensation and the Deficit Issue

As the major operating cost element, labor compensation contributes heavily to the deficits registered by many of the major transit systems. It has generally been concluded that such cost increases cannot be continuously offset by fare increases due to the regressive impact of such action on lower income groups. This poses a troublesome question concerning who should support operating deficits. Historically, the burden has fallen on local taxpayers. However, some relief has been forthcoming in several states, including Massachusetts, in which the state governments have agreed to tem-

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[26] Mary Kay Reig, "Price Hikes Dampen Wage Gains for Transit Employees," Monthly Labor Review (July, 1974), p. 56.

[27] Ibid.

porarily underwrite a portion of such transit deficits. Additionally, the National Mass Transportation Assistance Act of 1974 provides for grants of up to 50 percent of local transit operating costs. While these actions would appear to alleviate some of the local burden, it is questionable whether they promote effective resource utilization in a transit enterprise. In a study of potential operating assistance to mass transit George Hilton argues that such subsidies:

> ... far from creating an incentive for cost minimization and more effective resource allocation in the enterprise, gives management a positive incentive to incur losses to expand the public subsidy. This, once again, can only strengthen the position of the union in the enterprise. 28

Further, Hilton cites a 1971 Urban Mass Transportation Administration report which expresses similar doubts about such subsidy programs. The report states that, "It is questionable whether any standards or program of policing could keep control of the forces generated by such a mechanism." [29]

Of the $11.8 billion authorized by the National Mass Transportation Assistance Act of 1974, nearly $4 billion will be allocated to urban areas by a formula based on population and population density. These funds can be used for either capital or operating assistance. In the years ahead, a major challenge

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[28] Hilton, Federal Transit Subsidies, p. 106.

[29] U.S. Department of Transportation, Urban Mass Transportation Administration, Federal Assistance for Urban Mass Transportation (Washington, D.C.: Department of Transportation, 1971), p. 58.

of UMTA and state and local officials will be the administration of such funds in such a manner so as to promote transit efficiency rather than reinforce inefficiency.

Transit Labor and Automation

One response to the transit labor cost issue has been growing interest in automated forms of transit. This interest has been reinforced by the success of the Lindenwold Line which serves Philadelphia. However, a major shift toward automated services, if it ever occurs, will be slow in coming. This is partially due to the fact that buses dominate transit service, and this technology does not lend itself to driverless service without automated highways. Also, investments in new fixed rail systems which might be automated require sizeable capital commitments which, given funding limitations, may outweigh operating cost considerations.

Even when major system changes occur, union pressures can negate some labor savings as was the case in the implementation of the Bay Area Rapid Transit system (BART).[30] In that instance, management agreed to use standby operating personnel on automated units. In those instances in which union agreement on workforce reduction is forthcoming, the fact that attrition is typically the process utilized tends to postpone the realization of significant cost reductions.[31]

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[30] Hilton, Federal Transit Subsidies, p. 72.

[31] Barnum, Collective Bargaining and Manpower in Urban Mass Transit Systems, p. 55.

CHAPTER 2
LABOR -MANAGEMENT RELATIONS

This Chapter examines the basic relationship between transit systems and their employees. Attention is devoted not only to union structure and bargaining patterns, but also to the impact of the recent trend toward public ownership of transit properties on the bargaining process.

UNION STRUCTURE

Like most other forms of domestic transportation, the transit industry is highly unionized. Organization of workers began in the 1880's with street railway workers, and has progressed to the point where approximately 95 percent of all transit companies have collective bargaining contracts with at least one union.[1] In certain large transit systems, such as Boston's MBTA, workers are organized on a craft basis and this necessitates bargaining with a number of unions. The MBTA system negotiates with 27 different unions. This, however, is not typical of the industry. In most small properties the majority of workers are represented by a single union. Further, transit companies traditionally have bargained independently with little cooperation or collaboration, even when there are several transit companies in a given area.[2] In contrast, there is some joint bargaining done by unions in dealing with the same company.

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[1]Data supplied by the American Public Transit Association.

[2]Darold T. Barnum, Collective Bargaining and Manpower in Urban Mass Transit Systems (Springfield, Virginia: National Technical Information Services, 1972), p. 90.

Major Labor Organizations

There are two dominant labor organizations in the transit industry. These are the Amalgamated Transit Union (ATU) and the Transport Workers Union (TWU). Most transit workers belong to one of these two organizations. In terms of number of collective bargaining contracts outstanding, the ATU is the dominant transit union. One sample of 194 organized transit companies found that the ATU had 79 percent of the contracts, the TWU had 10 percent, and other unions had the remaining 11 percent.[3] The ATU has approximately 100, 000 workers while the TWU lists membership of nearly 45, 000.[4] All non-management employees in the transit industry are eligible for membership in either union. However, while the ATU restricts its membership to transit workers, the TWU accepts members from all transportation facilities, public utilities and related industries. Both unions are affiliated with the AFL-CIO.

In representing transit workers the ATU is quite geographically dispersed covering much of the country. In contrast, the TWU is concentrated primarily in Eastern cities with its major representation being in the New York and Philadelphia transit systems.

There are also significant differences between the two unions in both their degree of central control and their willingness to agree to voluntary

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[3] Ibid., pp. 65-66.

[4] Ibid., p. 66.

binding arbitration of disputes. Within the ATU, administrative authority is centered at the top of the organization, but preparation of bargaining takes place on a local basis. Nevertheless, the ATU locals often request an international officer to assist in actual bargaining. In most instances, the international officer serves as the chief negotiator. The ATU is unique in its frequent use of voluntary binding arbitration of disputes.[5] The union's constitution stipulates that locals must offer to use arbitration before a strike can be called. The TWU functions with a much stronger central control process and many of the issues of collective bargaining are determined by the international. Additionally, the union has not shared the ATU's policy of submitting disputes to voluntary binding arbitration. The TWU has consequently been labeled by many as the more aggressive of the two major transit unions.

MOVEMENT TOWARD PUBLIC OWNERSHIP

One significant trend in the industry which has affected labor-management relations in recent years has been the movement toward public ownership of major transit properties. Ridership declines and steadily increasing costs in the industry have precipitated the financial failure of many transit companies, and generally public acquisition has followed. As illustrated in Table 8, only 308 of the 1,023 transit companies in operation during 1974 were publicly owned. However, the public systems generated 90 percent

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[5] Ibid., p. 77.

of the industry's revenue passengers carried, earned 86 percent of the industry's operating revenues, and employed 84 percent of the industry's workers during that year.[6] These figures reflect the fact that most major transit properties have been absorbed into the public sector.

Table 8
Statistics of Publicly Owned Transit Systems, 1974

	1974 (P)	% of Industry
Number of Systems	308	33%
Operating Revenues (millions)	$1, 635	86
Vehicle Miles Operated (millions)	1, 623	86
Revenue Passengers Carried (millions)	5, 034	90
Number of Employees	127, 780	84
Passenger Equipment Operated (total)	48, 410	81
Motor Buses	37, 368	77
Heavy Rail Cars	9, 403	100
Light Rail Cars	989	93
Trolley Coaches	650	100

P=Preliminary
Source: American Public Transit Association, '74-'75 Transit Fact Book (Washington, D.C.: American Public Transit Association, 1975), p. 11.

BARGAINING RIGHTS AND IMPASSE RESOLUTION

In any work situation, the bargaining rights of employees must be defined, and a procedure for resolving labor-management disputes should be established. In the following discussion these matters are examined with

[6] American Public Transit Association, '74-'75 Transit Fact Book (Washington, D.C.: American Public Transit Association, 1975), p. 11

respect to both private and public transit system workers.

Private Systems

According to the provisions of the National Labor Relations Act of 1935, as private employees, transit workers have the right to organize collectively without interference. Further, employers are legally required to recognize a properly certified union as the exclusive representative of its workers and to bargain collectively with it.[7]

As a result of a number of transit strikes following World War II, several states sought to limit the ability of transit unions to strike by enacting laws which forced compulsory binding arbitration of transit disputes. The transit unions vehemently opposed such laws, and in a case brought by the ATU in 1951, the Supreme Court ruled that state arbitration laws conflicted with the rights guaranteed by the National Labor Relations Act which supercedes state laws in this field.[8]

Even though the unions of most private transit companies were still legally permitted to strike during the pre-1951 period, voluntary binding arbitration was frequently used in settling disputes. In fact, 41 percent of the private transit disputes which arose during the 1940's were resolved

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[7] National Labor Relations Act, 49 Stat..L. 449 (1935). This is commonly known as the Wagner Act.

[8] Amalgamated Transit Association v. Wisconsin Employment Relations Board, 340 U.S. 383 (1951).

by arbitration.[9] The other 59 percent were settled through strikes. These percentages changed drastically during the 1950's and 1960's. Eighty-seven percent of the impasses involving private transit companies in the 1950's were settled by strikes, and the percentage increased to 97 percent in the 1960's.[10] One author has attributed this significant change to management's growing reluctance to arbitrate because they had been outmanuevered by union negotiators in previous bargaining rounds.[11] Whatever the cause, the bargaining climate had changed significantly.

Public Systems

Prior to 1964, when a private transit worker became a public employee he typically lost the bargaining rights guaranteed private workers under the National Labor Relations Act. Public transit system employees normally were governed by state labor laws governing public employees in general, by laws specifically covering transit systems, or sometimes by no laws at all.[12]

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[9]Barnum, Collective Bargaining and Manpower in Urban Mass Transit Systems, p. 183.

[10]Ibid.

[11]Alfred Kuhn, Arbitration in Transit: An Evaluation of Wage Criteria (Philadelphia, Pennsylvania: Labor Relations Council, Wharton School of Finance and Commerce, University of Pennsylvania, 1952), p. 184.

[12]Barnum, Collective Bargaining and Manpower in Urban Mass Transit Systems, p. 115.

The trend toward public ownership of transit properties tended to erode the bargaining position of employees because few states legally permitted public management to bargain collectively with its employees. However, in several instances the enabling statutes of public transit systems included such a bargaining provision.

Several factors have combined to improve the bargaining position of public transit workers during the past decade. The Urban Mass Transportation Act of 1964 has played the most significant role in this development by effectively granting newly-public employees many of their former rights. Section 13 (c) of the Act, as amended, stipulates in part:

> It shall be a condition of any assistance under section 3 of this Act that fair and equitable arrangements are made, as determined by the Secretary of Labor to protect the interests of employees affected by this assistance. Such protective arrangements shall include, without being limited to such provisions as may be necessary for... continuation of collective bargaining rights.13

The majority of transit systems which have gone public since 1964 have received federal aid, and consequently they have been bound by this provision.

In its entirety Section 13 (c) also specifies a variety of employee protection guarantees, and as a result it has become an issue of controversy during the past several years. Transit management contends that Section 13 (c) effectively gives organized labor the ability to "veto" federal grants

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[13] Urban Mass Transportation Act of 1964, as amended, SS 13 (c), 49 U.S.C.A., SS 1609 (1971).

to particular transit systems. It is alleged that this gives the unions an inordinant amount of leverage in contract negotiations. This issue is explored in depth in Chapter 3 of this report.

Another factor which has improved the bargaining situation of public transit employees is the fact that by the end of 1970, 36 states had included public transit workers among those who were legally allowed to organize.[14] Bargaining rights, however, vary from state to state. In reviewing these developments, one author has stated:

> Although not always true, the workers' rights to organize, to be recognized and to bargain collectively are not substantially different under public ownership then they were under private control. The most important reason for this was undoubtedly Section 13 (c) of the Urban Mass Transportation Act of 1964. 15

The Right to Strike

One area of labor-management relations which changes significantly when a transit system goes public is the unions' ability to strike as a result of a bargaining impasse. In almost all cases, when private transit workers become public employees they lose their legal right to strike. Only in Pennsylvania and Hawaii are public employees permitted to strike. However, even

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[14]Barnum, Collective Bargaining and Manpower in Urban Mass Transit Systems, p. 124.

[15]Ibid., p. 146.

in these two states, the ability to strike is limited to cases which do not endanger public welfare.[16]

Most states do provide for mediation and fact-finding in transit disputes, and voluntary binding arbitration is still widely used. This is illustrated by the fact that between 1967 and 1971, 85 percent of all public transit bargaining impasses were settled through arbitration while 96 percent of all private transit disputes were resolved by strikes.[17]

Even though the strike has been effectively eliminated as a strategy to be used by unions representing public transit workers, there is evidence that the unions still function as effectively in representing public employees as they do in representing private employees. Through the use of their political powers and such tactics as the threat of illegal strikes and slowdowns, unions representing public transit employees have succeeded in obtaining wage settlements which do not differ significantly from those of private system workers once differences in labor market conditions and system size have been accounted for.[18]

Industry Strikes and Work Stoppages, 1971-1974

The American Public Transit Association has compiled data on transit industry strikes and work stoppages since 1971. Although the data generated by APTA were obtained by questionnaire and reflect the response rate of those

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[16] Ibid., p. 201.

[17] Ibid., p. 224.

[18] Ibid., p. 277.

transit properties polled, some observations are possible. First, in the great majority of cases reported, the strikes and work stoppages were precipitated by disagreements concerning wage and fringe benefit levels to be written into new contracts. However, other issues precipitating shutdowns ranged from disputes concerning when pay checks would be issued to protests concerning overcrowding on school bus trips. Second, the majority of these disputes were finally settled by negotiation and conciliation as opposed to litigation or binding arbitration.

Summaries of individual strikes and work stoppages between 1971 and 1974 are contained in Appendices A through D.

CHAPTER 3
SECTION 13 (C)
AND TRANSIT LABOR PROTECTION

ORIGIN AND INTENTION OF SECTION 13 (C)

The Urban Mass Transportation Act of 1964 established a program of loans and grants to assist states and other localities: (1) in the development of improved mass transportation facilities, equipment, techniques, and methods with the cooperation of mass transit companies, both public and private; (2) to encourage the planning and establishment of area wide urban mass transportation systems needed for economical and desirable urban development with the cooperation of mass transportation companies, both public and private; and (3) to provide assistance to state and local governments and their instrumentalities in financing such systems to be operated by public or private mass transportation companies as determined by local needs.[1] In drafting this statute, which substantially increased federal funding of transit projects, Congress was concerned that some projects might result in a decrease in transit employment. To prevent this, Congress included Section 13 (c) in the Act.[*] In discussing the significance of this Section of the Act, Professor Altschuler has observed, "Section 13 (c) was organized labor's

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[*] Originally this was Section 10(c) of the Act.

[1] George M. Smerk, "Development of Federal Mass Transportation Policy, " Indiana Law Journal, Vol. XLVII (1972), pp. 249-292.

price for enactment of the original Mass Transportation Act (1964). It is abundantly clear from the legislative history that the Act could not have passed without it."[2] The Section specifies that:

> It shall be a condition of any assistance under Section 3 of this Act that fair and equitable arrangements are made, as determined by the Secretary of Labor, to protect the interests of employees of affected by such assistance. Such protective arrangements shall include, without being limited to, such provisions as may be necessary for (1) the preservation of rights, privileges, and benefits (including continuation of pension rights and benefits) under existing collective bargaining agreements or otherwise; (2) the continuation of collective bargaining rights; (3) protection of individual employees against a worsening of their positions with respect to their employment; (4) assurances of employment to employees of acquired mass transportation systems and priority of reemployment of employees terminated or laid off; and (5) paid training or retraining programs. Such arrangements shall include provisions protecting individual employees against a worsening of their position with respect to their employment which shall in no event provide benefits less than those established pursuant to Section 5(2) (f) of the Act of February 4, 1887 (24 Stat. 379), as amended. The contract for the granting of any such assistance shall specify the terms and conditions of the protective arrangements.[3]

Transit employees were thereby assured that their bargaining rights, compensation, and working conditions would be protected, and that they

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[2] Alan Altschuler, "The Federal Government and Para-Transit, " a paper delivered at the Conference on Para-Transit sponsored jointly by the Urban Mass Transit Administration and the Transportation Research Board, Williamsburg, Virginia, November 9-12, 1975, p. 27.

[3] Urban Mass Transportation Act of 1964, as amended, SS 13 (c), 49 U.S.C.A., SS 1609 (1971).

would be given priority for employment or reemployment. Further, paid training or retraining would be provided if necessary.

A precedent existed for such a labor protection agreement in the transportation industries -- those protections contained in the Interstate Commerce Act pertaining to railroad combinations and consolidations. In fact, Section 13 (c) relies upon Section 5 (2) (f) of the Interstate Commerce Act to establish minimum levels of employee protection.

The wording of Section 5 (2) (f) is as follows:

> As a condition of its approval, under this paragraph, of any transaction involving a carrier or carriers by railroad subject to the provisions of this chapter, the Commission shall require a fair and equitable arrangement to protect the interests of the railroad employees affected. In its order of approval the Commission shall include terms and conditions providing that during the period of four years from the effective date of such order such transaction will not result in employees of the carrier or carriers by railroad affected by such order being in a worse position with respect to their employment, except that the protection afforded to any employee pursuant to this sentence shall not be required to continue for a longer period, following the effective date of such order, than the period during which such employee was in the employ of such carrier or carriers prior to the effective date of such order. Notwithstanding any other provisions of this Act, an agreement pertaining to the protection of the interests of said employees may hereafter be entered into by any carrier or carriers by railroad and the duly authorized representative or representatives of its employees.[4]

Consequently, under these provisions, any transit employee who is affected by a federal transit grant is guaranteed that he will not be placed in a "worse position" for a period of four years or the length of his employment with the transit system, whichever is shorter. It is important

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[4] Transportation Act of 1940, 49 U.S.C., SS 5 (2) (f) (1971).

to note that the employees guaranteed protection under the Act include not only employees of the property receiving public aid, but also employees of other transit companies which might be adversely affected by publicly aided competition.

These statutory guidelines provide for minimum levels of employee protection. The wording of Section 13 (c) and Congressional statements concerning it clearly indicated that the parties to the agreement (or in the case of an impasse the Secretary of Labor), may find it necessary to grant additional protection to employees. In fact, as discussed later in this Chapter, many 13 (c) agreements have provided greater benefits. The decisions of the Secretary of Labor in such cases are final and not subject to court review.

13 (C) PROCEDURES AND CONDITIONS - - CAPITAL GRANTS

A 13 (c) agreement must be reached by the parties involved (or by dictate of the Secretary of Labor) before a transit property is eligible for a capital grant. The 13 (c) agreement must be renegotiated with each new grant. In some instances involving applications of public systems there have been problems because some state laws prohibit municipalities from bargaining with unions. If these problems cannot be overcome, the grant cannot be made. However, several alternative procedures have been developed. For instance, in some cases, a transit authority has been created to bargain with the unions. In other cases, a management company has been created to deal with the unions. Alternatively, in still other instances both parties agree that disputes "shall be settled by the Secretary of Labor. " The Department of Labor has deemed each of these procedures acceptable in meeting Section

13 (c) requirements.[5]

The basic presumption is that the agreement will be negotiated by management and labor in each locality. This procedure therefore leads to some variance in the composition of 13 (c) agreements related to capital grant applications. As noted later in this Chapter, a national 13 (c) agreement has been developed for use in operating assistance grant applications to UMTA.

In terms of actual conditions specified in 13 (c) agreements, two developments merit discussion. These are the inclusion of the so-called "New Orleans Conditions" in 13 (c) agreements, and the impact of the 1970 Amtrak labor settlement on 13 (c) coverage.

The "New Orleans Conditions" originated in a 1952 Interstate Commerce Commission decision in a case involving employees of a railroad terminal.[6] The "Conditions" specify that a dismissed or demoted employee will be paid an allowance based on his earnings in the 12 months preceding his displacement or demotion. Employees are essentially guaranteed a continuation of the income level realized prior to the displacement or demotion for a specified number of years. Such conditions were utilized in many 13 (c) agreements with the length of the protection period for long-term employees being a minimum of four years.

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[5] Conversation with Mr. Larry Yud, Special Assistant on Urban Transportation, Department of Labor, Washington, D.C., May 13, 1975.

[6] New Orleans Union Passenger Terminal Case, 282 ICC (271) (1952).

While the "New Orleans Conditions" thereby determined the relevant base compensation period, the Amtrak labor protection agreement of 1970 has effectively lengthened the typical 13 (c) protection period. The 1964 Act refers to Section 5 (2) (f) of the Interstate Commerce Act which specifies a four year protection period for long-term employees with decreasing benefits for newer employees. However, as previously noted, this has been interpreted as being the minimum level of benefits, and the typical Section 13 (c) agreement now specifies a six year benefit program. This period of coverage was patterned after the six year protection package developed by Congress for railroad workers threatened with job loss or demotion following the creation of Amtrak (the National Railroad Passenger Corporation) to operate a streamlined intercity rail passenger network in 1971.[7] In this instance, it appears that transit workers have benefited from the bargaining power of the railroad unions and their lobbying strength which led to the precedent-setting coverage of the Amtrak legislation.

OPERATING ASSISTANCE AND 13 (C)

With the passage of the National Mass Transportation Assistance Act of 1974, operating subsidies were made available to transit properties under Section 5 of the Urban Mass Transportation Act of 1964. As is the case in applications for capital grants, applicants for operating assistance must also negotiate 13 (c) agreements with employee organizations.

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[7] U.S., Department of Labor, Office of Information, "Rail Worker Protection Plan Certified by Hodgson," news release, April 16, 1971.

To facilitate processing of these operating assistance applications, organized labor, APTA, and the Department of Labor have developed a national 13 (c) agreement pertaining to such applications.

Appendix E provides the model 13 (c) agreement.* APTA has established a procedure under which individual transit properties can affiliate themselves with the agreement, and thereby become eligible for coverage by it in connection with operating assistance applications.

Copies of the agreement have been provided to local labor organizations by many affected properties, and to date nearly one-half of those transit properties receiving operating assistance from UMTA have become a party to the national 13 (c) agreement.[8]

EXPERIENCE UNDER 13 (C)

The existence of Section 13 (c) in the Urban Mass Transportation Act of 1964 has had a decided impact on labor, state governments, and management of transit systems.

From labor's standpoint, it has been a very positive factor. This is particularly true with respect to workers of systems which are undergoing the transition from private to public ownership. As noted in Chapter 2 of this report, the bargaining rights of public employees vary considerably from

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* One recent study of this agreement by a Legislative Analyst for the State of California Financing Public Transportation in the San Francisco Bay Area attacked the national master agreement as being "too broad in scope" and "only generally defined." The study was released in November, 1975.

[8] Conversation with Mr. Larry Yud, Special Assistant on Urban Transportation, Department of Labor, Washington, D.C., January 8, 1976.

state to state. However, if federal funds are being used to acquire transit properties for public ownership, employees are essentially guaranteed a continuation of bargaining rights, working conditions, and compensation patterns.

The existence of this Section in the Act has also led a number of states to include employee protections and guarantees in enabling statutes which led to public control. The transit experience has thus provided impetus to the movement towards establishment of bargaining rights for public employees in many states.

Transit management has generally contended that Section 13 (c) guidelines have caused serious industry problems. It has been suggested that the protection guaranteed, coupled with the necessity of reaching an agreement to obtain federal funds, has effectively given transit unions veto power over federal transit grants.[9] However, less than one-half of one percent of approximately 900 applications forwarded to the Secretary of Labor for certification under the Act have been denied because the parties failed to resolve 13 (c) issues.[10] Further, in several instances, the Secretary has overruled the union position and declared the projects eligible for funding.[11]

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[9] "Over 400 Learn In and Outs of Transit Act during ATA Transit Seminar," Passenger Transport (December 18, 1970), p. 4, as cited in Collective Bargaining and manpower in Urban Mass Transit Systems by Darold T. Barnum (Springfield, Virginia: National Technical Information Service, 1972), p. 320.

[10] Ibid.

[11] Ibid.

In view of the facts, if such indirect veto power exists, transit unions have seldom found it necessary to utilize it.

While Section 13 (c) provides extensive protection for separated or downgraded employees, few transit companies have actually paid out any money under these guidelines.[12] In most instances, employees have been retained, and consequently separation and income maintenance payments have been minimal.

Management argues that 13 (c) provisions generate settlements which would not have resulted from normal collective bargaining.[13] Further, they contend that cost savings are postponed during the life of the 13 (c) agreement. These assertions appear to have little relevance to job protection accorded by 13 (c) because the transit industry has traditionally maintained a "no layoff " policy.[14] Even if protection had not been accorded by the 1964 statute, it is questionable whether management would have reversed this long-standing policy.

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[12] Darold T. Barnum, Collective Bargaining and Manpower in Urban Mass Transit Systems (Springfield, Virginia: National Technical Information Service, 1972), p. 321.

[13] Conversation with David E. Fox, Staff Attorney, American Public Transit Association, Washington, D.C., May 14, 1975.

[14] Barnum, Collective Bargaining and Manpower in Urban Mass Transit Systems, p. 321.

It may be that transit management has felt pressure during regular contract negotiations to grant higher than normal wage and benefit increases to foster union agreement on future transit grant applications. If this is the case, it may represent relatively poor collective bargaining by transit companies. This line of management thinking assumes that if the unions do not receive their demands in the contract covering normal system operations, they will not agree to a future 13 (c) settlement thereby effectively "vetoing" a federal grant. This ignores the fact that the Secretary of Labor has the power to require settlement of 13 (c) issues if he believes the demands of one or both parties (related to the application he is reviewing) are unrealistic. And, as discussed earlier in this report, he has done so in the past. The provisions of Section 13 (c) agreements have become rather standard over the past several years. Consequently, any attempt by labor to sabotage a federal transit grant by adopting an unrealistic posture involving a particular 13 (c) agreement would be quite obvious to the Secretary of Labor. Therefore, if management believes that their normal contract offers are reasonable, and if they further believe that the Secretary will be impartial in reviewing later 13 (c) applications, they should rely upon the Secretary to settle a potential impasse at that time rather than yield to unreasonable contract demands. To do otherwise exhibits poor bargaining skills and/or little confidence in the process of impasse resolution involving the Secretary.

Two other criticisms levied by transit management pertain to the Department of Labor's administration of Section 13 (c), and they appear to be more soundly based than the previously cited complaints. Management contends that the Department has failed to develop any criteria concerning what types of protection are necessary in such agreements, even though this was the intent of

Congress.[15] A review of the hearings which led to the development of Section 13 (c) indicates that Congress did envision such a criteria-development role for the Department.[16] This has not yet surfaced, however, and this has placed a considerable burden on individual properties in determining protection limits while negotiating 13 (c) agreements. Also, both transit management and labor have charged that the Department maintains an inadequate communications system for relaying necessary information about the direction of the conditions contained in various 13 (c) agreements to the parties involved.[17] A 1972 study of the Department's administration of Section 13 (c) by Jefferson Associates agreed that the Department should take steps to more effectively communicate information to applicants and labor organizations.[18] However, the consulting firm found few other shortcomings in the Department's administration of Section 13 (c) and categorized its performance as "uniformly excellent. "[19]

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[15] Altschuler, "The Federal Government and Para-Transit, " p. 28.

[16] Ibid.

[17] Jay A. Smith, "Labor Implications for Paratransit Service, " a paper presented at the Paratransit Workshop sponsored by the Transportation Research Board, Williamsburg, Virginia, November 11, 1975, p. 15.

[18] Wayne L. Horvitz, Jefferson Associates, Administration of Section 13 (c)--Urban Mass Transportation Act (unpublished report, U.S. Department of Labor, 1972), p. 43.

[19] Ibid., p. 32.

PARATRANSIT AND 13 (C)

One major issue involving Section 13 (c) concerns the development of paratransit services funded by UMTA and its impact on 13 (c) protection. Paratransit may be defined as organized ride-sharing activity ranging between private automobiles and conventional transit modes.[20] Paratransit services operate directly in response to demand without fixed schedules or routes except where they are prearranged as in subscription and charter bus operations. The most significant forms of paratransit are: daily and short-term car rental, taxicabs, dial-a-ride systems, jitneys, carpools, subscription and charter bus systems.[21]

Since 1968, when Congress broadened the definition of transit in the 1964 statute to cover services other than rail or bus, UMTA has had some interest in the development of paratransit services. UMTA, however, has proceeded slowly in promoting such services for several reasons. First, transit management has been skeptical of such services, particularly dial-a-ride, because it is labor intensive and it would necessitate substantial management attention, as well as creating new fiscal problems if it led to widespread demand for extension of these activities.[* 22] Second, both transit

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* This assumes that these forms of paratransit would be performed by existing transit properties.

[20] U.S., Department of Transportation, 1974 National Transportation Report (Washington, D.C.: United States Government Printing Office, 1975), p. 140.

[21] Ibid., p. 145.

[22] Altschuler, "The Federal Government and Para-Transit, " p. 4.

management and labor are concerned that certain paratransit services, such as vanpooling, carpooling, and shared taxi services might further erode transit patronage.[23] Third, UMTA is concerned that its actions in paratransit might lead to a broadening of the coverages provided in Section 13 (c).

This third area of UMTA concern is well summarized by Professor Altschuler in a study of paratransit. He states:

> . . . the primary concern of federal officials is what the impact of para-transit development may be on the scope of 13 (c) coverage--in particular, on the issue of taxi employee coverage. To the extent that UMTA funds are used in support of taxi-like operations, or of operations that are clearly competitive with taxi service, the case for exclusion of taxi employees from 13 (c) protection is weakened. The issue goes well beyond that of how to draw the boundary between transit and non-transit common carrier operations, because the decisive test under 13 (c) is simply adverse impact--not definition as transit.[24]

As further noted by Professor Altschuler:

> In short, any future inclusion of taxi employees under 13 (c) seems likely to impose vast new complexity on transit program administration. To the D. O. T. officials with whom I have discussed it, the prospect seems a nightmare. Department of Labor officials are concerned, naturally, less with what such inclusion might do to the transit program than with the question of what their immediate policy should be. An internal DOL study of taxi-transit relationships and of the taxi labor force is currently in progress.[25]

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[23] Ibid.

[24] Ibid., p. 31.

[25] Ibid., p. 34.

Discussion with Mr. Larry Yud, Special Assistant for Urban Mass Transportation of the Department of Labor have indicated that the Department relies upon UMTA to define mass transit, and that future UMTA funding of taxi-like forms of paratransit may lead to extension of benefits to taxi empyees.[26]

This issue has not yet been resolved. However, it does pose a significant dilemma concerning both the future cost and complexity of the 13 (c) program, and the role to be played by UMTA in supporting the development of certain types of paratransit service.

OTHER DEVELOPMENTS RELATED TO 13 (C)

During the past several years, there have been several legislative attempts to repeal Section 13 (c) of the Urban Mass Transportation Act of 1964 because of the alleged problems which it causes in transit operations. However, as also noted by Altschuler, Section 13 (c) and the principles it involves seem to be well entrenched in federal policies concerning laobr. He notes the following:

> . . . the provisions of Section 13 (c) have been applied by Congress in the High Speed Ground Transportation Act of 1965, the Rail Passenger Service (Amtrak enabling) Act of 1970, the Juvenile Justice and Delinquency Prevention Act of 1974 and the Nurse Training Act of 1975. In both of the latter "human service" act, the issue was fear on the part of organized labor that government might support efforts at de-institutionalization. The point to note here is that Congressional support for the principle of Section 13 (c)--that government money should not be utilized to harm employees --appears today to be more deeply imbedded in the governmental fabric than ever.[27]

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[26] Conversation with Mr. Larry Yud, Special Assistant on Urban Transportation, Department of Labor, Washington, D.C., January 8, 1976.

[27] Altschuler, "The Federal Government and Para-Transit, " p. 27.

Consequently, efforts to modify or abolish Section 13 (c) as it applies to the transit industry face a formidable task. The evidence which is needed to attack the legislative guideline is not available. Unless it can be demonstrated quantitatively that the guidelines generate excessive costs or inefficiencies in the industry, it is unrealistic to believe that Congress will act to modify or abolish 13 (c). The Department of Labor has recently undertaken a study of the costs of 13 (c) and its impact on collective bargaining and technological change in the transit industry.[28] The findings of this study should be most useful in a balanced evaluation of the costs and benefits of Section 13 (c) protection.

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[28] The study is being conducted by Ernst Stronsdorfer and Fred Siskind of the Office of the Assistant Secretary for Policy and Evaluation Research of the Department of Labor.

CHAPTER 4
LABOR PRODUCTIVITY IN THE TRANSIT INDUSTRY

THE MEANING AND SIGNIFICANCE OF PRODUCTIVITY

Assessment of the possible range of government priorities in promoting urban mobility necessarily leads to concern with the issue of transit labor productivity. This issue has caused considerable controversy. As noted by the Department of Transportation's 1974 National Transportation Report:

> Transit management has argued that the financial condition of transit systems has deteriorated partly because labor costs have increased more rapidly than other costs, and more important, faster than revenues. Moreover, management claims labor productivity has declined. 1

The Report continues:

> Transit labor, on the other hand, argues that its compensation has not increased at a rate greater than the cost of living. . . and transit labor productivity has not decreased. 2

Unfortunately, there is no simple resolution of this dispute, because productivity measurement and its interpretation are complex matters. Confusing the issue even further is the fact that there is little agreement among economists about how productivity can be best measured, or what the signi-

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[1] U.S., Department of Transportation, 1974 National Transportation Report (Washington, D.C.: U.S. Government Printing Office, 1975), p. 233.

[2] Ibid.

ficance of such measures is once they are calculated.[3]

In most instances, as in the transit industry, output is not a function of a single input, but rather is a blend of several distinct resources. Hence, transit services are produced by a blending of labor, capital, land, and energy resources.

There are a number of alternative approaches to productivity measurement. However, a full examination of the technical aspects of these various approaches to productivity measurement is clearly beyond the scope of this report. Rather, attention is devoted to the most widely utilized approach to productivity measurement- -that of relating output to a single input measure. In this case, the relevant input is transit labor. Consequently, this approach yields some output measure per employee over a given time period.* In reality, such measurements reflect not only the efficiency with which labor and capital are used, but also the capital employed with each worker, and the average quality of labor. No insight is provided into the relative contribution of any of these factors. Additionally, there are numerous external factors, such as changing conditions in the market for a given good or service, that influence reported productivity, and yet are at least partially

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* When dealing with labor productivity, outmeasures are usually expressed in terms of "output per man-hour." However, man-hour data is not compiled by APTA. Therefore, the output measures of this report are expressed in terms of "output per employee."

[3] Robert C. Lieb, Labor in the Transportation Industries (New York: Praeger Publishers, Inc., 1974), p. 68.

beyond management control.

TRANSIT LABOR PRODUCTIVITY

The mix of public and private transit companies, and the lack of federal reporting requirements makes it rather difficult to reach conclusions about productivity trends in the transit industry. However, with data collected by the American Public Transit Association, it is possible to develop crude aggregate measures of transit labor productivity. In this report, several different output measures were used, and a summary of the findings are contained in Table 9.

Using revenue passengers carried per employee as the output measure, one discovers a steady downward trend in the post-1950 period. Even though, transit employment declined by more than one-third between 1950 and 1974, revenue passengers carried per employee were approximately 36 percent lower in 1974 than in 1950, reflecting the steady decline in transit patronage.

Using another output measure, vehicle miles operated per employee, it is found that output per employee rose slightly from 12,531 in 1950 to 12, 600 in 1974. These figures indicate that the reduction in transit employment has almost been offset by cutbacks in transit service offerings during the same period. This measurement would be more meaningful if it could be related to the man-hours employed in producing these vehicle miles. However, as noted earlier, man-hour data has not been compiled by APTA.

Another measure of transit employee productivity, number of employees per vehicle, has also improved minimally over the past 25 years. The number of workers per vehicle declined by approximately 11 percent between 1950

and 1974. As noted by Barnum, this reflects to a great extent the decline in the use of streetcars, and greater reliance upon buses by transit properties.[5]

These figures indicate that the transit industry has experienced either constant or declining worker productivity since 1950. Other studies, using a variety of worker productivity measures for the transit industry, have reached similar conclusions. This fact, coupled with steadily rising transit labor costs, poses a most perplexing problem for management.

Table 9
Transit Labor Productivity Measures, 1950-1974

Year	Employees/ Vehicle	Vehicle Miles/ Employee	Revenue Passengers/ Employee
1950	2.8	12,532	57,687
1955	2.7	12,361	46,409
1960	2.4	13,734	48,088
1965	2.3	13,850	46,883
1970	2.3	13,642	42,971
1971	2.3	13,271	39,512
1972	2.3	12,683	37,952
1973	2.4	13,039	37,625
1974 P	2.5	12,601	37,423

P=Preliminary
Source: American Public Transit Association, '74-'75 Transit Fact Book (Washington, D.C.: American Public Transit Association, 1975), pp. 12, 22, 24, 26.

[5] Darold T. Barnum, Collective Bargaining and Manpower in Urban Mass Transit Systems (Springfield, Virginia: National Technical Information Service, 1972), p. 53.

Technological Change and Transit Productivity

Throughout the years, because of the significant cost of transit labor, most technological changes in transit have sought to increase labor productivity.* As discussed by Barnum:

> ... from about 1915 until the 1950's, transit met increasing costs by increasing productivity and decreasing capital costs. It did this in three ways: (1) it eliminated vehicles needing more than one operator in the switch from two- to one-man streetcars; (2) it reduced capital investment and total manpower needed per vehicle in the change from streetcars to buses; and (3) it steadily enlarged the number of seats behind each driver, first in streetcars and later in buses.[6]

However, while there have been studies of the feasibility and design of high capacity buses such as double-deckers and articulated vehicles, there have been no major technological innovations in bus operations in the United States over the last twenty years. Barnum believes that based on the success of such high capacity buses in Europe, their introduction in the United States over high-density routes could increase bus driver productivity by at least 20 percent.[7] Utilization of express bus lanes in several cities have improved local bus driver productivity, but these projects have thus far been quite limited in scope.

Management desire to reduce labor costs while increasing labor productivity in transit has been one of the major motivating factors in the re-

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*However, any major shift of passengers from conventional transit operations to paratransit services might lead to decreasing labor productivity due to the labor intensity of most forms of paratransit service.

[6] Ibid., p. 49.

[7] Ibid., pp. 49-50.

kindling of interest in rapid transit.* Systems such as BART in the San Francisco Bay area, and the Lindenwold Line which serves Philadelphia have been partially sold to the public on this basis. While BART has been plagued with a variety of technical and political problems, the Lindenwold Line's performance has been reassuring to rapid transit advocates. One study has indicated that the capital-intensive system has achieved a considerably lower labor cost to total operating cost ratio than typical bus operations.[8] Similarly, it has been found that during the first three years of the Line's existence, 1969-1971, labor productivity has increased impressively. During that period the Line experienced a 49 percent increase in both revenue passengers per man-hour and revenue passengers per employee.[9] These performance figures are impressive. However, the high capital costs of such systems, and the need for high population concentrations along corridors

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*In more capital-intensive transit systems the reductions in operator costs realized through the substitution of capital for labor are sometimes partially offset by the need for a larger maintenance workforce to service the more exotic hardware.

[8]John T. Berg, Stanley Miller, and Edward Fleishman, "Labor Costs and Productivity for the Lindenwold Rapid Rail Line and the Shirley Highway Rapid Bus Demonstration Project: Some Preliminary Findings, " The Transportation Journal, Vol. XIV, No. 1 (Fall, 1974), p. 48.

[9]Ibid., p. 50.

served, limits the opportunity for feasible application of this technology. Even though a number of new rapid transit systems are being built, they will not carry a sufficient volume of passengers to significantly improve aggregate industry productivity.

Company Size, Ownership, and Productivity

Among the factors which might influence the labor productivity pattern of a transit property are system size and ownership pattern (private versus public ownership). These factors have attracted more attention as the movement toward public ownership and acquisition of existing companies by public authorities have accelerated. However, the most extensive study of these matters to date has concluded that:

> . . . there is little relationship between size and productivity for the sample systems.[10]

The study further determined that:

> . . . there is no inherent difference in productivity between public and private urban transit systems.[11]

Work Rules and Productivity

Quite naturally, the work rules under which an employee group operates have considerable influence on the labor productivity of a transit company's workforce. To date there has been no systematic analysis of the pervasive-

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[10] Barnum, Collective Bargaining and Manpower in Urban Mass Transit Systems, p. 338.

[11] Ibid., p. 50.

ness or impact of specific work rules on transit productivity.[12] This matter should be given high priority by UMTA, particularly since operating assistance is now being granted to transit properties. Federal outlays must not be permitted to reinforce inefficient work practices in the industry.

UMTA should attempt to generate labor productivity data for individual transit systems which might be used on a comparative bases. It is realized that becuase of such factors as differences in equipment fleet, areas served, and market conditions, extrapolation from system to system is at best difficult. However, such comparisons might yield some insight into the impact of specific work rules and other contract stipulations. In these efforts UMTA should not only endeavor to examine a variety of output measures, but should also examine various labor input measures such as manhours, operating versus maintenance employees. The greater the degree of disaggregation which is possible in these productivity studies, the more useful the data will be in future policy formulation efforts.

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[12] A study which promises to provide some insight into such matters is presently being conducted by Professor Jay A. Smith of the University of North Florida. The study is being funded by the Department of Transportation and is entitled a "Study of Unions, Management Rights, and the Public Interest in Mass Transit. " The study is comparing an extensive list of variables contained in the labor contracts of transit properties in the Southeast.

CHAPTER 5
SUMMARY AND IMPLICATIONS

This study has sought to provide insight into the labor component of the transit industry. A number of observations have been generated which may be useful in developing future policies and programs. These observations and related recommendations are discussed below.

EMPLOYMENT

While the transit industry has experienced a long-term decline in employment following World War II, there has been an increase in transit employment in recent years. The reduction in the transit workforce had been precipitated by a variety of forces including declining ridership and service cutbacks. The recent employment resurgence has been strongly influenced by a substantial increase in federal aid to the industry in the form of both capital grants and operating assistance. In the long-run, a continuation of such assistance may lead to further expansion and revitalization of mass transit thereby promoting employment increases.

One component of the transit workforce which appears to be receiving inadequate attention is management. Management comprises nearly 15 percent of the workforce, and approximately 93 percent of the management group lacks college education. The industry does little to recruit, train, and hold talented managers. It is likely that this is partially a function of the financial condition of many transit properties which may view recruiting and development outlays as costly frills. Although federal funding of transit has increased dramatically in recent years, Congress has provided quite

limited funding of management-related programs. This demonstrates a hardware orientation which ignores the significance of the managerial input in revitalizing transit, attracting patronage, and promoting cost and service efficiencies. Congress should significantly expand Urban Mass Transportation Administration funding of management-related programs to remedy this situation.

COMPENSATION

Labor compensation is the major operating cost element of most transit systems, comprising approximately 65 percent of the industry's operating expenses in 1974. Even though the financial condition of the industry has deteriorated substantially in recent years, the average compensation of transit workers increased 73.3 percent between 1967-1974. While the average compensation of transit workers exceeds that of American industrial workers in general, it tends to be lower than the average compensation levels of employees of intercity carriers.

While transit unions have succeeded in obtaining major increases in compensation in recent years, the bulk of these wage gains have been offset by inflation, leading to minimal increases in real wages for the workers of many transit properties. However, the wage gains obtained by workers of several major properties seem exorbitant given the condition of the industry and the wage gains of other workers in the same areas. This situation should be closely monitored by UMTA now that operating assistance has become a reality and can be used to partially offset operating deficits. Precaution must be taken to assure that such federal outlays do not give impetus

to higher than normal compensation increases in the industry.

LABOR -MANAGEMENT RELATIONS

As private employees, transit workers have the right to organize collectively without interference. In contrast, the trend toward public ownership of transit properties tended to erode the bargaining position of public transit employees because few states legally permitted public management to bargain collectively with their employees. However, the labor protection provisions of the Urban Mass Transportation Act of 1964 (specifically Section 13 (c), and recent modifications of state laws have significantly improved the bargaining position of public transit employees. In fact, the bargaining rights of transit workers are not now substantially different under public ownership than they were under private control.

Strikes have been used with increasing frequency by employees of private transit systems as a means of resolving impasses. In contrast, public transit system employees are not typically permitted to strike. Nevertheless, by employing other bargaining tactics the unions which represent public transit employees have succeeded in obtaining wage settlements which do not differ significantly from those of private system workers once differences in labor market conditions and system size have been accounted for.

SECTION 13 (C)

Inclusion of Section 13 (c) in the Urban Mass Transportation Act of 1964 effectively guaranteed transit workers that might be negatively affected by federal grants that their bargaining rights, compensation, and working

conditions would be protected. To qualify for capital grants or operating assistance from UMTA, transit properties are required to sign a 13 (c) agreement with employee organizations. This agreement must be certified by the Secretary of Labor.

Experience Under 13 (c)

The labor protections guaranteed under 13 (c) have quite naturally been beneficial to transit labor. In this regard, public transit workers, who in many instances had surrendered bargaining rights when their systems went public, received the greatest benefit. To qualify for federal transit funding state and local governments essentially had to restore the bargaining rights of such public transit employees. This action provided added impetus to the movement to establish bargaining rights for public employees in many states.

Transit management is convinced that the necessity of reaching a 13 (c) agreement before federal funding can be approved has given transit unions inordinant bargaining strength. It is contended that this situation has fostered labor settlements which far exceed those that would have emerged from normal collective bargaining. However, management has failed to document these additional costs, and it is not clear that management would have reversed the industry's long-standing "no layoff" policy even if 13 (c) guidelines did not exist. Management has chosen not to rely upon the Secretary of Labor to resolve bargaining impasses in most cases, and rather has chosen to sign what it has often termed exorbitant 13 (c) agreements. A continu-

ation of such management practices should raise questions concerning the bargaining skills of management and/or its confidence in the Secretary of Labor in his role in resolving impasses. Management should test the viability of the process before discarding it. In the majority of instances employees have been retained, and consequently separation and income maintenance payments have been minimal. The burden of proof is clearly on transit management to demonstrate the actual costs generated by 13 (c) guidelines so that these might be weighed against the benefits which the guidelines have provided to labor. Without clear documentation of these costs, which management has failed to provide, such cost-benefit analysis is impossible.

While transit management has failed to demonstrate the costs of 13 (c), the Department of Labor has given little attention to development of 13 (c) criteria. Such a criteria-development role seems to have been envisioned for the Department by Congress in enacting the original legislation. Efforts by the Department to determine what provisions might be reasonably included in 13 (c) agreements would take considerable pressure off individual transit properties in obtaining an agreement. The recent development of a model national 13 (c) related to transit operating assistance is an important step in this direction.

Paratransit and 13 (c)

A major task faced by the Urban Mass Transportation Administration is the expeditious determination of the role of paratransit services in

urban transportation, and the establishment of the likely impact of these services on conventional forms of transit. Presently, the Department of Labor relies upon UMTA to define mass transit, and this definition determines to a great extent the scope of 13 (c) coverage. UMTA's actions in this regard will have a decided impact on the future cost and complexity of the 13 (c) program.

The Future of 13 (c)

Although transit management favors modification or abolition of Section 13 (c) protections, these guidelines are quite firmly entrenched in federal policies concerning labor. Over the past several years Congress has applied similar employee protections in several other industries. Congress, therefore, is not likely to modify or abolish 13 (c) unless it can be quantitatively demonstrated that it generates excessive costs or inefficiencies in the transit industry. The Department of Labor has undertaken a major study of this issue which promises to provide insight into the impact of 13 (c). If this study fails to provide such information, Congress should seriously consider funding an independent study of this matter to serve as a guideline for future policies in this area.

PRODUCTIVITY

In an industry such as mass transit which has suffered a long-term decline there is naturally concern with labor productivity. Examination of aggregate labor productivity measures for the transit industry indicates that worker productivity has declined or remained constant in recent years. The

industry has significantly reduced the workforce and introduced larger capacity equipment, but the erosion of ridership and system cutbacks have offset the positive impact which such adjustments might have had on labor productivity.

While such innovations as exclusive bus lanes have contributed to greater driver productivity in a limited number of cities, the technology of the U.S. bus industry has remained relatively constant during the past 20 years. Several studies have indicated potential productivity improvements in bus operator productivity through adoption of modified vehicles, such as double-deckers, on high density routes. UMTA should seriously consider funding a demonstration project involving such vehicles to determine the feasibility of broader application. In certain instances, substituting capital for labor inputs in rapid transit operations has led to productivity gains. However, the enormous capital cost of such systems and their limited market applicability precludes widespread application of this technology.

Recent studies indicate that neither system size nor ownership form (private versus public ownership) have a significant effect on labor productivity. Work rules and compensation patterns, however, exert major influence on the productivity of a given property. UMTA should undertake a systematic study of these matters as a first step in assuring that federal transit operating assistance is not being used to reinforce inefficient work practices or unnecessarily high compensation levels.

This is also an appropriate time for organized labor in the transit

industry to reassess its priorities. The industry has witnessed a significant long-term reduction in the workforce. While this trend has been somewhat reversed by the infusion of federal money, this may provide only temporary relief. Adherence to out-dated work rules which stifle productivity and union demands for compensation increases which ignore the financial condition of the industry will accelerate efforts to further substitute capital for labor in the industry. While Section 13 (c) protects the existing workforce, it does not preclude reliance upon attrition to further reduce the workforce in the long-run. Consequently, labor and management must attempt to somewhat modify their long-standing adversary postures, and work toward an atmosphere of mutual responsibility if the industry is to be revitalized. An attempt should be made to filter this philosophy down to the operating level. At that level, the operator is the transit company to the potential customer, and the operator's attitudes and actions can exert an important influence on the company's ability to attract and hold passengers.

APPENDIX A*

PARTICULARS OF OFFICIAL STRIKES, CALENDAR YEAR 1971

Charleston, West Virginia
Charleston Transit Company

Duration of Strike: 54 days

Issue: Wage dispute

Settlement: Employees entered into agreement with Kanawha Valley Regional Transportation Authority under same conditions as previous contract. K. V. R.T.A. leased company's facilities until 6/30/72, with option for one year renewal.

El Paso, Texas
El Paso City Lines

Employee Association: Amalgamated Transit Union
Duration of Strike: 4 days

Issue: Wages and fringe benefits

Settlement: A negotiated three year agreement was reached. It specified: 15¢ per hour increase in each year; 2 additional sick days; 5 weeks vacation after 30 years; and an improved pension plan.

Pittsburgh, Pennsylvania
Port Authority of Allegheny County

Employee Association: Amalgamated Transit Union
Employees Represented: 2,377
Duration of Strike: 3 days

Issue: Refusal of union membership to accept contract arbitration award

Settlement: In a negotiated settlement union leadership persuaded membership to return to work after a series of meetings on 4/10/71. The Authority insisted that the terms of binding arbitration be accepted. The union returned to work on this basis.

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* Data illustrated in Appendices "A" through "D" was provided by the American Public Transit Association. The information is based on the Association's yearly surveys of 'transit properties.

Philadelphia, Pennsylvania
Southeastern Pennsylvania Transportation Authority

Employee Association: United Transportation Union and Transport Workers Union
Employees Represented: 6,000
Duration of Strike: 9 days

Issue: Wages, benefits

Settlement: In a negotiated settlement, workers agreed to approximately a 75¢ per hour increase over 2 years. Prior to the settlement a court injunction had been defied. Union leaders had been jailed and the unions were fined $20,000 for defiance of the injunction.

Pittsburgh, Pennsylvania
Port Authority of Allegheny County

Employee Association: Amalgamated Transit Union
Employees Represented: 261
Duration of Strike: 8 days

Issue: Drivers suspended for wearing "Free Angela Davis" Button

Settlement: In an arbitrated settlement, striking drivers were awarded two days back pay. In this dispute the drivers contended that wearing the button was not against the uniform code which prohibits wearing political buttons. Black drivers felt that the real issue was discrimination.

APPENDIX B
PARTICULARS OF OFFICIAL STRIKES, CALENDAR YEAR 1972*

Los Angeles, California
Southern California Rapid Transit District
Employee Association: Amalgamated Transit Union
Duration of Strike: 7 days

Issue: Failure to reach new contract settlement

Settlement: A settlement was negotiated which provided for: 5½% retroactive to 9/1/71; 5½% on 9/1/72; 5½% on 9/1/73; Cost-of-Living effective 3/1/72; extended vacations; increased contributions to health and welfare fund.

Newark, New Jersey
Transport of New Jersey
Employee Association: Amalgamated Transit Union
Employees Represented: 4,000
Duration of Strike: 68 days

Issue: Rejection of contract

Settlement: A negotiated settlement specified that the carrier would increase pension fund payments by 8%. Wages were increased 40¢ per hour over two years and a job security clause was inserted into the contract. The job security clause requires that job loss due to amalgamation of competing routes will be accomplished by formula. All cutbacks would not be at the expense of high-paid Transport employees.

Trenton, New Jersey
Trackless Transit and Mountain Coaches, Inc.
Duration of Strike: 35 days

Issue: Wages, fringe benefits

Settlement: A negotiated settlement called for: a 40¢ per hour increase; Cost-of-Living adjustments; and, a 5¢ per hour increase in pension fund contribution by the company.

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* Strikes also occurred involving the Greater Hartford (Connecticut) Transportation District, and the San Antonio (Texas) Transit System. However, APTA received no further information concerning the particulars of the strikes.

APPENDIX C

PARTICULARS OF OFFICIAL STRIKES, CALENDAR YEAR 1973

San Antonio, Texas

Employee Association: Amalgamated Transit Workers, Local 694
Duration of Strike: 5 days: 11/14/73-11/18/73

Issue: Demand for immediate higher wage

Settlement: No new offer was made, and the employees were ordered back to work. A state law forbids negotiation with labor unions.

Cincinnati, Ohio
SORTA

Employee Association: Amalgamated Transit Union, Local 267
Duration of Strike: 5 days: 12/7/73-12/12/73

Issue: Initial offer rejected

Settlement: A negotiated settlement granted an immediate 60¢ raise or a 14.1% increase in base hourly pay, and a 25.3%, increase over two years.

Pittsburgh, Pennsylvania
Port Authority of Allegheny County

Employee Association: Amalgamated Transit Union
Employees Represented: 2,600
Duration of Strike: 11 days: 12/3/73-12/14/73

Issue: Union wanted a 9.5% increase plus a Cost-of-Living increase

Settlement: An arbitrated settlement called for: an 87¢ per hour wage increase spread over a three year period; also specified changes in sickness, accident, health, and holiday benefits.

New York and New Jersey
Port Authority

Employee Association: Brotherhood of Railway Carmen, Lodge 1330
Duration of Strike: 63 days: 4/1/73-6/3/73

Issue: Union asking for 18.5% increase over 24 months. Also wants improvement in pension plan, improvements in holiday, meal allowances, vacation, shift differential and medical plan.

Settlement: A negotiated settlement called for: a 18.2% increase over 27.5 month contract; also improvements in dental insurance and vacation plans.

APPENDIX D

TRANSIT STRIKES AND WORK STOPPAGES, CALENDAR YEAR 1974

Table D-1
Summary of Transit Industry Work Stoppages
During 1974(a)

	Affecting U.S. Systems
Number of Systems Affected by Official Strikes	9
Number of Official Strikes	9
Average Duration of Official Strikes Ending in 1974	31 days
Number of Official Strikes Settled by Negotiation	3
Number of Official Strikes Settled by Arbitration	0
Number of Official Strikes Settled by Mediation	1
Number of Official Strikes Settled by Conciliation	1
Number of Official Strikes Settled by Other Means	2
Number of Official Strikes in Progress on Dec. 31, 1974	2
Number of Systems Affected by Unofficial Work Stoppages	9
Number of Unofficial Work Stoppages	10
Average Duration of Unofficial Work Stoppages	2 days

(a) Data for transit systems responding to APTA survey only.

Source: American Public Transit Association

PARTICULARS OF OFFICIAL STRIKES
CALENDAR YEAR 1974

Chicago, Illinois
Chicago Transit Authority

Employee Association: Amalgamated Transit Union, Divisions 241 and 308
Employees Represented: 10, 930 Employees Involved: 10, 930
Duration of Strike: 1 day: 12:00 a.m., May 17, 1974 to
2:15 a.m., May 17, 1974

Issue:

Negotiations had continued from November 30, 1973, when previous contract had expired. Major issue was management's desire to submit cost-of-living (C.O. L.) allowance clause to arbitration. Labor desired to retain existing C.O. L. allowance based on C.O. L. increase equal to the percentage change in the Consumer Price Index; management desired substitution of C. 0. L. allowance based on a point system.

Settlement:

A negotiated settlement was reached with major provisions being (1) a continuation of the existing cost-of-living clause, (2) a 200 per hour wage increase, (3) six weeks vacation after 30 years of service, and (4) changes in medical benefit provisions providing $100 per day semi-private room coverage, $14 per visit tending physician coverage, major medical increased to $20,000, and $100 individual major medical deductible changed to $100 family deductible.

El Paso, Texas
El Paso City Lines, Inc.

Employee Association: Amalgamated Transit Union, Division 1256
Employees Represented: 126
Duration of Strike: Began April 16, 1974.

Issue:

The entire labor agreement became an issue after tentative agreement had been reached on the economic provisions of a new contract. Labor refused to ratify the new agreement and objected to the temporary placement of 13 employees In new job classifications.

Settlement:

Following breakdown of negotiations, employees were requested to return to work. Twenty-six employees returned to work, and replacements were hired for non-returning employees. These working employees then petitioned to have their affiliation with the ATU decertified; the petition was granted. The National Labor Relations Board will supervise a certification election to determine the present employee labor association affiliation on March 12, 1975. A new labor

agreement will be negotiated following certification. The ATU considers the strike to still be in effect.

Partial service was restored by El Paso City Lines on June 1, 1974. Full service was restored in July, 1974.

Houston, Texas
Houston Transit System

Employee Association: Transport Workers Union, Local 260
Employees Represented: 811 Employees Involved: 896
Duration of Strike: 47 days: November 5, 1974 to December 22, 1974

Issue:

The entire labor agreement was in contention with increased wages the major issue. Labor's Initial demand was a top base wage for vehicle operators of $5.50 per hour.

Settlement:

The negotiated settlement provided for a top base wage increase for operators of 60¢ per hour to $5.05 effective November 3, 1974, and an additional base wage increase of 40¢ per hour effective November 3, 1975. A provision for cost-of-living allowance was added to the contract, and fringe benefits were increased.

Los Angeles, California
Southern California Rapid Transit District

Employee Association: United Transportation Union
Amalgamated Transit Union, Division 1277
Employees Represented: UTU - 3299, ATU - 735
Employees Involved: UTU - 3299, ATU - 735
Duration Strike: 68 Days: August 8, 1974 to October 19, 1974

Issue:

At issue was the entire labor agreement including wages, fringe benefits, and working rules.

Settlement:

The conciliated settlement called for a two-year contract. The labor agreement with the ATU, representing maintenance and equipment department employees, provided for an 8% wage increase each year. The labor agreement with the UTU, representing bus drivers and trafficmen, provided for a top rate increase of 52¢ per hour over the previous base wage retroactive to June 1, 1974; an additional 38¢ per hour increase in the base wage upon resumption of service; an additional 10¢ per hour

increase in the base wage effective June 1, 1975; and an additional 11¢ per hour increase in the base wage effective December 1, 1975. Comparative percentage increases were provided for schedule checkers and trainees.

Both labor agreements provided for an increased fringe package.

New Orleans, Louisiana
New Orleans Public Service, Inc.

Employee Association: Amalgamated Transit Union, Division 1560
Employees Represented: 817 Employees Involved: 817
Duration of Strike: Began on December 17, 1974; strike in progress on December 31, 1974.

Issue:

At issue are wage and representation clauses of a new labor agreement.

Settlement:

Efforts at negotiation and mediation had failed to reach a settlement, and strike was in progress on December 31, 1974.

Oakland, California
Alameda-Contra Costa Transit District

Employee Association: Amalgamated Transit Union, Division 192
Employees Represented: 1, 634 Employees Involved: 1, 634
Duration of Strike: 62 days: July 1, 1974 to August 31, 1974

Issue:

Major labor agreement provisions at issue were wages, working conditions, and pension benefits.

Settlement:

Settlement was reached by negotiation and conciliation. The settlement provided for incorporation of the $1.13 cost-of - living allowance paid as of June 30, 1974 into the base wage rate. In addition, a 23¢ per hour increase in the base wage was effective upon return to work. The settlement provided for an additional 22¢ per hour increase in the base wage effective July 1, 1975, and an additional 20¢ per hour increase in the base wage effective July 1, 1976, besides increased pension benefits and changes in sick leave and holiday provisions.

Rochester, New York
Regional Transit Service

Employee Association: Amalgamated Transit Union, Division 286
Employees Represented: 492 Employees Involved: 492
Duration of Strike: 4 days: April 18, 1974 to April 22, 1974

Issue:

Employee association objected to management procedures concerning annuity program in pension plan and also sought rewriting of discipline procedures considered too harsh.

Settlement:

Management obtained injunction to prohibit strike: labor ignored court order. The Taylor Law prohibiting strikes by public employees in New York State was invoked, and employees returned to work. Employee association was fined, and employees lost two days of pay for each day of strike. Strike issues are being taken to mandatory arbitration as required by the Taylor Law.

San Antonio, Texas
San Antonio Transit System

Employee Association: Amalgamated Transit Union, Division 694
Employees Represented: 480 Employees Involved: 480
Duration of Strike: 23 days: November 14, 1974 to December 7, 1974

Issue:

Texas state law prohibits municipal employees from striking; therefore, the San Antonio Transit System work stoppage is classified as an illegal strike.

Labor made demands including (1) a base wage rate of $4.40 per hour effective November 14, 1974, (2) a base wage rate of $4.68 per hour effective February 1, 1975, (3) elimination of the two-day waiting period for payment of sick leave, (4) an increase from 5¢ per hour to 25¢ per hour in night differential for mechanics, (5) an increase of paid holidays from 8 to 11, (6) an increased uniform allowance and (7) a 12-hour limit on spread time for extra board operators.

Settlement:

The settlement was mediated. Base wages were increased to $4.25 per hour effective November 14, 1974, and to $4.60 per hour effective February 1, 1975. Also provided were one additional holiday, an increase in the uniform allowance from $50 to $65 per year, and increased student operator instructor pay for regular operators.

San Francisco, California
San Francisco Municipal Railway

Employee Association: Transport Workers Union, Local 250A
Employees Represented: 2,000 Employees Involved: 3,800
Duration of Strike: 9 days: March 1, 1974 to March 10, 1974

Issue:

Wage and salary standardization for employees of the City and County of San Francisco.

Settlement:

The settlement was negotiated. An across-the-board wage increase of $50 per month was agreed upon with no internal adjustments or other increases.

CANADA

Edmonton, Alberta
Edmonton Transit System

Employee Association: Amalgamated Transit Union, Division 569
Employees Represented: 650 Employees Involved: 653
Duration of Strike: 60 days: November 29, 1973 to January 18, 1974

Issue:

Major issue was labor demand for wage parity with Vancouver, B.C. transit system (British Columbia Hydro and Power Authority) and revised time periods for incremental wage increases.

Settlement:

The mediated wage settlement provided for a top operator base wage of $4.94 per hour effective June 24, 1973, a 30¢ per hour base wage increase effective January 18, 1974, a 34¢ per hour base wage increase effective June 21, 1974, a 22¢ per hour base wage increase effective March 2, 1975, and a 32¢ per hour base wage increase effective January 16, 1976.

PARTICULARS OF WORK STOPPAGES
CALENDAR YEAR 1974

Akron, Ohio
Metro Regional Transit Authority
Employee Association: Transport Workers Union, Local 1
Employees Represented: 94 Employees Involved: 18
Duration of Work Stoppage: 1 day: September 30, 1974

Issue:
Work stoppage was in protest of overcrowding on school bus trips and the suspension of a vehicle operator who deviated from the established school route.

Settlement:
The settlement was negotiated. MRTA agreed to reroute certain school bus trips in order to lower their load factor and to provide heaters on buses. The employee suspension was upheld.

Charleston, West Virginia
Kanawha Valley Regional Transportation Authority
Employee Association: Amalgamated Transit Union, Division 1493
Employees Represented: 120 Employees Involved: 120
Duration of Work Stoppage: 2 days: September 10, 1974 to September 11, 1974

Issue:
Labor honored picket line of individual citizens protesting material contained in text books used by Charleston public schools with the concurrence of the school board. The school book protesters had no dispute with KVRTA.

Settlement:
The settlement was litigated. KVRTA was granted an injunction prohibiting labor from honoring protestor picket lines. Work stoppage ended when labor officials and police escorted buses leaving parking lot. The picket line was then removed from KVRTA premises.

Detroit, Michigan
Southeastern Michigan Transportation Authority
Employee Association: Amalgamated Transit Union, Division 1303
Employees Represented: 130 Employees Involved: June 28, 1974: 30
June 29, 1974:130
Duration of Work Stoppage:2 days: June 28, 1974 to June 29, 1974

Issue:

Determination of the effective date of current labor agreement to be either April 1, 1974 or May 1, 1974.

Settlement:

The negotiated settlement fixed the effective date of the labor agreement as April 1, 1974.

Louisville, Kentucky
Transit Authority of River City

Employee Association: Amalgamated Transit Union, Division 1447
Employees Represented: 322 Employees Involved: Approximately 100
Duration of Work Stoppage: 1 day: November 30, 1974 - 11:45 a.m. to 3:45 p.m.

Issue:

Work stoppage was in protest over the discharge of an armed vehicle operator behaving in a threatening manner toward a school bus passenger.

Settlement:

The settlement was conciliated. The operator discharge was changed to a suspension. TARC agreed to provide monitors on school buses for extra protection of operators and further agreed to install, two-way radios on all buses in the near future.

Newport, Kentucky
Transit Authority of Northern Kentucky

Employee Association: Amalgamated Transit Union, Division 628
Employees Represented: 148
Duration of Work Stoppage: 2 days: November 10, 1974 to November 12, 1974

Issue:

Labor failed to ratify new agreement proposed by employer before deadline of midnight, November 9, 1974. Basic issue was labor demand for base wage parity ($5. 00 per hour base wage plus 2¢ per hour C. 0. L) with Queen City Metro (Cin - cinnati, Ohio) and demand for employer to pay full cost of health insurance. Proposed labor agreement provisions had been extensively rewritten to conform with those of Queen City Metro labor agreement

Settlement:

The mediated settlement provided an immediate wage increase of 40¢ per hour for all employees which increased the base wage

rate for operators to $4.81 per hour. Management also agreed to increase the employee share for cost of health insurance in steps until the full cost of health insurance is assumed on May 1, 1976.

Pittsburgh, Pennsylvania
Port Authority of Allegheny County

Employee Association: Amalgamated Transit Union, Division 85
Employees Represented: 2, 475 Employees Involved: 450
Duration of Work Stoppages: 1 day: August 21, 1974 to August 22, 1974
1 day: September 22, 1974 to September 23, 1974

Issue:

Employer physician determined vehicle operator to be medically unfit for work. Protest resulted from private physician of employee finding him fit for work.

Settlement:

Operator retained on an inactive with full pay status pending negotiation of medical evaluation process between management and labor.

San Rafael, California
Golden Gate Bridge, Highway and Transportation District

Employee Association: Amalgamated Transit Union, Division 1225
Employees Represented: 262 Employees Involved: 196
Duration of Work Stoppage: 1 day: June 24, 1974

Issue:

Dispute concerning when pay checks would be issued for pay days falling on a Sunday.

Settlement:

Settlement was negotiated. Management agreed to distribute payroll checks on the Friday preceding a normal pay day failing on a Sunday.

Syracuse, New York
CNY Centro, Inc.

Employee Association: Amalgamated Transit Union, Division 580
Employees Represented: 310 Employees Involved: Approximately 40
Duration of Work Stoppage: 2 days: October 2, 1974 to October 4, 1974 (overtime only)

Issue:

Because of a grievance involving a vehicle operator's being refused work due to a heart condition, approximately 40 employees refused to take any overtime work. A portion of the overtime work had been previously agreed to by the operators involved.

Settlement:

The dispute has been placed before the New York State Public Employees Review Board. Settlement was pending on December 31, 1974.

Winston-Salem, North Carolina
Winston-Salem Transit Authority

Employee Association: Transport Workers Union, Local 248
Employees Represented: 101 Employees Involved: 40
Duration of Work Stoppage: 1 day: September 11, 1974 (for period of 75 minutes)

Issue:

Management firm would not put new run picks into effect in middle of week as requested by labor.

Settlement:

Transit Authority directed management firm to put new run picks into effect immediately and to refrain from taking any action against labor association or individual employees.

APPENDIX E [*]

MODEL SECTION 13 (C) AGREEMENT FOR TRANSIT OPERATING ASSISTANCE

[*] This agreement was provided to the author by the American Public Transit Association.

AGREEMENT PURSUANT TO SECTION 13(c) OF THE URBAN MASS TRANSPORTATION ACT OF 1964, AS AMENDED.

WHEREAS, the Congress recognized in the National Mass Transportation Assistance Act of 1974 that the urban mass transportation industry required operating assistance to maintain service to the public, stimulate ridership and assist communities in meeting their overall development aims; and

WHEREAS, Sections 3(e) (4), 5(n) (1) and 13(c) of the Act require, as a condition of any such assistance, that suitable fair and equitable arrangements be made to protect urban mass transportation industry employees affected by such assistance; and

WHEREAS, the fundamental purpose and scope of this agreement is to establish such fair and equitable employee protective arrangements on a national and uniform basis for application throughout the urban mass transportation industry to those employees and employees represented by the labor organizations signatory hereto; and

WHEREAS, the undersigned American Public Transit Association and the national labor organizations signatory hereto have agreed upon the following arrangements as fair and equitable for application to any urban mass transportation employer ("Recipient") who is a signatory hereto and who has been designated to receive federal operating assistance under the Urban Mass Transportation Act of 1964, as amended ("Act");

NOW, THEREFORE, it is agreed that the following terms and conditions shall apply and shall be specified in any contract governing such federal assistance to the Recipient:

(1) The term "Project", as used in this agreement, shall not be limited to the particular facility, service, or operation assisted by federal funds, but shall include any changes, whether organizational, operational, technological, or otherwise, which are a result of the assistance provided. The phrase "as a result of the Project" shall, when used in this agreement, include events occurring in anticipation of, during, and subsequent to the Project and any program of efficiencies or economies related thereto; provided, however, that volume rises and falls of business, or changes in volume and character of employment brought about by causes other than the Project (including any economies or efficiencies unrelated to the Project) are not within the purview of this agreement.

(2) The Project, as defined in paragraph (1) shall be performed and carried out in full compliance with the protective conditions described herein.

(3) All rights, privileges, and benefits (including pension rights and benefits) of employees covered by this agreement (including employees having already retired) under existing collective bargaining agreements or otherwise, or under any revision or renewal thereof, shall be preserved and continued; provided, however, that such rights, privileges and benefits which are not foreclosed from further bargaining under applicable law or contract may be modified by collective bargaining and agreement by the Recipient and the union involved to substitute other rights, privileges and benefits. Unless otherwise provided, nothing in this agreement shall be deemed to restrict any rights the Recipient may otherwise have to direct the working forces and manage its business as it deems best, in accordance with the applicable collective bargaining agreement.

(4) The collective bargaining rights of employees covered by this agreement, including the right to arbitrate labor disputes and to maintain union security and checkoff arrangements, as provided by applicable laws, policies and/or existing collective bargaining agreements, shall be preserved and continued.* Provided, however, that this provision shall not be interpreted so as to required the Recipient to retain any such rights which exist by virtue of a collective bargaining agreement after such agreement is no longer in effect.

The Recipient agrees that it will bargain collectively with the union or otherwise arrange for the continuation of collective bargaining, and that it will enter into agreement with the union or arrange for such agreements to be entered into, relative to all subjects which are or may be proper subjects of collective bargaining. If, at any time, applicable law or contracts permit or grant to employees covered by this agreement the right to utilize any economic measures, nothing in this agreement shall be deemed to foreclose the exercise of such right.

(5) (a) In the event the Recipient contemplates any change in the organization or operation of its system which may result in the dismissal or displacement of employees, or rearrangement of the working forces covered by this agreement, as a result of the Project, the Recipient shall do so only in accordance with the provisions of subparagraph (b) hereof. Provided, however, that

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* As an addendum to this agreement, there shall be attached where applicable the arbitration or other dispute settlement procedures or arrangements provided for in the existing collective bargaining agreements or any other existing agreements between the Recipient and the Union, subject to any changes in such agreements as may be agreed upon or determined by interest arbitration proceedings.

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changes which are not a result of the Project, but which grow out of the normal exercise of seniority rights occasioned by seasonal or other normal schedule changes and regular picking procedures under the applicable collective bargaining agreement, shall not be considered within the purview of this paragraph.

(b) The Recipient shall give to the unions representing the employees affected thereby, at least sixty (60) days' written notice of each proposed change, which may result in the dismissal or displacement of such employees or rearrangement of the working forces as a result of the Project, by sending certified mail notice to the union representatives of such employees. Such notice shall contain a full and adequate statement of the proposed changes, including an estimate of the number of employees affected by the intended changes, and the number and classifications of any jobs in the Recipient's employment available to be filled by such affected employees.

At the request of either the Recipient or the representatives of the affected employees, negotiations for the purpose of reaching agreement with respect to application of the terms and conditions of this agreement shall commence immediately. These negotiations shall include determining the selection of forces from among the employees of other urban mass transportation employers who may be affected as a result of the Project, to establish which such employees shall be offered employment with the Recipient for which they are qualified or can be trained; not, however, in contravention of collective bargaining agreements relating thereto. If no agreement is reached within twenty (20) days from the commencement of negotiations, any party to the dispute may submit to arbitration in accordance with the procedures contained in paragraph (15) hereof. In any such arbitration, final decision must be reached within sixty (60) days after selection or appointment of the neutral arbitrator. In any such arbitration, the terms of this agreement are to be interpreted and applied in favor of providing employee protections and benefits no less than those established pursuant to § 5 (2) (f) of the Interstate Commerce Act.

(6) (a) whenever an employee, retained in service, recalled to service, or employed by the Recipient pursuant to paragraphs (5), (7) (e), or (18) hereof is placed in a worse position with respect to compensation as a result of the Project, he shall be considered a "displaced employee", and shall be paid a monthly "displacement allowance" to be determined in accordance with this paragraph. Said displacement allowance shall be paid each displaced employee during the protective period following the date on which he is first "displaced", and shall continue during the pro-

tective period so long as the employee is unable, in the exercise of his seniority rights, to obtain a position producing compensation equal to or exceeding the compensation he received in the position from which he was displaced, adjusted to reflect subsequent general wage adjustments, including cost of living adjustments where provided for.

(b) The displacement allowance shall be a monthly allowance determined by computing the total compensation received by the employee, including vacation allowances and monthly compensation guarantees, and his total time paid for during the last twelve (12) months in which he performed compensated service more than fifty per centum of each such months, based upon his normal work schedule, immediately preceding the date of his displacement as a result of the Project, and by dividing separately the total compensation and the total time paid for by twelve, thereby producing the average monthly compensation and the average monthly time paid for. Such allowance shall be adjusted to reflect subsequent general wage adjustments, including cost of living adjustments where provided for. If the displaced employee's compensation in his current position is less in any month during his protective period than the aforesaid average compensation (adjusted to reflect subsequent general wage adjustments, including cost of living adjustments where provided for), he shall be paid the difference, less compensation for any time lost on account of voluntary absences to the extent that he is not available for service equivalent to his average monthly time, but he shall be compensated in addition thereto at the rate of the current position for any time worked in excess of the average monthly time paid for. If a displaced employee fails to exercise his seniority rights to secure another position to which he is entitled under the then existing collective bargaining agreement, and which carries a wage rate and compensation exceeding that of the position which he elects to retain, he shall thereafter be treated, for the purposes of this paragraph, as occupying the position he elects to decline.

(c) The displacement allowance shall cease prior to the expiration of the protective period in the event of the displaced employee's resignation, death, retirement, or dismissal for cause in accordance with any labor agreement applicable to his employment.

(7) (a) Whenever any employee is laid off or otherwise deprived of employment as a result of the Project, in accordance with any collective bargaining agreement applicable to his employment, he shall be considered a "dismissed employee" and shall be paid a monthly dismissal allowance to be determined in accordance with this paragraph. Said dismissal allowance shall first be paid

each dismissed employee on the thirtieth (30th) day following the day on which he is "dismissed" and shall continue during the protective period, as follows:

Employee's length of service prior to adverse effect	Period of protection
1 day to 6 years	equivalent period
6 years or more	6 years

The monthly dismissal allowance shall be equivalent to one-twelfth (1/12th) of the total compensation received by him in the last twelve (12) months of his employment in which he performed compensation service more than fifty per centum of each such months based on his normal work schedule to the date on which he was first deprived of employment as a result of the Project. Such allowance shall be adjusted to reflect subsequent general wage adjustments, including cost of living adjustments where provided for.

(b) An employee shall be regarded as deprived of employment and entitled to a dismissal allowance when the position he holds is abolished as a result of the Project, or when the position he holds is not abolished but he loses that position as a result of the exercise of seniority rights by an employee whose position is abolished as a result of the Project or as a result of the exercise of seniority rights by other employees brought about as a result of the Project, and he is unable to obtain another position, either by the exercise of his seniority rights, or through the Recipient, in accordance with subparagraph (e). In the absence of proper notice followed by an agreement or decision pursuant to paragraph (5) hereof, no employee who has been deprived of employment as a result of the Project shall be required to exercise his seniority rights to secure another position in order to qualify for a dismissal allowance hereunder.

(c) Each employee receiving a dismissal allowance shall keep the Recipient informed as to his current address and the current name and address of any other person by whom he may be regularly employed, or if he is self-employed.

(d) The dismissal allowance shall be paid to the regularly assigned incumbent of the position abolished. If the position of an employee is abolished when he is absent from service, he will be entitled to the dismissal allowance when he is available for service. The employee temporarily filling said position at the time it was abolished will be given a dismissal allowance on the basis of that position, until the regular employee is available for service, and thereafter shall revert to his previous status

and will be given the protections of the agreement in said position, if any are due him.

(e) An employee receiving a dismissal allowance shall be subject to call to return to service by his former employer after being notified in accordance with the terms of the then-existing collective bargaining agreement: Prior to such call to return to work by his employer, he may be required by the Recipient to accept reasonably comparable employment for which he is physically and mentally qualified, or for which he can become qualified after a reasonable training or retraining period, provided it does not require a change in residence or infringe upon the employment rights of other employees under then-existing collective bargaining agreements.

(f) When an employee who is receiving a dismissal allowance again commences employment in accordance with subparagraph (e) above, said allowance shall cease while he is so reemployed, and the period of time during which he is so reemployed shall be deducted from the total period for which he is entitled to receive a dismissal allowance. During the time of such reemployment, he shall be entitled to the protections of this agreement to the extent they are applicable.

(g) The dismissal allowance of any employee who is otherwise employed shall be reduced to the extent that his combined monthly earnings from such other employment or self-employment, any benefits received from any unemployment insurance law, and his dismissal allowance exceed the amount upon which his dismissal allowance is based. Such employee, or his union representative, and the Recipient shall agree upon a procedure by which the Recipient shall be kept currently informed of the earnings of such employee in employment other than with his former employer, including self-employment, and the benefits received.

(h) The dismissal allowance shall cease prior to the expiration of the protective period in the event of the failure of the employee without good cause to return to service in accordance with the applicable labor agreement, or to accept employment as provided under subparagraph (e) above, or in the event of his resignation, death, retirement, or dismissal for cause in accordance with any labor agreement applicable to his employment.

(i) A dismissed employee receiving a dismissal allowance shall actively seek and not refuse other reasonably comparable employment offered him for which he is physically and mentally qualified and does not require a change in his place of residence. Failure of the dismissed employee to comply with this obligation shall be grounds for discontinuance of his allowance; provided

that said dismissal allowance shall not be discontinued until final determination is made either by agreement between the Recipient and the employee or his representative, or by final arbitration decision rendered in accordance with paragraph (15) of this agreement that such employee did not comply with this obligation.

(8) In determining length of service of a displaced or dismissed employee for purposes of this agreement, such employee shall be given full service credits in accordance with the records and labor agreements applicable to him and he shall be given additional service credits for each month in which he receives a dismissal or displacement allowance as if he were continuing to perform services in his former position.

(9) No employee shall be entitled to either a displacement or dismissal allowance under paragraphs (6) or (7) hereof because of the abolishment of a position to which, at some future time, he could have bid, been transferred, or promoted.

(10) No employee receiving a dismissal or displacement allowance shall be deprived, during his protected period, of any rights, privileges, or benefits attaching to his employment, including, without limitation, group life insurance, hospitalization and medical care, free transportation for himself and his family, sick leave, continued status and participation under any disability or retirement program, and such other employee benefits as Railroad Retirement, Social Security, Workmen's Compensation, and unemployment compensation, as well as any other benefits to which he may be entitled under the same conditions and so long as such benefits continue to be accorded to other employees of the bargaining unit, in active service or furloughed as the case may be

(11) (a) Any employee covered by this agreement who is retained in the service of his employer, or who is later restored to service after being entitled to receive a dismissal allowance, and who is required to change the point of his employment in order to retain or secure active employment with the Recipient in accordance with this agreement, and who is required to move his place of residence, shall be reimbursed for all expenses of moving his household and other personal effects, for the traveling expenses for himself and members of his immediate family, and for his own actual wage loss during the time necessary for such transfer and for a reasonable time thereafter, not to exceed five (5) working days. The exact extent of the responsibility of the Recipient under this paragraph, and the ways and means of transportation, shall be agreed upon in advance between the Recipient and the affected employee or his representatives.

(b) If any such employee is laid off within three (3) years after changing his point of employment in accordance with paragraph (a) hereof, and elects to move his place of residence back to his original point of employment, the Recipient shall assume the expenses, losses and costs of moving to the same extent provided in subparagraph (a) of this paragraph (11) and paragraph (12) (a) hereof.

(c) No claim for reimbursement shall be paid under the provisions of this paragraph unless such claim is presented to the Recipient within ninety (90) days after the date on which the expenses were incurred.

(d) Except as otherwise provided in subparagraph (b), changes in place of residence, subsequent to the initial changes as a result of the Project, which are not a result of the Project but grow out of the normal exercise of seniority rights, shall not be considered within the purview of this paragraph.

(12) (a) The following conditions shall apply to the extent they are applicable in each instance to any employee who is retained in the service of the employer (or who is later restored to service after being entitled to receive a dismissal allowance), who is required to change the point of his employment as a result of the Project, and is thereby required to move his place of residence.

If the employee owns his own home in the locality from which he is required to move, he shall, at his option, be reimbursed by the Recipient for any loss suffered in the sale of his home for less than its fair market value, plus conventional fees and closing costs, such loss to be paid within thirty (30) days of settlement or closing on the sale of the home. In each case, the fair market value of the home in question shall be determined, as of a date sufficiently prior to the date of the Project, so as to be unaffected thereby. The Recipient shall, in each instance, be afforded an opportunity to purchase the home at such fair market value before it is sold by the employee to any other person and to reimburse the seller for his conventional fees and closing costs.

If the employee is under a contract to purchase his home, the Recipient shall protect him against loss under such contract, and in addition, shall relieve him from any further obligation thereunder.

If the employee holds an unexpired lease of a dwelling occupied by him as his home, the Recipient shall protect him from all loss and cost in securing the cancellation of said lease.

(b) No claim for loss shall be paid under the provisions of this paragraph unless such claim is presented to the Recipient within one year after the effective date of the change in residence.

(c) Should a controversy arise in respect to the value of the home, the loss sustained in its sale, the loss under a contract for purchase, loss and cost in securing termination of a lease, or any other question in connection with these matters, it shall be decided through a joint conference between the employee, or his union, and the Recipient. In the event they are unable to agree, the dispute or controversy may be referred by the Recipient or the union to a board of competent real estate appraisers selected in the following manner: one (1) to be selected by the representatives of the employee, and one (1) by the Recipient, and these two, if unable to agree within thirty (30) days upon the valuation, shall endeavor by agreement within ten (10) days thereafter to select a third appraiser or to agree to a method by which a third appraiser shall be selected, and failing such agreement, either party may request the State or local Board of Real Estate Commissioners to designate within ten (10) days a third appraiser, whose designation will be binding upon the parties and whose jurisdiction shall be limited to determination of the issues raised in this paragraph only. A decision of a majority of the appraisers shall be required and said decision shall be final, binding, and conclusive. The compensation and expenses of the neutral appraiser, including expenses of the appraisal board, shall be borne equally by the parties to the proceedings. All other expenses shall be paid by the party incurring them, including the compensation of the appraiser selected by such party.

(d) Except as otherwise provided in paragraph (11) (b) hereof, changes in place of residence, subsequent to the initial changes as a result of the Project, which are not a result of the Project but grow out of the normal exercise of seniority rights, shall not be considered within the purview of this paragraph.

(e) "Change in residence" means transfer to a work location which is either (A) outside a radius of twenty (20) miles of the employee's former work location and farther from his residence than was his former work location, or (B) is more than thirty (30) normal highway route miles from his residence and also farther from his residence than was his former work location.

(13) A dismissed employee entitled to protection under this agreement may, at his option within twenty-one (21) days of his dismissal, resign and (in lieu of all other benefits and protections provided in this agreement) accept a lump sum payment computed in accordance with section (9) of the Washington Job Protec-

tion Agreement of May 1936:

Length of Service						Separation Allowance		
1	year	and	less	than	2	years	3	months	pay
2	"	"	"	"	3	"	6	"	"
3	"	"	"	"	5	"	9	"	"
5	"	"	"	"	10	"	12	"	"
10	"	"	"	"	15	"	12	"	"
15	"	"	over			"	12	"	"

In the case of an employee with less than one year's service, five days' pay, computed by multiplying by 5 the normal daily earnings (including regularly scheduled overtime, but excluding other overtime payments) received by the employee in the position last occupied, for each month in which he performed service, will be paid as the lump sum.

(a) Length of service shall be computed as provided in Secion 7 (b) of the Washington Job Protection Agreement, as follows:

For the purposes of this agreement, the length of service of the employee shall be determined from the date he last acquired an employment status with the employing carrier and he shall be given credit for one month's service for each month in which he performed any service (in any capacity whatsoever) and twelve (12) such months shall be credited as one year's service. The employment status of an employee shall not be interrupted by furlough in instances where the employee has a right to and does return to service when called. In determining length of service of an employee acting as an officer or other official representative of an employee organization, he will be given credit for performing service while so engaged on leave of absence from the service of a carrier.

(b) One month's pay shall be computed by multiplying by 30 the normal daily earnings (including regularly scheduled overtime, but excluding other overtime payments) received by the employee in the position last occupied prior to time of his dismissal as a result of the Project.

(14) Whenever used herein, unless the context requires otherwise, the term "protective period" means that period of time during which a displaced or dismissed employee is to be provided protection hereunder and extends from the date on which an employee is displaced or dismissed to the expiration of six (6) years therefrom, provided, however, that the protective period for any particular employee during which he is entitled to receive the benefits of these provisions shall not continue for a longer period

following the date he was displaced or dismissed than the employee's length of service, as shown by the records and labor agreements applicable to his employment prior to the date of his displacement or his dismissal.

(15) (a) In the event there arises any labor dispute with respect to the protection afforded by this agreement, or with respect to the interpretation, application or enforcement of the provisions of this agreement, not otherwise governed by Section (12) (c) hereof, the Labor-Management Relations Act, as amended, Railway Labor Act, as amended, or by impasse resolution provisions in a collective bargaining or protective agreement involving the Recipient and the union, which cannot be settled by the parties thereto within thirty (30) days after the dispute or controversy arises, it may be submitted at the written request of the Recipient or the union to a board of arbitration to be selected as hereinafter provided. One arbitrator is to be chosen by each interested party, and the arbitrators thus selected shall endeavor to select a neutral arbitrator who shall serve as chairman. Each party shall appoint its arbitrator within five (5) days after notice of submission to arbitration has been given. Should the arbitrators selected by the parties be unable to agree upon the selection of the neutral arbitrator within ten (10) days after notice of submission to arbitration has been given, then the arbitrator selected by any party may request the American Arbitration Association to furnish, from among members of the National Academy of Arbitrators who are then available to serve, five (5) arbitrators from which the neutral arbitrator shall be selected. The arbitrators appointed by the parties shall, within five (5) days after the receipt of such list, determine by lot the order of elimination and thereafter each shall, in that order, alternately eliminate one name until only one name remains. The remaining person on the list shall be the neutral arbitrator. If any party fails to select its arbitrator within the prescribed time limit, the highest officer of the Union or of the Recipient or their nominees, as the case may be, shall be deemed to be the selected arbitrator, and the board of arbitration shall then function and its decision shall have the same force and effect as though all parties had selected their arbitrators. Unless otherwise provided, in the case of arbitration proceedings, under paragraph (5) of this agreement, the board of arbitration shall meet within fifteen (15) days after selection or appointment of the neutral arbitrator and shall render its decision within forty-five (45) days after the hearing of the dispute has been concluded and the record closed. The decision by majority vote of the arbitration board shall be final and binding as the decision of the arbitration board, except as provided in subparagraph (b) below. All the conditions of the agreement shall continue to be effective during the arbitration proceedings.

(b) In the case of any labor dispute otherwise covered by subparagraph (a) but involving multiple parties, or employees of urban mass transportation employers other than those of the Recipient, which cannot be settled by collective bargaining, such labor dispute may be submitted, at the written request of any of the parties to this agreement involved in the dispute, to a single arbitrator who is mutually acceptable to the parties. Failing mutual agreement within ten (10) days as to the selection of an arbitrator, any of the parties involved may request the American Arbitration Association to furnish an impartial arbitrator from among members of the National Academy of Arbitrators who is then available to serve. Unless otherwise provided, in the case of arbitration proceedings under paragraph (5) of this agreement, the arbitrator thus appointed shall convene the hearing within fifteen (15) days after his selection or appointment and shall render his decision within forty-five (45) days after the hearing of the dispute or controversy has been concluded and the record closed. The decision of the neutral arbitrator shall be final, binding, and conclusive upon all parties to the dispute. All the conditions of the agreement shall continue to be effective during the arbitration proceeding. Authority of the arbitrator shall be limited to the determination of the dispute arising out of the interpretation, application, or operation of the provisions of this agreement. The arbitrator shall not have any authority whatsoever to alter, amend, or modify any of the provisions of any collective bargaining agreement.

(c) The compensation and expenses of the neutral arbitrator, and any other jointly incurred expenses, shall be borne equally by the parties to the proceeding and all other expenses shall be paid by the party incurring them.

(d) In the event of any dispute as to whether or not a particular employee was affected by the Project, it shall be his obligation to identify the Project and specify the pertinent facts of the Project relied upon. It shall then be the Recipient's burden to prove that factors other than the Project affected the employee. The claiming employee shall prevail if it is established that the Project had an effect upon the employee even if other factors may also have affected the employee (Hodgson's Affidavit in Civil Action No. 825-71).

(e) Nothing in this agreement shall be construed to enlarge or limit the right of any party to utilize, upon the expiration of any collective bargaining agreement or otherwise, any economic measures which are not inconsistent or in conflict with applicable laws or this agreement.

(16) Nothing in this agreement shall be construed as depriving any employee of any rights or benefits which such employee may have under any existing job security or other protective conditions or arrangements by collective bargaining agreement or law where applicable, including P. L. 93-236, enacted January 2, 1974; provided that there shall be no duplication of benefits to any employees, and, provided further, that any benefit under the agreement shall be construed to include the conditions, responsibilities, and obligations accompanying such benefit.

(17) The Recipient shall be financially responsible for the application of these conditions and will make the necessary arrangements so that any employee affected as a result of the Project may file a claim through his union representative with the Recipient within sixty (60) days of the date he is terminated or laid off as a result of the Project, or within eighteen (18) months of the date his position with respect to his employment is otherwise worsened as a result of the Project; provided, in the latter case, if the events giving rise to the claim have occurred over an extended period, the 18-month limitation shall be measured from the last such event; provided, further, that no benefits shall be payable for any period prior to six (6) months from the date of the filing of the claim. Unless such claims are filed with the Recipient within said time limitations, the Recipient shall thereafter be relieved of all liabilities and obligations related to said claims. The Recipient will fully honor the claim, making appropriate payments, or will give notice to the claimant and his representative of the basis for denying or modifying such claim, giving reasons therefor. In the event the Recipient fails to honor such claim, the Union may invoke the following procedures for further joint investigation of the claim by giving notice in writing of its desire to pursue such procedures. Within ten (10) days from the receipt of such notice, the parties shall exchange such factual material as may be requested of them relevant to the disposition of the claim and shall jointly take such steps as may be necessary or desirable to obtain from any third party such additional factual material as may be relevant. In the event the claim is so rejected by the Recipient, the claim may be processed to arbitration as hereinabove provided by paragraph (15). Prior to the arbitration hearing, the parties shall exchange a list of intended witnesses. In conjunction with such proceedings, the impartial arbitrator shall have the power to subpoena witnesses upon the request of any party and to compel the production of documents and other information denied in the pre-arbitration period which is relevant to the dispostion of the claim.

Nothing included herein as an obligation of the Recipient shall be construed to relieve any other urban mass transportation employer of the employees covered hereby of any obligations

which it has under existing collective bargaining agreements, including but not limited to obligations arising from the benefits referred to in paragraph (10) hereof, nor make any such employer a third-party beneficiary of the Recipient's obligations contained herein nor deprive the Recipient of any right of subrogation.

(18) During the employee's protective period, a dismissed employee shall, if he so requests, in writing, be granted priority of employment to fill any vacant position within the jurisdicition and control of the Recipient, reasonably comparable to that which he held when dismissed, for which he is, or by training or re-training can become, qualified; not, however, in contravention of collective bargaining agreements relating thereto. In the event such employee requests such training or re-training to fill such vacant position, the Recipient shall provide for such training or re-training at no cost to the employee. The employee shall be paid the salary or hourly rate provided for in the applicable collective bargaining agreement for such position, plus any displacement allowance to which he may be otherwise entitled. If such dismissed employee who has made such request fails, without good cause, within ten (10) days to accept an offer of a position comparable to that which he held when dismissed for which he is qualified, or for which he has satisfactorily completed such training, he shall, effective at the expiration of such ten-day period, forfeit all rights and benefits under this agreement.

As between employees who request employment pursuant to this paragraph, the following order where applicable shall prevail in hiring such employees:

(a) Employees in the craft or class of the vacancy shall be given priority over employees without seniority in such craft or class;

(b) As between employees having seniority in the craft or class of the vacancy, the senior employees, based upon their service in that craft or class, as shown on the appropriate seniority roster, shall prevail over junior employees;

(c) As between employees not having seniority in the craft or class of the vacancy, the senior employees, based upon their service in the crafts or classes in which they do have seniority as shown on the appropriate seniority rosters, shall prevail over junior employees.

(19) This agreement shall be binding upon the successors and assigns of the parties hereto, and no provisions, terms, or obligations herein contained shall be affected, modified, altered, or changed in any respect whatsoever by reason of the arrangements made by or for the Recipient to manage and operate the system.

Any such person, enterprise, body, or agency, whether publicly- or privately-owned, which shall undertake the management or operation of the system, shall agree to be bound by the terms of this agreement and accept the responsibility for full performance of these conditions.

(20) The employees covered by this agreement shall continue to receive any applicable coverage under Social Security, Railroad Retirement, Workmen's Compensation, unemployment compensation, and the like. In no event shall these benefits be worsened as a result of the Project.

(21) In the event any provision of this agreement is held to be invalid, or otherwise unenforceable under the federal, State, or local law, in the context of a particular Project, the remaining provisions of this agreement shall not be affected and the invalid or unenforceable provision shall be renegotiated by the Recipient and the interested union representatives of the employees involved for purpose of adequate replacement under §13 (c) of the Act. If such negotiation shall not result in mutually satisfactory agreement, any party may invoke the jurisdiction of the Secretary of Labor to determine substitute fair and equitable employee protective arrangements for application only to the particular Project, which shall be incorporated in this agreement only as applied to that Project, and any other appropriate action, remedy, or relief.

(22) This agreement establishes fair and equitable employee protective arrangements for application only to federal operating assistance Projects under §§3 (h) and 5 of the Act and shall not be applied to other types of assistance under §5 or under other provisions of the Act, in the absence of further understandings and agreements to that effect.

(23) The designated Recipient, as hereinabove defined, signatory hereto, shall be the sole provider of mass transportation services to the Project and such services shall be provided exclusively by employees of the Recipient covered by this agreement, in accordance with this agreement and any applicable collective bargaining agreement. The parties recognize, however, that certain of the recipients signatory hereto, providing urban mass transportation services, have heretofore provided such services through contracts by purchase, leasing, or other arrangements and hereby agree that such practices may continue. Whenever any other employer provides such services through contracts by purchase, leasing, or other arrangements with the Recipient, or on its behalf, the provisions of this agreement shall apply.

(24) An employee covered by this agreement, who is not dismissed, displaced, or otherwise worsened in his position with regard to his employment as a result of the Project, but who is

dismissed, displaced, or otherwise worsened solely because of the total or partial termination of the Project, discontinuance of Project services, or exhaustion of Project funding, shall not be deemed eligible for a dismissal or displacement allowance within the meaning of paragraphs (6) and (7) of this agreement.

(25) If any employer of the employees covered by this agreement shall have rearranged or adjusted its forces in anticipation of the Project, with the effect of depriving an employee of benefits to which he should be entitled under this agreement, the provisions of this agreement shall apply to such employee as of the date when he was so affected.

(26) Any eligible employer not initially a party to this agreement may become a party by serving written notice of its desire to do so upon the Secretary of Labor, the American Public Transit Association, or its designee, and the unions signatory hereto, or their designee. In the event of any objection to the addition of such employer as a signatory, then the dispute as to whether such employer shall become a signatory shall be determined by the Secretary of Labor.

(27) In the context of a particular Project, any other union which is the collective bargaining representative of urban mass transportation employees in the service area of the Recipient, and who may be affected by the assistance to the Recipient within the meaning of 49 U.S.C.A. 1609 (c), may become a party to this agreement as applied to the Project, by serving written notice of its desire to do so upon the other union representatives of the employees affected by the Project, the Recipient, and the Secretary of Labor. In the event of any disagreement that such labor organization should become a party to this agreement, as applied to the Project, then the dispute as to whether such labor organization shall participate shall be determined by the Secretary of Labor.

(28) This agreement shall be effective and be in full force and effect for the period from November 26, 1974 to and including September 30, 1977. It shall continue in effect thereafter from year to year unless terminated by the A.P.T.A. or by the national labor organizations signatory hereto upon one hundred twenty (120) days' written notice prior to the annual renewal date. Any signatory employer or labor organization may individually withdraw from the agreement effective October 1, 1977, or upon any annual renewal date thereafter, by serving written notice of its intention so to withdraw one hundred twenty (120) days prior to the annual renewal date; provided, however, that any rights of the parties hereto or of individuals established and fixed during the term of this agreement shall continue in full force and effect, notwithstanding the termination of the agreement or the exercise by any signatory of the right to withdraw therefrom. This agreement shall be subject to revision by mutual agreement of the parties hereto at any time,

but only after the serving of a sixty (60) days' notice by either party upon the other.

(29) In the event any project to which this agreement applies is approved for assistance under the Act, the foregoing terms and conditions shall be made part of the contract of assistance between the federal government and the Recipient or other applicant for federal funds; provided, however, that this agreement shall not merge into the contract of assistance but shall be independently binding and enforceable by and upon the parties thereto, in accordance with its terms, nor shall any other employee protective agreement nor any collective bargaining agreement merge into this agreement, but each shall be independently binding and enforceable by and upon the parties thereto, in accordance with its terms.

IN WITNESS WHEREOF, the parties hereto have executed this agreement by their duly authorized representatives.

AMERICAN PUBLIC TRANSIT ASSOCIATION

By:	Stanley H. Gates, Jr. /s/
Date:	
By:	B. R. Stokes /s/
Date:	7/23/75

AMALGAMATED TRANSIT UNION, AFL-CIO

By:	D. V. Maroney, Jr. /s/
Date:	7-23-75

TRANSPORT WORKERS UNION OF AMERICA, AFL-CIO

By:	Matthew Guinan /s/
Date:	7-23-75

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