Summary Viewpoint of Issues of Labor Relations in Urban Public Transportation

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There is almost no issue facing the transit industry that does not involve the transit work force and that does not have implications for the relationship between transit management and transit labor. Discussions in the workshop on issues in labor relations therefore ranged over many of the subjects raised in the other four workshops but primarily in the context of the decision-making process by which wages, hours, and conditions of employment are determined.

LABOR COSTS

Because labor costs account for 65 to 80 percent of the total operating expenses of a transit system (depending on the comprehensiveness of the definition of labor cost), the workshop turned first to wage determination and to the factors that bear on wage levels. Average transit wages were 10 percent below the national average wage in manufacturing in 1965 but had risen to 4.4 percent above the manufacturing average by 1973. The level of labor costs is a function of the level of service provided by the system; the expanded service that has accompanied the transition from private to public ownership has had an impact on labor costs, as have the catch-up demands that confronted the new public owners.

Both labor and management recognize that data relating to wages and to employment and operating costs are key elements in negotiations, but wish to protect their own positions and those of their colleagues in other cities. The collection of uniform data on a national basis is made difficult by the roles that politics and local factors play in reaching local wage-and-benefit decisions.

The Urban Mass Transportation Administration (UMTA) has developed the Financial Accounting and Reporting Element (FARE) system to compile nationally uniform data on operating costs. UMTA's intent was discussed with particular attention to the potential use of FARE data as a pretext for cutting back on subsidy payments to high-cost systems or to those experimenting with new services. Although there was general agreement with labor's observation that the industry (both labor and management) will have to account to the taxpayers for continuing federal and state contributions (in the light of competing claims for the same dollars), urban transit's contribution to the community in the broader context of the economic and social base of the service area must also be assessed.

PRODUCTIVITY

Contributing elements in the declining use of public transit in the last 30 years have included (a) the rising level of personal income (and of reliance on the automobile); (b) the suburbanization of residences, which has proceeded faster than the suburbanization of jobs; and (c) the increasing concentration of transit trips in the peak periods and of automobile use for off-peak trips. Because these factors are in general beyond the industry's control, productivity in the context of more efficient use of the industry's resources becomes more significant.

Acceptance of the number of vehicle kilometers operated as a measure of productivity was urged since this includes the effect of expanded service and of other social objectives on the output of a given system; on this basis, capital productivity has increased at an annual rate of 0.5 percent and labor productivity at a rate of 1.0 percent since World War II.

The participants' initial positions on productivity reflected their traditional arguments in terms of the inflexibility of work rules and peak-hour problems (on the part of management) versus failure to take advantage of opportunities available under the contract (on the part of labor). As the discussion proceeded, a consensus began to evolve around a joint concept of urban transit as a service industry and of the innovations that are indeed available to transit management both on its own and in the context of more open consultation with labor where labor's interests are affected.

COLLECTIVE BARGAINING

The key issues with respect to the institutional framework for collective bargaining in urban transit are the political ramifications of collective bargaining under public ownership; as one management spokesman put it, "We are confronted with serious problems of political input because we do not have the flexibility today that we had under private ownership."

Although collective bargaining in urban transit has been carried over from the days of private ownership and transit employees typically negotiate separately from other groups of public employees, the politicization of the bargaining process has tended to diffuse decision-making authority (creating problems for both transit-system operators and union officials) and has brought into the collective bargaining procedure public officials who have little experience or background in labor negotiations (e.g., members of a transportation authority).

The issue of nationwide consistency on the legal status of collective bargaining was raised; labor supported this approach, and management generally opposed it. There was clear consensus that the substance of labor agreements must be dealt with on site at the local level, tailoring the terms of the contract to the needs of the employees and of the operating management, in the context of the political climate of the community.

PARATRANSIT

Even though the ultimate potential of paratransit is not known, interest in paratransit has increased enormously since the mid-1960s. During this time, traditional tran-

sit operators have tended to move slowly and cautiously in experimenting with demand-responsive transit. Labor had indicated some early enthusiasm for dial-a-ride but has become more skeptical of paratransit as it has expanded, particularly in regard to employee protection. The workshop discussion suggested that the integration of traditional transit and paratransit can help to boost ridership on traditional transit.

POLITICAL IMPACT

The framework for collective bargaining must involve organizations that have the capacity to agree and to disagree. A realistic appraisal of public-transit bargaining must therefore recognize that reaching an agreement includes lobbying, electioneering, and politicking, as well as negotiating at the table. In the broader context of a balanced federal role, federal policy should take account of the needs of the region a transit system serves rather than only the needs of its central city.

EMPLOYEE PROTECTION

Implementation of the statutory requirements of section 13c for a given property largely reflects the ongoing collective-bargaining relationship between its management and labor. There have undoubtedly been examples of overzealous use of section 13c bargaining; wage rates may, in some instances, have been driven higher than would otherwise have been the case, especially if the availability of federal subsidy dollars was also an issue. On the other hand, the vast majority of section 13c agreements covering operating assistance and capital projects are now negotiated with a minimum of difficulty or dispute.

A critical policy question yet to be resolved is whether section 13c will be extended to cover paratransit and non-fixed-route transit services such as taxis. At some point, Congress will probably have to determine how this kind of transit is to be integrated into the concept of mass transportation; this may require a resolution of appropriate levels of federal assistance for such services as well as the extension of protection to affected employees.

The discussants agreed that for section 13c, as for many of the other subjects covered, the key labor-relations element in increasing the survivability of urban transit is the demonstration of trust and good faith between labor and management.

Labor Costs and Collective Bargaining in Urban Mass Transit: Problems of Definition, Measurement, and Resolution

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Few institutions in the United States have undergone such rapid and far-reaching changes as the urban transit industry. Although they were largely private in 1960, the systems of every large metropolitan system, save that of New Orleans, had passed into the hands of some unit of government by 1976. The transition to public ownership was facilitated by federal, state, or local financial assistance for capital acquisition, demonstration projects, and operating assistance.

Without government assistance, the privately owned mass transit system could not survive. With governmental assistance, the quality of service has been improved; special services and fares for the elderly, school children, and the disadvantaged have been inaugurated; and technological innovation has been encouraged. Although in the last year or so the industry's ridership and revenues have begun to respond positively (1), the long-term picture, as shown below, has been bleak to say the least.

Item	1950	1974	Percent Change
Average number of employees	240 000	153 100	-36
Revenue passengers (000 000s)	13 845	5606	-60
Operating revenue ($000 000s)	1452	1940	+34
Operating expenses ($000 000s)	1297	3102	+139

Compared with 1950, by 1974 employment had declined by 36 percent, revenue passengers were down by 60 percent, and the shortfall in revenue had reached $1.3 billion (more than $1.7 billion by 1975). Thus, even though the combined operating assistance from public agencies exceeded $1.4 billion, it was short of total operating expenses by $300 million.

Public ownership has ensured that the industry will survive, at least for the time being, but it has clearly not solved the cause of urban transit's ills. Moreover, state and municipal levels of government are strained to the point that continuation of their shares of operating assistance may be severely limited. Reduction or elimination of these contributions would probably spell the end of hopes for recovery of the industry.

A good deal of concern has been focused on the industry's labor relations in general and labor costs in particular. This is to be expected, since urban transit has been well organized since before the turn of the century and its unions are among the most powerful in the American labor movement. This situation, coupled with the fact that labor costs are reported to constitute 65 percent of total operating costs (2), ensures a constant close scrutiny of the labor sector of the industry.

Certain authors believe that the combination of gov-