

Two months since Philadelphia strike

## Transit workers still without contract

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More than two months after the 40-day transit strike in Philadelphia, 5,500 workers still have no contract. The walkout which shut down the fourth largest transportation system in the US ended July 10 when the leadership of Transport Workers Union Local 234 announced it had reached an oral agreement with management. On July 24 the TWU Local 234 membership voted to accept this so-called agreement.

However, with nothing in writing between the two parties, management and the union leadership immediately began to disagree on the terms of the handshake deal. Originally, there were two unresolved issues, involving the hiring of part-timers and reductions in health benefits for injured workers. Now management claims there are many more issues in contention, and the 15-member board of the Southeast Pennsylvania Transportation Agency (SEPTA) has refused to vote on the oral agreement.

Local 234 officials are now calling upon Democratic Mayor Ed Rendell to intervene and work out a settlement. This is significant in light of Rendell's openly anti-union and pro-management position during the strike, when he sided with SEPTA's threats to use strikebreakers. Rendell has such a right-wing record, that much of the official labor leadership in Philadelphia, including the TWU, could not endorse him for reelection in 1995.

From the beginning of the struggle last June, the TWU leadership appealed for intervention by some governmental agency or big business politician to help reach a settlement. SEPTA management opposed the union's call for binding arbitration and was adamant about pressing ahead for sweeping concessions. Once again, SEPTA management is rejecting third party arbitration, confident that it can obtain its demands two months after the TWU called off the powerful strike.

SEPTA has demanded the introduction of part-timers, privatization, attacks on seniority rights, and overtime pay, reduction of union grievance rights, and an increased ability to discipline and fire workers.

### Federal transit subsidies slashed

The reasons behind this tough stand are not difficult to understand in light of financial situation facing the transit authority. In a document called Crossroads, SEPTA states that its ridership has fallen 21 percent between 1988 and 1997, causing a loss of \$75 million in revenue per year. This is considerable because half of SEPTA's \$700 million annual operating budget comes from the farebox.

Even more significant is the cutback in federal subsidies. In 1980 SEPTA received \$120 million. Now the figure is under \$12 million. The document continues, 'Worse yet, every sign from Washington is that federal operating subsidy is about to become ancient history and that transit authorities should not figure on a penny of operating money in the future.'

A number of studies from the Federal Transit Administration (FTA) make it clear, however, that these cutbacks are not limited to Philadelphia. The FTA reports that 'state and local transportation agencies increased their share of all transit funding from 45 to 79 percent between 1980 and 1993. Unless states and local governments make up the loss of these funds, it is estimated that over 300 transit systems will have to reduce service or raise fares 10 percent or more.'

In their study of fiscal year 1996, the FTA explains that the federal operating assistance was cut from \$710 million to \$400 million, a 44 percent reduction. It further concluded that this would force cities the size of

Philadelphia to increase fares by 9 percent. It is clear that this downward spiral in Philadelphia, faced with cuts in federal transportation subsidies, forcing increased fares thereby causing a reduction of passengers and farebox revenue, which puts even more financial pressure on the transportation system, is a nationwide affliction.

A week after the strike began the Clinton administration signed the Transportation Equity Act for the 21st Century into law, to provide funding for highway, transit and other surface transportation programs for the next six years. While increasing some areas of funding, particularly to provide transportation for low-wage workers from the inner cities to job markets in the suburbs, the law maintained strict spending limitations. Its aim, according to a summary by Clinton's Department of Transportation, was to advance 'America's economic growth and competitiveness domestically and internationally through efficient and flexible transportation.'

The assault on transit workers is part of a broader picture of budget cutting, privatization of municipal services and reduction of social programs taking place throughout the US and internationally. Under the impact of falling state subsidies, cities are competing against each other to attract globally-mobile capital. More and more transit authorities are being pressed to turn a profit to provide a higher rate of return to municipal bond holders and other investors.

In turn, transit authorities like SEPTA seek to drive down wage scales and working conditions, increase fares and undermine safe and comfortable service by cutting corners and outsourcing to private contractors. State Senator Doyle Corman has already introduced legislation in the Pennsylvania State House to privatize 10 percent of SEPTA's lines per year. These are the underlying causes of the bitter strike last summer.

For 40 days Philadelphia workers waged a militant fight and shut down the entire transit system. Despite the efforts of management and the Rendell administration to turn the public opinion against the strikers, the walkout garnered widespread support from working people throughout the city and suburbs. The struggle was rapidly emerging as a direct political confrontation with the Democratic administration and its big business backers.

But the TWU and Philadelphia AFL-CIO officials did

everything they could to prevent such a struggle. TWU Local 234 President Steve Brookens insisted that the strike could be won by appealing to 'good' Democrats instead of 'bad' ones like Mayor Rendell. On this basis, the TWU leadership called off the strike and agreed to a settlement which leaves transit workers at the mercy of SEPTA management.

*See Also:* Philadelphia transit workers to vote on tentative pact [24 July 1998]



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