

# Los Angeles transit strikers vote down management's "final offer"

## Union pushes for binding arbitration

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Striking mechanics and service workers at the Los Angeles County Metropolitan Transit Agency (MTA) on Friday overwhelmingly voted down management's "final" contract offer by a vote of 1,267 to 87.

The contract rejected by the workers included an increase in health care contributions from \$6 to \$80 a month for current employees and \$300 for retirees, a reduction in the wages of newly hired service workers to 70 percent of post-1994 levels, and changes in work rules that would allow these lower paid employees to perform jobs normally reserved for mechanics.

The contract would also have given the MTA joint control of the workers' \$17 million health care fund, which is currently managed by the union, Amalgamated Transit Union (ATU) Local 1277.

The 2,500 MTA mechanics and service workers walked off the job on October 14 after working for 18 months without a contract, bringing the public transportation system that serves some 500,000 daily commuters to a halt. They have been joined by 9,000 bus and train drivers who are observing their picket lines.

The MTA broke off contract negotiations on October 27 and declared an impasse, placing before the union its "last, best and final offer." By so doing, the MTA put itself in a legal position to unilaterally declare an end to the strike and resume operations with replacement workers.

However, the MTA has, to date, made no move to employ strikebreakers. It has sought to appeal to the workers over the head of the union, distributing summaries of its final offer through the mail and on the picket line, and calling for the union to submit the offer to a rank-and-file vote.

The ATU initially said it would not submit the MTA offer to a vote, and then reversed itself. The union leadership called for a "no" vote at a mass meeting held Friday. It has called for the contract dispute to be submitted to binding arbitration, a demand that has been rejected by the MTA.

On Thursday, Los Angeles Democratic Mayor James

Hahn, taking a position on the strike publicly for the first time, said he would ask his fellow members on the MTA board to accept binding arbitration.

The ATU leadership wants to force the contract into binding arbitration because it believes it has a better chance of advancing its own interests through outside intervention than through continued negotiations with the MTA. The current impasse in contract talks is not the result of opposition on the part of the ATU to concessions, but rather the union bureaucracy's unwillingness to relinquish control over an important source of its power and privileges—the \$17 million health care fund. ATU Local 1277, under the leadership of President Neil Silver, currently manages the fund through a six-member advisory board.

The health care fund is insolvent, after a year in which its monthly expenditures exceeded income by \$400,000. In return for joint control, the MTA has offered to salvage the health care fund with a \$4.3 million one-time infusion and an increase in its monthly contributions by approximately \$300 per worker over the course of three years.

The transit agency claims that the source of the fund's financial problem is ATU "mismanagement." It is questioning the use of more than \$1 million by the union. According to the MTA, an independent audit which it financed revealed that ATU Local 1277 has been transferring \$432,000 a year from the health care fund into the union local's general operating account. Despite requests by the transit agency, the union has not provided documentation about the nature of the expenses covered by this money. In addition, the auditors found that the union has been paying a consultant \$15,000 a month for four years to automate the health fund, which is still not automated.

Silver and his colleagues insist that the reason for the fund's insolvency is the rising cost of health insurance premiums. Given that health care costs have been escalating throughout the country over the past year, this is likely a major source of the problem. However, the ATU has thus far

failed to counter the MTA's charges of mismanagement.

For its part, the MTA wants to wrest control of the workers' health fund from the ATU not to protect the benefits of the mechanics, but rather to impose further reductions in their health coverage and demand higher employee contributions.

The strike has underscored a fundamental truth about the ATU leadership. It is not proceeding in the contract dispute from the interests of the rank-and-file workers, but rather from its own narrow interests.

Three weeks ago, the ATU and management appeared to have reached a contract agreement. MTA Board Chairman Zev Yaroslavsky suggested that trains and buses would be running by October 20. Anticipating a deal, the *Los Angeles Times* published a glowing article about Silver, commending him for his "pragmatism" and describing him as "practical and agreeable to give and take." The agreement evidently broke down, however, when Silver and the rest of the ATU leadership decided they could not accept joint oversight of the health care fund.

From the outset, the ATU Local 1227 leadership made clear that it was prepared to accept major concessions, centering on an 11-fold rise in monthly health care contributions. The *Los Angeles Times* reported on October 14, the day the strike began, that the union had already "offered to increase its members' payments to about \$80 a month."

The ATU bureaucracy had previously demonstrated its willingness to protect the privileges it gains from overseeing the health care fund at the expense of the membership's living standards. In 1994, the union negotiated a concessions contract that amounted to a quid pro quo: the union maintained control of the health fund in return for new attacks on the rank and file, including a \$3-an-hour reduction in wages for newly hired service workers, higher health insurance deductibles and higher premiums, and a \$40 million cut in the MTA's contribution to the health fund. The mechanics have not had a raise in four years.

Throughout the current strike, the membership has been kept in the dark with regard to the contract negotiations. The union has not called a single membership meeting since the mechanics walked off the job in mid-October.

The ATU has deliberately isolated the mechanics' strike. It has refused to link the transit workers' struggle with that of the 70,000 supermarket workers currently on strike or locked-out in southern California. The grocery store employees, represented by the United Food and Commercial Workers (UFCW), walked off the job several days before the transit workers in response to demands from the supermarket chains for sweeping concessions in health benefits.

Discussions by WSWS reporters with ATU mechanics revealed distrust among many workers for the union leadership. "It could be that control over the health fund gives [Silver] the chance to place his friends as managers and employees of the fund," said Alfonso, a bus mechanic in downtown Los Angeles.

"The bottom line," he continued, "is that the MTA would take control if they could, and that it is worth plenty for the union not to let it go. It is clear to me that an MTA takeover would not make the health fund trust any less corrupt. It would just change which group is squeezing the money for themselves."

A rail maintenance specialist from Long Beach expressed similar sentiments. "I think that the reason for the strike was that the MTA put out that the health trust fund was being mismanaged, that money was being transferred to union accounts. Without a strike, Neil Silver would have had to answer to the members what is being done with the money. As it is, since the strike began, there have been no meetings, so we don't know a lot of what goes on."

The treacherous role of the ATU leadership is directly bound up with the trade union bureaucracy's support for the Democratic Party, which controls the MTA board. All of the leading Democratic Party politicians in the state have maintained a studied silence on the strike. The course of the strike underscores the need for the working class to free itself from the deadening grip of the trade union bureaucracy and carry out a clean break with the Democratic Party. Jobs, living standards and working conditions can be defended only through the building of an independent political movement of the working class, the perspective fought for by the Socialist Equality Party.



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