

Transit workers end strike in Philadelphia

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A six-day transit strike in Philadelphia ended Monday morning after Transport Workers Union Local 234, the bargaining agent for the city's 5,100 drivers, operators and mechanics, reached an agreement with Southeastern Pennsylvania Transit Authority (SEPTA).

The settlement was announced at about 12:45 a.m. outside the Philadelphia office of Pennsylvania's Democratic Governor Ed Rendell, who helped push through the deal. While buses, trains and trolleys began running early Monday morning, the workers will not have an opportunity to vote on the agreement for about 10 days.

This settlement was reached after a tentative agreement announced Friday night had broken down on Saturday. Governor Rendell responded by demanding that the TWU submit the tentative agreement to the union's membership for a vote, threatening that if it did not, he would withdraw the more than \$6 million in state funds that he had offered to help SEPTA pay for a signing bonus. The current agreement includes the money for the bonuses.

A central issue involved pensions. While accepting that workers be compelled to increase their contribution to their pension benefits from the current 2 percent to 3.5 percent, the union was demanding a forensic audit of the pension fund rather than the less than comprehensive audit that SEPTA had offered.

After the Friday night tentative agreement had been scuttled, Local 234 President Willie Brown told the press on Saturday, "If we're going to pay more in, we have to be confident with where the money is going. I asked for one thing that blew this thing up. We are willing to pay for a forensic audit. What are they afraid of?"

Union spokesman Bob Wolper explained on Sunday that the union wanted to look at the original books and

"not deal with the information SEPTA decides to give to us."

Currently, the workers have a maximum pension of \$27,000 per year. The increase in worker contribution that had been agreed to Monday morning would allegedly make it possible to increase the maximum pension to \$30,000 per year.

However, it has been estimated that the pension for the workers is funded at about 53 percent of total liabilities, compared with 65 percent for the managers. The union maintains that the fund is mismanaged and is concerned that it will not be able to meet its future pension obligations.

However, the agreement reached Monday includes the increased contributions but does not call for a forensic audit. The union leadership dropped the demand, according to the governor, because Local 234's two members on the pension fund's advisory board can request such an audit. SEPTA, however, is under no obligation to comply.

On the issue of wages, the agreement incorporates SEPTA's proposed five-year deal that includes a wage freeze the first year, a 2.5 percent raise the second, and a three percent raise in each of the remaining years, plus a \$1,250 signing bonus. In the final negotiation, the union leadership had been willing to accept a wage freeze the first year, but was asking for 3 percent raises in the next three years in a proposed four-year package. The workers earn an average gross annual salary of about \$52,000 per year, which has been estimated to amount to about \$35,000 after taxes.

When the tentative agreement reached Friday broke down on Saturday, Brown complained that Democratic Mayor Michael Nutter had intervened in the negotiations in order to establish a precedent for the four city workers unions whose contracts expired on June 30. Nutter denied this, saying that "the city contract negotiations are our negotiations and the

SEPTA contract negotiations are their negotiations.”

However, the law firm Ballard Spahr represents both SEPTA and the city in its negotiations with the different unions. The transit contract expired March 15.

The union had gone on strike early Tuesday, just hours after the World Series baseball games had finished being played in Philadelphia. The union had originally planned on a walkout during the games. However, the leadership backed off after Rendell threatened “significant consequences” if the strike took place at that time.

A 2005 transit strike lasted seven days, and the one in 1998 lasted 40. The transit system averages about one million trips each weekday.

The regional SEPTA commuter rail system, which employs workers represented by different unions, continued to run during the strike. As a result, the system has been packed with extra passengers. A regional railcar heading downtown caught fire on Wednesday disrupting service, but not causing any serious injuries. On Thursday, a southbound commuter train that had been switched to a northbound track struck and killed a rail worker. SEPTA has denied any connection between these incidents and the increased number of passengers.

Democratic and Republican politicians alike, as well as various media commentators, condemned transit workers for daring to strike. A constant refrain from all of them has been that they should be happy that they even have jobs during tough economic times. Governor Rendell called the workers “nuts” for having walked out. They all had feared that the Philadelphia transit workers struggle against concessions on wages and benefits could have become a spark for a bigger movement of workers, both in Philadelphia and beyond.



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