Rejecting mediator's proposal, New York's transit agency insists on a wage freeze

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The Metropolitan Transportation Authority (MTA) has vehemently rejected a non-binding mediators' recommendation that Long Island Rail Road (LIRR) employees receive a wage increase tied to concessions, insisting instead on a three-year wage freeze.

The agency's intransigence toward the nearly 6,000 workers on the commuter rail line linking Long Island's suburbs to New York City has much wider significance. It signals not only how the same agency intends to deal with 34,000 bus and subway workers in the New York City Transit Authority, but also how New York City's newly installed Democratic mayor, Bill de Blasio will confront some 300,000 municipal workers. Both transit and city workers have been working without contracts for years.

The mediators' recommendation would have hardly represented a victory for LIRR workers. The six-year pact, back-dated to June 2010, included nominal wage hikes of 2.83 percent annually, offset by a first-ever requirement that workers pay a portion of their health benefits amounting to about 2.25 percent of their gross pay beginning in the final year of the proposed contract. The panel rendered its decision based on various considerations such as MTA finances, what other railway workers in the region earn, and the cost of living in the New York area.

The MTA is a quasi-independent public agency that runs two commuter railway lines, the LIRR and Metro-North, which links New York City and its northern suburbs; and two subway systems, the New York City Transit Authority which covers four of the five boroughs in New York City, and the subway system in Staten Island, which is the city's fifth borough.

President Barack Obama, as authorized under the Federal Railway Act, selected the panel of three mediators from the National Mediation Board whose mission it is to settle contractual disputes in the railroad industry.

The current dispute involves about 5,600 of the LIRR's 6,000 workers, and 60 craft unions, all but one working without a new contract. By federal law, the workers cannot legally strike until March 21, 2014. Some of the LIRR unions have been threatening to walk off the job on that date if the MTA does not budge from its position that workers must accept a three-year wage freeze or minimal wage increases paid for by concessions.

However, as is to be anticipated, if either the MTA or New York State Governor Andrew Cuomo call for another so-called "cooling-off period," which amounts to their demand that a totally different group of mediators try and reach an agreement, the workers will not be able to legally strike for yet another four months, that is not until July 21.

In addition to the LIRR unions, about 34,000 bus and subway workers, members of the Transport Workers Union (TWU) local 100, in the New York City Transit Authority have been working without a new contract for more than 25 months. The MTA has also been demanding a wage freeze plus concessions from them.

Cuomo, New York's Democratic governor, who appoints the MTA chairman, already obtained—through the collaboration of two unions, the Civil and State Employees Association and the Public Employees Association—three-year wage freezes for state employees about two and half years ago, and has been demanding that this be the established pattern for all public employees.

In a statement published in the New York *Daily News*, Cuomo wrote, "We're still trying to negotiate with the TWU, which is the subway workers' union. And it's along the same parameters of three zeroes. So

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when you talk about the New York City labor unions and retroactive raises, that's the pattern that has been set by the state unions: three zeroes."

While the president of TWU local 100, John Samuelsen has condemned Cuomo's remarks as a "mis-statement," the union leadership has not said a word about the newly elected Democratic Mayor Bill de Blasio who has been in office since January 1. Although the mayor does not directly negotiate with the TWU, he can, if he chooses, have an influence that goes way beyond the four out of a total of 19 MTA board members that he appoints (the governor appoints six).

Supported by the city unions, de Blasio campaigned as a self-described progressive who promised to reduce the very sharp income inequality that exists in the city. The fact that the mayor has not distanced himself from the MTA's and Cuomo's demand for a wage freeze is an indication of what the entire city workforce can expect.

The reality is that both big-business parties, both the Democrats and the Republicans have been on a determined drive to divide and blame workers for the economic crisis.

In a typical and transparent attempt to divide the riding public from transit workers, MTA Chairman Tom Prendergast has threatened that if the transit agency accepted the mediators' conclusion for the LIRR, it would have to raise the fare by 12 percent next year throughout its system, triple the already planned increase. He also stated that if the authority did not impose such a fare-hike, it would have to dramatically cut back service or cut $6.5 billion from its capital construction and maintenance program, which involves such things as the purchasing of new trains and buses, and the replacing of worn out tracks and signals.

Taken for granted is the governmental underfunding of critically needed bus, subway and commuter railway systems, resulting from the huge transfer of wealth from the working population to the rich that is taking place in New York as it is everywhere.

Governor Cuomo, who obtained and is demanding more wage freezes on workers, has in his recent budget proposed even more tax cuts for the very wealthy.

One recent and tragic expression of the lack of transit funding was the crash on the Metro North railway that took place in November of last year. (See "New York: Basic safety system absent in Metro North crash"). A commuter train failed to slow down for a low-speed curve killing four passengers. The overriding cause of the accident was the lack of a signaling system that would stop or slow the train down if it were moving beyond the posted or mandatory speed.

While Congress has mandated that such devices called Positive Train Control be installed by 2015, it has not provided any funding for it despite the fact that the National Safety Transportation Board has been demanding its implementation since 1990. The NTSB has estimated that since 2004, the implementation of the technology would have saved 57 lives and millions of dollars in damages.

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