

New York transit agency demands concessions from Long Island Railroad workers

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As a July 20 strike deadline approaches for the Long Island Railroad (LIRR), the largest US commuter rail line, New York's Metropolitan Transportation Agency (MTA) is demanding significant concessions from its nearly 6,000 workers.

A proposal put forward by the agency would provide a 17-percent wage hike over seven years, while demanding that this minimal increment be paid for with takeaways, to be imposed largely on new-hires.

It demands that the newly hired pay 4 percent of their wages towards health care, while those currently employed would pay 2 percent. As of now, employees do not have to pay anything for these benefits. New workers would have to work two years to reach top pay instead of the current one year. They would also have to pay 4 percent of their wages for pension benefits throughout their entire careers, instead of only up to 10 years as is currently the case. The LIRR workers, represented by 59 craft unions, have been without a new contract since June 2010.

The LIRR is covered by the Federal Railway Labor Act, which authorizes the creation of presidential emergency boards (PEBs) to propose settlements. A coalition of eight unions representing 5,400 LIRR workers, which has taken the lead in the negotiations, has demanded nothing more than what two PEBs have been recommended.

The two boards were in agreement on proposing a 17 percent increase over six years with employees contributing 2.25 percent of their wages for health benefits. With the health benefit concession, even a modest increase in inflation can easily result in a cut in real wages by the end of the proposed settlement.

With the end of so-called "cooling-off periods," workers are free to legally strike on July 20. The MTA chairman, Thomas F. Prendergast, went to Washington, where congressional leaders indicated they are not likely to intervene to prevent a strike. By law, Congress has several options, including extending the "cooling off period" by

weeks or months, or ordering both sides to submit to binding arbitration. It can also impose the recommendations of the two PEBs, impose its own settlement, or do nothing.

Prendergast has charged that union officials are counting on Congress either preventing a strike, or allowing one to go on for no more than one or two days and then imposing a more favorable settlement. The unions have denied that this is their strategy.

The unions presented a counteroffer on Thursday. While details have not been made public, Anthony Simon, chairman of the Sheet Metal, Air, Rail and Transportation Union and lead negotiator for the unions, previously had said that they are trying to tailor a settlement to what the transit agency says it can afford—about \$40 million annually.

A number of local politicians have called on Democratic Governor Andrew Cuomo to get involved in the dispute. Despite the fact that the governor selects the chairman of the MTA, Cuomo has maintained that only Washington can prevent a strike. After Prendergast's trip to Washington, Cuomo commented: "The unions' false belief that Congress would step in to mandate a settlement was a major impediment to any real progress. With this obstacle removed, it is now clear that the only path to resolution is at the bargaining table."

The unions had proposed delaying any job action until September, claiming they did not want to disrupt the commuters' summer. The unstated reason is that they are hoping to secure Cuomo's intervention to block a strike and secure a contract.

The governor, who is up for reelection this year and is a potential presidential candidate, clearly has no desire to see an LIRR strike that close to Election Day in November. Simon, the union chairman, has said, "If the governor calls me, I'll be in his office in 10 seconds, anywhere he wants me to go."

The MTA has rejected the suggested strike postponement, stating that a September job action would be more disruptive

than one in the summer. Union officials then proposed a shorter 30-day delay of the strike deadline, ending August 19.

This past April, Transport Workers Union Local 100, which represents 34,000 New York City bus and subway workers, similarly sought Cuomo's intervention to broker a deal with the MTA. In that case, the TWU leadership claimed that only the governor could step in and solve a contractual dispute that had been unresolved for more than two years. In return for a concessions deal, the union allowed Cuomo to posture as a successful mediator.

Transit workers ended up with a mere 8 percent wage hike over five years, an increase in the employee contributions to health benefits and other concessions. The transit authority is using this recent contract with the TWU local as a pattern for a concessions agreement with the LIRR workers.

The transit authority maintains that its proposal would cost the agency about \$40 million a year, which is the same amount estimated by the PEB for its proposal, which the unions have accepted. The savings for the MTA would come years down the road through the sacrifice of the newly hired. The union leaders maintain that, according to their calculations, the MTA proposal amounts to just 44 percent of the value of what the two PEB's have recommended.

To pay for the TWU contract, the MTA took \$80 million from a fund earmarked for LIRR retiree pensions, and is planning to take \$70 million from a \$370 million "pay-as-you-go capital" reserve, which is money designated to pay for ongoing repair and improvement projects.

To pay for the LIRR settlement, the MTA plans on taking \$40 million from this same reserve fund, which comes from the agency's operating budget financed through fares and designated taxes.

Since the early 1980s, as a result of pouring tens of billions of dollars into the repair and expansion of a transportation system that had been on the verge of collapse, the underfunded MTA has accumulated an ever growing long-term debt. In the last decade, this debt has doubled, from \$16.6 billion in 2003 to \$32 billion today. The debt service payments last year amounted to \$2.3 billion, nearly a fifth of the operating budget, and are projected to rise to \$2.8 billion in 2017.

Meeting payments on this long-term debt requires attacks both on workers, in the form of takeaway demands, and on riders, in the form of continuous fare hikes. In an attempt to pit working people who depend upon mass transit against the workers who operate the system, the media continuously condemns supposedly "overpaid" transportation employees. The reality is that LIRR workers make on average \$65,000 a year, hardly a princely sum in New York, one of the most expensive metropolitan areas in the country.

These diatribes are written in the interests of wealthy speculators who seek to make money on MTA bonds, as well as all other financial instruments connected to the transit agency, and therefore demand never ending sacrifices from the working population as a whole to guarantee profits.

The *World Socialist Web Site* spoke to a number of off-duty LIRR workers, who asked to remain anonymous for fear of retribution.

In response to the accusations in the press that LIRR workers are overpaid, one conductor explained, "There is more to this job than many people realize. We have to know every signal, and all the combination of signals and how the system has been updated. We have to re-qualify every two years.

"We have to study this in our off hours. We are not allowed to make a single mistake. The new workers have it the toughest because they are constantly being moved around to different lines.

"Living in Long Island can be expensive. In addition to the high price of gas, we have to pay for all those tolls. Where does that money go?

"I heard that money has been taken out of our pension fund to help pay for the city contract. Since we are all different divisions of the same MTA, I guess they can do that. But how do we retire?"

Another conductor said: "It is not true that we are overpaid. I work six or seven days a week. I am working holidays, so I can't even see my kids. The pay is not enough because Long Island is very expensive.

"I personally think that the fare for the riders is too high, especially for working people who live in Brooklyn and have to travel east. They should definitely reduce the fare.

"I don't know what to say about the union leadership because I am not the one behind closed doors."

A train operator told the WSWS, "They are not giving us anything at all. The wages don't keep up with inflation. On top of that, they want us to pay for our medical benefits.

"Cuomo is trying to be diplomatic. He is not saying anything. He is not for the people at all. Politicians like Cuomo and De Blasio [mayor of New York] make a lot of speeches and promises, but when they are elected they are all for the bottom line of the budget cutters."



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