

Detroit transit workers face poverty wages under new contract

Debra Watson
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Detroit bus drivers will continue to work at near poverty wages under terms of a new contract expected to be finalized with the City of Detroit by the end of the month. Double-digit wage and benefit cuts imposed on transit workers prior to the recent Detroit bankruptcy are not restored in the agreement that was negotiated with Amalgamated Transit Union (ATU) Local 26.

Detroit Democratic Mayor Mike Duggan presented the contract at a press conference. There, Fred Westbrook, president of ATU Local 26, told the *Detroit Free Press* that the proposal was a tough sell for drivers who want pay parity with their counterparts at the Suburban Mobility Authority for Regional Transportation (SMART), but called the agreement "a positive step in that direction."

That is a lie. For current drivers, the starting wage will be \$12.06 per hour, an annual income barely more than the official federal poverty level of \$24,250 for a family of four. To put this wage in perspective, social service experts have calculated a family needs income twice the official poverty level to meet basic material and social needs.

Veteran Detroit drivers also fair poorly under this contract. Annual wage progressions will max out at just \$17.23 an hour, a full \$4.00 an hour less than the already meager top scale at SMART, the suburban bus system in the Detroit area.

Under terms of the 2012 Consent Agreement that preceded the state-imposed Emergency Manager and the subsequent bankruptcy of Detroit, former Detroit Mayor Dave Bing had already slashed the pay of city workers, including bus drivers, by 10 percent.

The new contract does not even return the most experienced drivers to the pay rate they had five years ago. Bus drivers with years of seniority, who had progressed to top scale, saw a pay cut from \$18.31

down to just over \$16 an hour.

The same general lowering of compensation impacted thousands of Detroit city workers in 2014 when leaders of the American Federation of State County and Municipal Employees in Detroit agreed to contracts that laid the groundwork for a permanent reduction in pay. Under provisions of the so called Grand Bargain between the unions and Detroit Emergency Manager Kevin Orr, contracts for city workers were signed with pay raises of 2.5 percent in 2016, 2017 and 2018. This locked in the lower pay scale that was imposed by Bing.

As one city worker told the *World Socialist Web Site* at the time: "City of Detroit workers have not had a raise in 15 years. All this deal is getting us is the 10 percent they cut two years ago. Even that 10 percent was still on top of the 10 percent more cut during the previous decade."

Last week, a hasty vote of the 400-plus Detroit bus drivers resulted in ratification of the contract by a vote of 224 to 142. After years of working under brutal concessionary wages, drivers were told this was the best they could get. They were promised a signing bonus by November if they passed the deal quickly.

A veteran driver told the *World Socialist Web Site*, "People are very upset with this contract. Basically, we were supposed to get a raise to make up for the cut in pay that we took in 2010. They promised that money was coming back, but they said the bankruptcy came in and now that was no longer in force."

"Everybody is asking about this contract and wondering how the part-timers language was accepted at all. We held out against this for 20 years and now it shows up in this contract. People are very distressed. They want to know what he [local president Fred Westbrook] got for giving this up."

“I think the contract passed because we had nothing else to vote for. Instead of sitting dormant for five years and not getting any more money, people just accepted it. They promised us they would cut a check for \$1,400 in November if we passed the contract now. They called it a signing bonus.

“We did not have anything on paper before we voted. They referred us to a web site where we could go online and read the contract, and a lot of people could not do that. And in the end, everybody’s starving and needed money. Even with this contract people are still losing houses and cars, families are breaking up.

“I’ve been here 19 years, I’m 60 years old and I don’t even make \$20 an hour. How bad is that? I lost \$30,000 of my pension when they imposed the claw-back on the pensions under the bankruptcy. The retirees, the people who are working who still have pensions, all lost that money. They just came in and took it. Just took it. The newer people do not have pensions at all.

“That bonus is a lie. That money was already ours because they cut our pay. Now they’ve taken two more holidays, they’ve taken sick days and they are going to crack down by demanding doctor notes if they see a ‘pattern’ of absenteeism. The idea is to replace drivers with part-timers; more stringent absenteeism will get the older workers.

“Once they start M-1 [light rail system being built in downtown Detroit] you will have to quit DDOT and start all over again if you want to work there. They’re going to need qualified drivers, but you will lose all your seniority if you quit DDOT.”

M-1 is a 3.3 mile light rail system set up to serve the new and existing entertainment venues in downtown and Midtown Detroit. Private, state and federal money provided \$140 million to build the system, which is a separate entity from the city’s transportation system. What further route changes in the regular bus system will result is unclear.

The 4 percent signing bonus, and indeed the rest of the provisions of the contract, must still be approved by the Financial Review Board to go into effect. This unelected board was set up by state and local government officials and Detroit Emergency Manager Kevyn Orr as a means to continue years into the future the type of brutal diktats imposed on workers and retirees during the bankruptcy. It has total control over

Detroit’s finances post-bankruptcy and will consider the provisions of the contract at its board meeting later this month.

The cuts in funding to the Detroit bus system not only impact the drivers, but impose severe hardships on riders. Last month Vice President Joe Biden came to Detroit for a celebration of the completion of an order of federally-funded new buses for the city’s fleet. However, this takes place under conditions where previous cuts shattered the bus service, reducing the number of buses on the official schedule from 400 during peak hours 10 years ago to just over 200 today.



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