

# **New Jersey Transit contract includes major concessions in health care costs**

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Late Friday, the New Jersey Transit Corporation (NJ Transit) and the New Jersey Transit Rail Labor Coalition, which encompasses 4,200 workers in 11 different unions, announced a tentative contract settlement, averting a threatened strike on Sunday. The deadline marked the end of a federally imposed 60-day “cooling off” period. NJ Transit workers have been without a contract since 2011.

The last time workers struck against NJ Transit was in 1983. That walkout lasted more than a month. Evidently, in view of the five years since the expiration of the last contract, union leaders were desperate to avoid a repeat of that struggle. The agreement could be rejected if members of even one of the constituent unions votes it down.

As of this writing, the full details of the proposed contract had not yet been publicly released as union leaders want to control the presentation to members.

However, preliminary reports indicate that the tentative agreement includes a 21 percent wage increase over eight and a half years, roughly 2.3 percent per year. Although public officials and the news media have praised this as a win for the union, this barely compensates for the value of workers’ wages that has already been eaten away over the five years they worked without a contract.

Furthermore, the raises are counterbalanced by a substantial increase in health care costs. Currently, workers pay 1.8 percent of their salary for health benefits. The new rate is 2.48 percent. As a result, workers will now be forced to contribute between \$130 and \$160 per month, depending on their pay grade, up from the current fixed rate of \$81.95 a month. The agreement also reportedly includes, for the first time, the requirement to pay deductibles of between \$250 and \$500 on medical care.

A substantial increase in health care payments by the workers was a principal goal of NJ Transit. The proposed contract represents a major concession by the unions.

The unions reportedly also made concessions on pay for new hires and in retirement benefits, following a pattern of attacks set in the auto industry. The agreement runs to 2019, a year longer than the unions had proposed.

As negotiations drew close to the strike deadline, NJ Transit attempted to intimidate the workers by sending a threatening letter warning that those who attempted to take sick leave during the strike would have their pay checks stopped and striking workers would lose their health benefits.

According to Republican Governor Chris Christie, there will be no fare increases or service reductions until at least the beginning of the 2017 fiscal year, which starts July 1, only three and a half months from now. This is a meaningless promise. Riders have already suffered fare hikes totaling 30 percent over the last six years as well as a number of service cuts. A nine percent fare increase was instituted last October.

NJ Transit is a publicly-owned transportation system, including busses, trains, and light rail, serving not only New Jersey, but portions of the adjacent states of Pennsylvania and New York as well. Its rail system is the third largest in the country. Roughly 900,000 commuters use NJ Transit each workday, including over 100,000 traveling into New York City. The use of New Jersey commuter trains alone has more than quadrupled since the last strike, in 1983, from about 70,000 riders to more than 308,000 on an average weekday.

Despite the critical importance of mass transit to the region, NJ Transit has suffered devastating reductions

in funding. In 2011, when the previous contract expired, the system suffered an \$80 million cut in state aid. Over the subsequent five years, the state has cut another \$270 million. In all, over the last 10 years, NJ Transit has lost 90 percent of its state funding.

This has been a bipartisan assault, carried out by a Republican governor and a Democratic-controlled legislature. Last year, when the latest round of service cuts was announced, management blamed them on added services for the handicapped as well as the cost of workers' health care and benefits. The reality is that there has been a systematic drive to dismantle public transportation in New Jersey.

This pattern is not restricted to one state. The New York/New Jersey regional public transportation system, including NJ Transit and the Metropolitan Transportation Authority in New York, on which millions of workers depend every day, is gradually being starved to death; while at the same time, the Wall Street financial elite, located at the region's center, gorges itself on trillions of dollars in free money from the federal government.

Christie, the former aspirant to the Republican presidential nomination, known for his bullying personality, has made attacking workers a main part of his political program since he came into office in 2010. As negotiations were in progress, he berated the workers for making supposedly outrageous demands. According to Christie, "There's no magic money tree." But, for Wall Street, there is no limit.



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