

Union reaches deal to block New York transit workers from recouping concessions

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18 January 2017

Officials from Transport Workers Union (TWU) Local 100 announced Monday afternoon that they had reached a tentative agreement for a new labor contract covering 38,000 New York City bus and subway workers. The deal with the Metropolitan Transportation Authority (MTA) was reached after the TWU kept its members on the job and in limbo after their previous contract expired Sunday at midnight.

Local 100 president John Samuelson declared, “We won a tentative contract with solid raises, and other strong economic gains, moving transit workers well ahead of inflation and greatly improving their quality of life. This was our goal. We achieved it. We waged a multifaceted campaign that raised the awareness about the value transit workers have to this city, the dangerous nature of their work, and the sacrifices they make to move 8 million riders a day.”

Nothing of the sort happened. The deal was worked out behind the backs of transit workers with Democratic Governor Andrew Cuomo. Nothing reached on that basis could be anything but a miserable sellout. Far from establishing “strong economic gains,” the deal is roughly in line with the contracts signed by municipal unions, including the teachers, that barely keep pace with the rate of inflation.

Transit workers who have been burdened with one concession contract after another were anxious to recoup their lost wages and benefits now that Wall Street profits are booming and the economy is entering the seventh year of a so-called recovery. Instead, the new deal, which was approved by a 37-6 vote on the TWU executive board Tuesday, contains an insulting annual wage increase of 2.14 percent over the course of the contract. This will lead to a further erosion of living standards for workers who labor in one of the most expensive cities on the planet.

The deal stipulates a 2.5 percent wage hike for the first 13 months, another 2.5 percent raise over the next 13 months, and then a \$500 dollar signing bonus for the next two months. This comes to a 2.14 percent a year over the 28 months of the contract, compared to the estimated two percent accepted by other municipal unions. In other words, all of Samuelson’s blather amounts to a 0.14 percent increase over other deals.

Even if one were to accept the union’s rather dubious claims that the deal contains no further concessions, it institutionalizes the givebacks accepted by the TWU over the last several agreements. This includes higher out-of-pocket health care expenses that eat into workers’ wages, and an increase in the number of years, from three to five, that new employees must work to reach top pay. Nothing was done to “Fix Tier 6,” the substandard pension plan passed by the state legislature.

MTA officials and state Democrats immediately praised the deal. “This proposed contract,” MTA Chairman Tom Prendergast said in a statement, “is responsive to the needs of the hardworking men and women in the TWU Local 100 and is an affordable agreement that can be accommodated within our financial plan.”

Governor Andrew M. Cuomo, who effectively has the most control over the state transit agency, said, “We congratulate the MTA and TWU on reaching an agreement for the hardworking women and men who keep New York City moving.”

The overriding concern of the TWU and city and state officials was to prevent a strike that would paralyze the financial center of the United States on the eve of the inauguration of Donald Trump. The TWU, which sought to give itself a left cover by endorsing Bernie Sanders during the Democratic primaries, is already

cozying up to the right-wing president, along with the AFL-CIO and other unions that are fully embracing his “America First” nationalism.

A strike by transit workers would have garnered widespread support among millions of New Yorkers who are also struggling to survive in America’s capital of inequality. This would have quickly developed into a confrontation with Democrats like Cuomo and New York City mayor Bill de Blasio, who function on behalf of Wall Street, and exposed the pretensions of Trump, the billionaire real estate developer who has postured as a friend of workers.

If a real struggle is going to be waged, rank-and-file transit workers must take the conduct of the fight out of the hands of the TWU. Rank-and-file committees must be organized to demand the release of the full contract and sufficient time to discuss it, and to mount a campaign to defeat the sellout. These committees should formulate their own demands, including a 30 percent wage increase, the abolition of the hated two-tier wage and benefit system, the full restoration of all concessions and workers’ control over safety conditions.

“I don’t like it. It’s not enough money,” train operator Robert Chiddick told the *World Socialist Web Site*. “It does not keep up with inflation. I have a house in Long Island. How am I going to be able to pay the taxes and mortgage that are going up? I know there are workers making less money than we are, but we are supposed to be able to live comfortably with our wages. And that is not possible.”

His friend added, “I have been looking to try to get an apartment. I can’t get one, and the 2.5 percent isn’t helping.”

It is clear transit workers, like every other section of the working class, face a political struggle to defend their basic social rights, including the right to a good-paying and secure job. This battle will only intensify after Trump’s inauguration and the assault on every gain won by workers, including Medicare, Medicaid and Social Security. If this contract proves anything, it proves that the TWU and other unions will do nothing to defend workers. The labor bureaucrats are only interested in defending their income and institutional interests and they will quickly offer up their services to Trump.

Behind the MTA stand powerful financial interests

that control the transit agency’s bond debt—estimated at \$35.7 billion—and have entangled it in other financial schemes. According to New York State Comptroller Thomas DiNapoli, the debt is projected to rise to \$41.4 billion by 2020, up 43 percent over a decade.

In addition, the authority is shelling out hundreds of millions of dollars to major Wall Street banks and financial institutions like JPMorgan Chase, AIG and UBS for the so-called interest rate swaps the MTA bought to hedge against a rise in interest rates. The MTA lost the bet, however, when interest rates fell. This has forced the agency to spend hundreds of millions of dollars more than necessary to service its debt or to pay equally outrageous sums to get out of the swaps.

In other words, the living standards of transit workers and the riding public, who have paid higher and higher fares, have been held hostage to enrich the very same banks that crashed the economy before being given a multitrillion-dollar bailout by the Bush and Obama administrations. The transit authority, like other public institutions, has been driven further into the clutches of these financial parasites, due to cuts on the federal, state and local level.

The MTA’S debt servicing costs have increased 134 percent over the last decade and its four employee pension plans are underfunded by \$7.7 billion. This means that new attacks will be launched even before the next contract expires in 2021.

A fight must be waged now to mobilize the working class in defense of the transit workers and to stop the looting of public services. Transit workers should reject this contract with the contempt it deserves and mount a campaign to build the broadest support for an industrial and political counteroffensive to defend the social rights of all workers.



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