New York Metropolitan Transportation Authority approves plan to cut 2,700 jobs

Isaac Finn
9 August 2019

On July 24, New York's Metropolitan Transportation Authority (MTA) Board—the governing body of the largest public transit authority in the US—voted in favor of the "MTA Transformation Plan," a massive restructuring plan that could lay off as many as 2,700 administrative employees. The plan's approval was preceded by a campaign by MTA chairman Patrick Foye and embraced by Democratic Governor Andrew Cuomo and the corporate media, blaming rising fares and lack of funding for repairs on workers supposedly taking "excessive overtime."

The MTA provides local and express bus, subway, and commuter rail service in the Greater New York City area, and operates multiple toll bridges and tunnels in New York City. The subway and commuter lines carry an average of 11 million passengers a day, while over 850,000 vehicles daily pass over the seven bridges and through two tunnels.

MTA officials claim the transformation plan will address the agency's budget deficit, which is estimated to reach $500 million a year in 2020 and $1 billion annually by 2022. The MTA paid AlixPartners, a consulting firm, $3.75 million to help draft the plan. The firm had previously been hired by the automotive giant GM during its 2009 bankruptcy restructuring under the Obama administration, which led to newly-hired autoworkers' wages being cut in half.

In mid-July transit officials announced the slashing of between 1,900 and 2,700 jobs, or roughly 4 percent of the MTA's 74,000-member workforce, mostly through the consolidation of 40 departments into six. The MTA operates the Long Island Rail Road (LIRR) and Metro-North Railroad (Metro-North) commuter lines and two transit systems in New York City. The plan would be the first mass layoffs since 2010, when the MTA fired 1,000 workers to address a budget deficit.

The plan also proposes the use of outside contractors to carry out repairs, which are traditionally done by workers employed directly by MTA. The preliminary report on the plan cites the New York City Subway Action Plan (SAP) of 2017, which was implemented after Democratic Governor Andrew Cuomo declared a state of emergency for the New York City subway system and brought on contractors to handle clogged drains and the cleaning of subway stations.

At the board meeting, Foye specified that there would be further cuts to the workforce by not filling vacancies created by retiring workers. He claimed the financial situation was "dire" and that, "taking it [firing transit workers] off the table would be misleading, and I just can't do that."

The plan also includes the creation of multiple new upper management positions.

The MTA Board passed the plan with only one vote against and one abstention. It recently emerged that on average the members of the board have an annual salary of $292,000, or five times the average salary of a transit rider. Foye himself has a net worth of $11.8 million, and the median net wealth of a board member is estimated at $1.4 million.

Cuomo, who holds de facto control over the state transit authority, stated that the "MTA's reorganization plan is a good start, but now it comes down to execution and sound management." He added that "hard dates to assess progress" needed to be set.

MTA officials have stated the plan will be implemented within the next six to nine months, but that it will take up to two years to fully realize it.

Foye made it clear that the changes to the MTA are primarily focused on deeper cost cutting. He said, "To be clear, the low-hanging fruit, from a cost-reduction point of view, and the middle-hanging fruit, from a cost-

© World Socialist Web Site

reduction point of view, has been plucked."

At the same board meeting, Foye blamed high overtime costs on transit workers taking too much time off. "Availability is important for a number of reasons, including the fact that it's a driver of overtime. Availability impacts overtime, because employees that are out have backfilled, usually on overtime." He added, "a low level of availability is largely the result of contractual provisions in collective bargaining agreements, and corresponding high and growing levels of overtime."

He bemoaned the fact that MTA workers are on the job 40 weeks a year, and that on average workers take 14 sick days a year. Foye's claims of workers only being on the job for 40 weeks a year is highly dubious since New York City transit workers—who make up about 39,000 of the just over 74,000 MTA employees—get only a single sick day a month and only the highest seniority workers get five weeks' vacation a year.

The plan's approval and Foye's statements coincide with ongoing contract negotiations between the MTA and several trade unions, which nominally represent transit workers. This includes Transport Workers Union (TWU) Local 100—which negotiates contracts impacting roughly 39,000 New York City transit workers—and 10 other unions that negotiate contracts for LIRR workers. LIRR, subway and bus workers have been working without a contract since April and May, respectively. Contracts for many Metro-North workers are set to expire this year.

Union officials have formulated a duplicitous response of criticizing the transitional plan while remaining silent on the role of Cuomo and the Democratic Party in carrying out these attacks.

At the board meeting, TWU Local 100 President Tony Utano readily accepted the decision to cut 2,700 jobs if the cuts were limited to administrative roles. He then stated, "If anyone thinks they are going to take our exclusive work and give it to contractors, they're out of their mind and they will have a major fight on their hands."

Following the meeting, Utano also issued a statement denouncing Foye for "suggesting once again that transit workers are ripping off the system."

This is all hot air. The TWU has blocked strike action by transit workers and has long worked with the Democratic Party to impose austerity on transit workers and fare hikes on riders. Utano said nothing about Cuomo's support for the transitional plan and previous implementation of the Subway Action Plan of 2017, which brought in contractors to do work normally done by transit workers, or that Cuomo chose Foye as chairman of the MTA. TWU Local 100 contributed $65,100—New York's campaign contribution limit—to Cuomo's 2018 campaign and a total of $275,000 for all his campaigns.

John Samuelsen, president of the TWU nationally and a non-voting member of the MTA Board, attended a $25,000-a-plate fundraising event for Cuomo in March, where he told the *New York Times*, "the governor has been the best governor for the trade union movement ever."

The TWU on both the local and national levels have kept transit workers in the dark about the ongoing contract negotiations, even though the last contract expired almost three months ago. Vincent Tessitore, Jr., a non-voting member of the MTA Board who represents the LIRR unions, expressed concern about "how our work force is going to react" to the layoffs.

The "MTA Transformation Plan" and denunciation of overtime should be taken as a warning that transit authorities and Cuomo are planning to force through new concessions with the collaboration of the unions. The *World Socialist Web Site* calls on workers to form rank-and-file workplace committees independently of the unions to prepare a counter-offensive, including a strike, and appeal for joint action by the broadest sections of the working class throughout New York City. We urge all transit workers to contact the WSWS to discuss the establishment of these committees and to report on the situation in their workplaces.

To contact the WSWS and the Socialist Equality Party visit:

wsws.org/contact

© World Socialist Web Site