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PRT-ATU contract is a missed opportunity

Summary: Pittsburgh Regional Transit (PRT) and the Amalgamated Transit Union have agreed to a generous four-year labor contract, twice the length of the previous contract and likely to cover the time period when remaining federal COVID aid is expended. Apparently, the contract does not provide for employment cuts despite passenger counts remaining far below pre-pandemic levels.

Based on a PRT news release, the contract includes pay raises totaling 12.75 percent and bonuses for employees based on the hours they worked from March 2020 through June 2021, up to a maximum $4,000. The starting wage for a new operator will be around $25 an hour and the top rate over $38 an hour, "keeping PRT employees among the highest paid transit workers in the nation."

According to PRT, as of Dec. 8 there were 1,044 active bus and light-rail operators (excluding student operators) making an average wage of $30.78 per hour.

PRT's CEO has said the ridership level of March 2020 is not coming back. As of October 2022, average bus and light-rail ridership are 34 percent and 52 percent, respectively, below where they stood in pre-pandemic October 2019.

Institute research has shown how operator pay drives the high operating costs at PRT.

Policy Brief Vol. 19, No. 43 measured operator compensation on a per revenue mile basis. Utilizing 2017 data from the National Transit Database (NTD), with $60.1 million in bus operator wages and salaries, $70.6 million in fringe benefits and 21 million bus vehicle revenue miles driven, PRT bus operator wages and salaries per revenue mile were $2.86 and fringe benefits per revenue mile were $3.35.

Those were at the top among a 10-city sample that included transit agencies in Cleveland, San Antonio, St. Louis, Charlotte and Milwaukee. Wages and salaries per revenue mile in the sample averaged $2.42 and fringe benefits per revenue mile averaged $1.96.

Examining NTD's data for the years 2018 through 2021, PRT bus operator wages and salaries grew, fringe benefits grew until 2021 and vehicle revenue miles decreased. As a result, wages and salaries and fringe benefits per revenue mile rose each year.

In 2021, bus operator wages and salaries per revenue mile were $3.57 and fringe benefits per revenue mile were $3.82. In percentage terms on a per revenue mile basis, wages and salaries were 25 percent higher and fringe benefits 14 percent higher than in 2017. NTD data on operating expense per passenger mile shows PRT's expense rose 207 percent from 2017 to 2021. *Policy Brief Vol. 22, No. 39* estimated costs per passenger based on August ridership.

PRT and seven of the nine agencies included in the 2019 *Brief* reported bus operator wages and salaries and fringe benefits for 2021. Again, by no surprise, PRT topped the list. On wages and salaries per revenue mile, the sample average was $2.90, putting PRT $0.67 (23 percent) above the average. Cleveland, Columbus and Kansas City were the only other agencies with wages and salaries per revenue mile above $3.00.

PRT Bus Operator Compensation per Vehicle Revenue Mile, 2017 to 2021

Year	Bus Operator Wages and Salaries	Bus Operator Fringe Benefits	Bus Vehicle Revenue Miles	Bus Wages and Salaries per Revenue Mile	Bus Fringe Benefits per Revenue Mile
2017	$60,135,974	$70,600,597	21,039,819	$2.86	$3.35
2018	$62,697,343	$72,099,531	21,183,003	$2.96	$3.40
2019	$65,949,866	$74,556,690	20,926,821	$3.15	$3.56
2020	$69,216,593	$75,189,239	19,969,144	$3.47	$3.77
2021	$69,519,519	$74,462,611	19,498,971	$3.57	$3.82

On fringe benefits per revenue mile, the sample average was $2.27 and PRT was $1.55 above the average. Four agencies—Cleveland, Columbus, Kansas City and St. Louis—topped $2 per revenue mile in fringe benefits. Agencies exceeded PRT's growth rate in wages and salaries and fringe benefits from 2017 to 2021 but none ended up with per vehicle mile values greater than PRT.

As noted in *Policy Brief Vol. 22, No. 19*, NTD's "Transit Profiles: 2019 Top 50 Reporters" (ranked by the number of unlinked trips on all transit modes offered by an agency), PRT was fifth highest of the 19 agencies that operated light-rail when measuring operating expense per vehicle revenue hour.

According to the same NTD report, 43 agencies operated buses. PRT ranked sixth highest at $199.09 operating expense per vehicle revenue hour. Three agencies in the New York City metropolitan area and two in the San Francisco and Oakland metropolitan area were the only agencies to report a higher expense level than PRT. The five higher cost agencies all operate in areas with a much higher cost of living than Pittsburgh.

PRT's annual service reports note the extremely high costs, how they compare to peer agencies and cite legacy costs and the strength of the labor union among the reasons. This is certain to be repeated as new reports are published.

The Pennsylvania Department of Transportation will be carrying out a subsequent performance review as required by Act 44 of 2007. That review examines operating expenses on per-hour and per-passenger basis and compares them to peer agencies.

The new labor contract contains language, in a renewal of language dating to 1997, that limits the use of small transit vehicles (24 or fewer seats) on fixed route service to 3 percent of the large buses in use. For an authority that should be significantly reducing service in response to the huge drop in passengers (some bus routes remain 50 percent below pre-pandemic levels), the limitation on the use of smaller vehicles is a provision that should never have been agreed to.

State law creating the authority allows strikes when there is a bargaining impasse and fact-finding recommendations and mutual binding interest arbitration are not agreed to. Pennsylvania is virtually unique in allowing public transit workers to strike. It creates enormous bargaining power that, over time, has allowed the union to receive wages and benefits that are far above peer agencies around the country.

Policymakers at the state and county level should use the time between now and the contract's expiration to make the changes needed to lower the high costs of the agency for the benefit of state and county taxpayers that subsidize the system. The opportunities for change are there and the evidence is overwhelming.

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