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Analyzing the Talk About a Transit Shutdown

For months we have been watching a marathon bargaining impasse between the County Executive and the Port Authority Board on one side and the Amalgamated Transit workers on the other. The impasse is characterized by union intransigence over retiree health benefits and a threat by the Chief Executive to force the system to shut down through the creation of a massive revenue shortfall by withholding matching funds needed to gain the release of state assistance. The Executive has stated forcefully that if the union does not make substantial concessions on legacy costs and other issues, he will not release County funds being generated by the new drink and car rental taxes.

The union has been content to continue working under the terms of the old contract, which expired in June, and has rejected a fact finder's report that would have begun the process of reducing the buildup of unfunded future liabilities for retiree health care. Transit workers have not talked much about a strike. They are obviously content to let the Chief Executive and the Board take the heat for shutting down the transit system, if there is to be a shut down. That is a public relations game they have a strong chance of winning.

Any time the buses and light rail are not running for hours, let alone days or weeks, the impact on the community is enormous. Massive traffic jams, some folks not able to get to work or medical appointments, students not able to get to classes and so on. There is never a good time for transit to completely shut down, regardless of who is responsible. But, with an economy already beginning to feel the pain of a recession that will undoubtedly lead to weakening jobs numbers, the situation could be made even worse if the transit system is shut down.

The tragedy is the bargaining impasse could have been avoided if the Port Authority and the Chief Executive, with the backing of the Governor, had taken strong steps earlier to weaken the union's stranglehold over transit.

As soon as the last contract was signed in 2005, the Board should have begun making plans to implement an outsourcing strategy at the earliest opportunity, i.e., as soon as the contract expired in June 2008. Moreover, the Board should have begun working with private vendors and regional transit authorities to have them start offering service in the County where the Port Authority was not offering it or where more service coverage could be justified. For example, Washington County's buses could be allowed to drop off and pick up at the light rail stops on the Library line.

The Board should have been working with the Legislature to get a bill outlawing transit strikes, something very few states permit. The present imbalance in bargaining power created by the ability to strike is simply too great for the state to allow any longer. Its effects can be seen in the outrageously generous retirement and health care packages for retirees as well the highest cost of

living adjusted wages for drivers in the country—the ultimate reasons the situation has become so dire that the County Executive has taken the strong step of withholding County funding in an attempt to force a solution.

However, it is not too late for the Board to take dramatic actions. The Board should announce an immediate hiring freeze and further announce it will begin outsourcing routes and jobs each time ten openings occur. That process will continue until 30 percent of service is outsourced. This would not be negotiable at the bargaining table.

By starting down the path of outsourcing and allowing regional transit systems and private vendors to begin offering service where PAT is currently not serving or is under serving, the Port Authority Board can create some substantial leverage of its own to counter the union's strength.

Perhaps the union will strike if the Board takes such actions. But if that happens, the onus will be on the union and it will suffer the public relations nightmare. Undoubtedly, an injunction to order the union back to work would be sought quickly and probably granted, but only after days of headaches.

What's worse, if the state funding is withheld because of the failure of the Executive to release the County match and the transit system is forced to cease operations, there will almost certainly be a lawsuit seeking an order for the Chief Executive to release the County match and unfreeze the state funds. That order is likely to be granted in the name of public health and safety. At that point, it will be back to square one with the impasse firmly in place. The withholding exercise will have proven to be a fruitless tactic.

Thus, to break through the impasse, the Chief Executive and the Board need to ask the Governor and legislative leaders to back them in a new strategy that will weaken the monopoly power of the union and return more management discretion and control to the Board and the executive director. Playing a game of chicken that will most likely not end well is not a good plan. Bold outside-the-box maneuvering could help break the logjam. The ideas offered here should work if implemented. Moreover, there are undoubtedly others that could be effective. It is important to stop the game of "who is going to blink first." It is time to change the dynamics of the situation with aggressive Board actions.

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