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Time to Outlaw Transit Strikes In Pennsylvania

While the terms of a new contract agreement between the Port Authority and the Amalgamated Transit Union Local 85 have yet to be approved by either the Board or the drivers, many passengers, businesses, and civic groups are breathing a sigh of relief that a strike may have been averted. But they need to be reminded that it has been the looming threat of a transit strike in prior negotiations that has directly led to the very generous wages and benefits enjoyed by Port Authority (PAT) drivers, which in turn have resulted in the Port Authority's current precarious financial situation. In a companion *Policy Brief* (vol.8 no.74) we will discuss the terms of the tentative agreement that were just made public.

Every time bargaining talks begin, the union has at its disposal the cudgel of a potential strike to extort more money and work rule concessions from the transit agency. This pattern has gone unabated for decades and, in the process, has rung up massive operating and legacy costs along with serious operating inefficiencies for PAT. Up until now the problem has been solved by somehow finding the money needed to keep the system operating. But until meaningful reforms are undertaken such as prohibiting strikes by transit workers, PAT's long term fiscal health will remain precarious.

Currently thirty-nine states and the District of Columbia prohibit public sector strikes. Strikes by transit workers are legal in only eleven states: Alaska, California, Colorado, Hawaii, Illinois, Louisiana, Minnesota, Montana, Pennsylvania, Vermont, and Wisconsin. As recently as 2007 there were 12 such states, but in June of 2007 Oregon made it illegal for employees of a mass transit district, transportation district or municipal bus system to strike. In early 2008, Illinois made an attempt to prohibit mass transit strikes but that effort has been tabled. Still, the important point here is that lawmakers in Illinois and Oregon recognize that strikes place far too much power in the hands of transit unions.

Orange County, California was the site of the most recent transit strike. That strike occurred in July 2007. Over the period since 2000, seven strikes have occurred in the United States. A strike by the Philadelphia transit system (SEPTA) in 2005 was the last to occur in Pennsylvania. That walkout was resolved when the Governor stepped in after two weeks with state aid. Other states that have seen strikes since 2000: California (2000 and 2007), Colorado (2006), Hawaii (2003), Minnesota (2004), and Oregon (2005, before the enactment of anti-strike legislation). The remaining states where strikes are legal

have not been afflicted with a transit walkout in a decade, including Alaska, Louisiana, Montana, Illinois, Vermont and Wisconsin.

There was an illegal transit strike in New York City strike in 2005 that gridlocked the city. However, this was indeed a rare occurrence for a state where striking is illegal. And little wonder. Under the state's Taylor Law, the judge imposed a \$1 million per day fine on the union and picketing workers lost two days pay for each day on strike. The strike was over in two and a half days.

Under the threat of a transit strike, taxpayers and transit riders are forced to buy "labor peace" whenever a new contract is negotiated. This has become a tremendously expensive proposition the public can no longer afford. Pennsylvania needs to join the vast majority of states that prohibit transit strikes. Ideally, they should follow a model that imposes severe penalties on the union and its workers for illegal strikes. Such penalties should include hefty monetary losses as well as the loss of the union's right to collective bargaining with the transit agency.

Pennsylvania's taxpayers and transit riders ought to have the same protection from transit strikes that the vast majority of states enjoy. The threat of transit strikes, along with teacher strikes, paints Pennsylvania as one of the least taxpayer friendly states in the nation. The consequences of placing far too much power in the hands of public sector unions are seen in the high tax, burdensome regulatory environment which has suppressed the Commonwealth's economic growth for far too long. Moreover, the cozy, mutual back-scratching relationships between elected officials and public sector unions are major impediments to clearing way the obstacles to economic growth and good government.

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