OUTLINE

1. General Transit Labor Context

2. Labor-Management Innovations

3. Typical Operator Contract Terms

4. Part-Time Operators
   (This discussion is heavily based on TCRP Report 68: "Part-Time Transit Operators: The Trends and Impacts," by Charles River Associates, 2001.)

5. MBTA Management Rights Legislation
General Transit Labor Context in the US

- Transit labor is heavily unionized: ATU, TWU, UTU, Teamsters
- Union structure is important at national and local levels
- Labor protection clause in Federal legislation: 13(c)
- Protection of private operators from subsidized competition
- Traditionally adversarial relations between Labor and Management
- Labor side in large city contract negotiations has generally been more effective
## The Range of Labor-Management Innovations

<table>
<thead>
<tr>
<th>Category</th>
<th>Criteria</th>
</tr>
</thead>
<tbody>
<tr>
<td>Collective Bargaining</td>
<td>Joint determination of wages and working conditions</td>
</tr>
<tr>
<td>Quality of Work Life and Employee Involvement</td>
<td>Quality of Work Life, Quality Circles, Working Conditions, Employee Involvement</td>
</tr>
<tr>
<td>Labor-Management Partnership and Co-determination</td>
<td>Labor-Management Cooperation, Joint Labor-Management Structures, Joint Committees, Employee Involvement/Participation, Employee Ownership</td>
</tr>
</tbody>
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Typical Operator Contract
Terms and Provisions

A. Operator Hiring and Training
   • operators work in a "closed shop"
   • training typically takes 3-6 weeks
   • overall hiring process often takes several months
   • higher turnover rates imply higher costs

B. Wage Rates and Progression
   • maybe different rates for part-timers and full-timers
   • "progression" is sequence from entry wage to top rate,
     typically over 1-3 years
   • seniority privileges are key in rewarding long tenure
C. Part-Time Operators
   • typically limited in the contract by share of all positions
   • relations between part-time and full-time status

D. Vacations
   • vacation time increases with seniority
   • vacation time is picked in order of seniority
   • single days versus weeks of vacations

E. Run Picking
   • typically by seniority in the US
   • may be "cafeteria style" or by "roster"
F. Split Runs, spread time, travel time, guarantee time, overtime
   • definition of legal run types
   • maximum percentage of runs by type
   • pay premiums for non-straight runs

G. Disciplinary and Grievance Procedures
   • progressive discipline
   • steps in appealing actions and sanctions
A. The Need

- Large difference between peak and base service requirements
- Full-time operators have daily guarantees significantly greater than peak service hours
- The spread between the start of the AM Peak and the end of the PM Peak is greater than a typical work day
- Split shift premiums, overtime pay and/or guarantee pay mean that peak period operating costs with full-time operators are very expensive
Part-Time Operators

B. The Solution

- Hire a new class of part-time operators to work just the peak periods, with lower unit costs
- Part-time operators began to be introduced in the US in the late 1970s

C. Ancillary Benefits

- Potentially increases the transit labor pool
Part-Time Operator Findings: Cost

• Net cost savings range from 1-10% of operating costs, depending on:
  • peak/base service ratio
  • restrictiveness of full-time operator work rules
  • extent of concessions made in negotiations to win right to use part-timers

• Cost savings come from:
  • reduced premium and guaranteed pay
  • lower part-timer wages
  • lower part-timer fringe benefits
Part-Time Operator Findings: General

- Other impacts are on agency "morale" and labor relations overall
- Uncertain impacts on accident rates, attrition, and absenteeism
- Agencies have tended not to develop a staff of long-term part-timers
- Typically a part-time shift is a short day covering both peaks without spread premiums being paid
Part-Time Operator Findings: General

- Little diversity of part-time shifts
- No guarantee that the desired type of shift will be available in the future
- Training conducted during normal daytime hours
- Part-time positions are not attractive in good economic times:
  - low pay and poor benefits
  - difficult working hours make it hard to find other jobs
  - uncertain time before "promotion" to full-time status
## Part-Time Operator Benefits — Percentage of Agencies

<table>
<thead>
<tr>
<th>Benefit</th>
<th>Same</th>
<th>Lower</th>
<th>None</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sick leave</td>
<td>15%</td>
<td>8%</td>
<td>77%</td>
</tr>
<tr>
<td>Holiday pay</td>
<td>15%</td>
<td>35%</td>
<td>50%</td>
</tr>
<tr>
<td>Vacation</td>
<td>19%</td>
<td>23%</td>
<td>58%</td>
</tr>
<tr>
<td>Health insurance</td>
<td>13%</td>
<td>33%</td>
<td>54%</td>
</tr>
<tr>
<td>Retirement</td>
<td>25%</td>
<td>17%</td>
<td>58%</td>
</tr>
</tbody>
</table>

1996 PTO Benefits Compared to FTO (per hours worked)

Source: Study team analysis of 1998 survey responses.
Recommendations

- Restructure caps on part-timers in terms of hours rather than bodies

- Create work rules and procedures to attract those who want long-term part-time employment:
  - stability in schedules across run cuts
  - offer flexible working hours and tailored duties
  - move to one-piece duties from two-piece duties
  - develop some weekend part-time work
  - provide training in evenings and on weekends

- Move to dual hiring process into part-time and full-time ranks
MBTA Management Rights Context

- Budgetary crisis at the MBTA
- Deep differences between the MBTA, the Advisory Board, and the legislature
- Extensive media coverage of high MBTA costs
- MBTA ran out of money and shut down on December 6, 1980
- On December 7, 1980, the Management Rights legislation was passed
Enacted in 1980 (under Section 8 of Chapter 581), gives to the MBTA Board of Directors the following inherent management rights:

1) to direct, appoint, employ, assign, and promote officers, agents, and employees and to determine the standards therefore;

2) to discharge and terminate employees except on the basis of race, color, religion, sex, age, etc.

3) to plan and determine the levels of service provided by the authority

inherent management rights ...

4) to direct and evaluate the units and programs of the authority; to classify the various positions, and to ascribe duties and standards of productivity;

5) to develop and determine levels of staffing and training;

6) to determine whether goods or services should be made, leased, contacted for, or purchased on either a temporary or permanent basis;

7) to assign and apportion overtime;

8) to hire part-time employees.
The law also imposed two more restrictions on the scope of collective bargaining. These limits, in the form of management prohibition rather than rights, included:

9) no pension benefit payments determined in a manner that includes an employee's amount of overtime earnings; and,

10) no automatic cost-of-living salary adjustment based on changes in the Consumer Price Index or other similar adjustments.

As with the management rights, the subjects of these two restrictions could not become part of any management and labor agreements.
MBTA Management Rights Follow-up

• The MBTA faced 25 court challenges involving Management Rights: all were unsuccessful

• Bases were:
  • law abrogated existing negotiated contracts
  • labor protection under 13(c)

• Georgia implemented a similar law to apply to MARTA but it was repealed after successful union challenge under 13(c)