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.)
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>
</table>
### Top- and Bottom-Ranked Challenges to Transit Practitioners

#### TOP CHALLENGES

<table>
<thead>
<tr>
<th>Rank</th>
<th>Challenge</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Relationships with Customers</td>
</tr>
<tr>
<td>2</td>
<td>Obtaining Government Funding</td>
</tr>
<tr>
<td>3</td>
<td>Improving Quality of Operations and Service</td>
</tr>
<tr>
<td>4</td>
<td>Improving Operating Efficiency</td>
</tr>
<tr>
<td>5</td>
<td>Building Employee Commitment</td>
</tr>
</tbody>
</table>
## Bottom Challenges

<table>
<thead>
<tr>
<th>Rank</th>
<th>Challenge</th>
</tr>
</thead>
<tbody>
<tr>
<td>19</td>
<td>Linkages to Other Transportation Modes/Services</td>
</tr>
<tr>
<td>18</td>
<td>Competitive Pricing</td>
</tr>
<tr>
<td>17</td>
<td>Advertising and Innovative Marketing Techniques</td>
</tr>
<tr>
<td>15.5 (tie)</td>
<td>Serving New Markets</td>
</tr>
<tr>
<td>15.5 (tie)</td>
<td>Employing New Operating Technologies</td>
</tr>
<tr>
<td>14</td>
<td>Administrative Cost Control</td>
</tr>
</tbody>
</table>
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"
Typical Operator Contract
Terms and Provisions

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
Use of Part-Time Operators in Large US Transit Systems*

<table>
<thead>
<tr>
<th></th>
<th>Number of Agencies</th>
<th>PTOs as Percentage of FTOs: Average across All Agencies in 1997</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agencies that reported using part-timers</td>
<td>55</td>
<td>11.9%</td>
</tr>
<tr>
<td>Agencies that reported not using part-timers</td>
<td>12</td>
<td>0%</td>
</tr>
</tbody>
</table>

Note: Part-time and full-time operator counts have been obtained from counts of “vehicle operations” personnel reported in the NTD. It is possible that the NTD data include some employees that are not operators, but rather employees in categories such as system security and fare collection. This issue is explained in more detail in Appendix A.

Sources: Study team analysis; 1997 National Transit Database data.

* More than 500 Full-Time Employees (FY 1997)
Wage Differentials Between FTOs and PTOs

(a) Part-Time and Full-Time Wage Rates Always the Same
(Observation dates: Nov-82, Nov-85, Oct-88, Sep-97)

- Orange County, CA
- Portland, OR
- Seattle
- Detroit - SEMTA/SMART
- Minneapolis–St. Paul
- San Diego
- Delaware Transit
- New Jersey Transit
- Madison, WI
- Cleveland
- Indianapolis
- Louisville
- Montgomery Co., MD

(b) Part-Time Wage Rates Converge toward Full-Time Rates

- Boston
- Dallas
- Cincinnati
- Kansas City
- Denver

Wage Differentials Between FTOs and PTOs

(c) Part-Time Wage Rates Diverge from Full-Time Rates

- Chicago-CTA
- Albany
- Austin

Wage Differentials Between FTOs and PTOs

(d) Part-Time Wage Rates Maintain Constant Proportion

- Milwaukee
- MTA-Long Island
- Phoenix

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 Operators

<table>
<thead>
<tr>
<th>Benefit</th>
<th>Same</th>
<th>Lower</th>
<th>None</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sick leave</td>
<td>36%</td>
<td>6%</td>
<td>58%</td>
</tr>
<tr>
<td>Holiday pay</td>
<td>15%</td>
<td>46%</td>
<td>39%</td>
</tr>
<tr>
<td>Vacation</td>
<td>38%</td>
<td>21%</td>
<td>41%</td>
</tr>
<tr>
<td>Health insurance</td>
<td>8%</td>
<td>68%</td>
<td>23%</td>
</tr>
<tr>
<td>Retirement</td>
<td>32%</td>
<td>20%</td>
<td>47%</td>
</tr>
</tbody>
</table>

Source: Study team analysis of 1998 survey responses.
### Part-Time Operator Benefits — Percentage of Agencies

<table>
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<td>15%</td>
<td>35%</td>
<td>50%</td>
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<tr>
<td>Vacation</td>
<td>19%</td>
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<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