

TRANSIT LABOR

OUTLINE

1. General Transit Labor Context

2. Labor-Management Innovations

*(source: Harsh Jr., W, "Innovative Labor-Management Practices."
TCRP Project F-2, Final Report, 1995)*

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

Category

Collective Bargaining

**Quality of Work Life
and
Employee Involvement**

**Work Redesign,
Socio-technical Systems,
Self-Directed Work Teams**

**Labor-Management Partnership
and
Co-determination**

Criteria

**Joint determination of wages
and working conditions**

**Quality of Work Life, Quality Circles,
Working Conditions,
Employee Involvement**

**Autonomous Teams,
Semi-autonomous Teams,
Socio-technical Work Systems
High-Involvement Teams**

**Labor-Management Cooperation,
Joint Labor-Management Structures,
Joint Committees, Employee
Involvement/Participation,
Employee Ownership**

Top- and Bottom-Ranked Challenges to Transit Practitioners

TOP CHALLENGES

| <u>Rank</u> | <u>Challenge</u> |
|-------------|------------------|
|-------------|------------------|

- | | |
|---|---|
| 1 | Relationships with Customers |
| 2 | Obtaining Government Funding |
| 3 | Improving Quality of Operations and Service |
| 4 | Improving Operating Efficiency |
| 5 | Building Employee Commitment |

Top- and Bottom-Ranked Challenges to Transit Practitioners

BOTTOM CHALLENGES

| <u>Rank</u> | <u>Challenge</u> |
|-------------|---|
| 19 | Linkages to Other Transportation Modes/Services |
| 18 | Competitive Pricing |
| 17 | Advertising and Innovative Marketing Techniques |
| 15.5 (tie) | Serving New Markets |
| 15.5 (tie) | Employing New Operating Technologies |
| 14 | Administrative Cost Control |

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

Typical Operator Contract Terms and Provisions

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

Part-Time Operators

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*

| | Number of Agencies | PTOs as Percentage of FTOs: Average across All Agencies in 1997 |
|--|--------------------|--|
| Agencies that reported using part-timers | 55 | 11.9% |
| Agencies that reported not using part-timers | 12 | 0% |

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

Source: Study team extract from APTA, *Top Hourly Rate Summaries, 1982–97.*

Wage Differentials Between FTOs and PTOs

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

- Boston
- Dallas
- Cincinnati
- Kansas City
- Denver

Source: Study team extract from APTA, *Top Hourly Rate Summaries, 1982–97*.

Wage Differentials Between FTOs and PTOs

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

- Chicago-CTA
- Albany
- Austin

Source: Study team extract from APTA, *Top Hourly Rate Summaries, 1982–97.*

Wage Differentials Between FTOs and PTOs

(d) Part-Time Wage Rates Maintain Constant Proportion

- Milwaukee
- MTA-Long Island
- Phoenix

Source: Study team extract from APTA, *Top Hourly Rate Summaries, 1982–97*.

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

| | 1996 PTO Benefits Compared to FTO (per hours worked) | | |
|-------------------------|---|--------------|-------------|
| Benefit | Same | Lower | None |
| Sick leave | 36% | 6% | 58% |
| Holiday pay | 15% | 46% | 39% |
| Vacation | 38% | 21% | 41% |
| Health insurance | 8% | 68% | 23% |
| Retirement | 32% | 20% | 47% |

Source: Study team analysis of 1998 survey responses.

Part-Time Operator Benefits — Percentage of Agencies

| | 1996 PTO Benefits Compared to FTO (per hours worked) | | |
|-------------------------|---|--------------|-------------|
| Benefit | Same | Lower | None |
| Sick leave | 15% | 8% | 77% |
| Holiday pay | 15% | 35% | 50% |
| Vacation | 19% | 23% | 58% |
| Health insurance | 13% | 33% | 54% |
| Retirement | 25% | 17% | 58% |

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**