

# MTA paid labor-law firm 1.2M

**EXCLUSIVE**  
 BY PETE DONOHUE  
 DAILY NEWS STAFF WRITER

THE BAD BLOOD between the MTA and its workers over the failure to strike a contract has cost the authority \$1.2 million in outside legal fees in eight months.

The Metropolitan Transportation Au-

thority paid a top law firm — which charges the MTA up to \$540 an hour per lawyer — \$1,252,136 between November and July, according to records obtained by the Daily News.

The final tab will be higher. The firm, Proskauer Rose, continues to play a leading role in the taxpayer-subsidized MTA's ongoing contract clash with Transport

Workers Union Local 100.

Gene Russianoff of the Straphangers Campaign said that the steep rates run counter to the MTA's contention that its fiscal future is bleak.

"If they're paying their lawyers the moon and the stars, it undercuts their case that they are in fiscal distress," Russianoff said of transit officials.

Gary Dellaverson, the MTA's director of labor relations, said Proskauer actually provides the MTA a discount from its normal fees.

The MTA has hundreds of lawyers in its various divisions but lacks the staffing to handle such time-consuming, "high-stakes" litigation, Dellaverson said. Many transit lawyers are assigned to lawsuits filed by riders claiming injury or to handle worker disciplinary or grievance matters.

"Proskauer is a preeminent labor-law firm used by many big companies throughout the country, and we feel very comfortable with the excellent representation they provide to us and our customers," Dellaverson said.

Since a transit strike is against state law, the state attorney general's office represented the MTA in court late last year for free.

The attorney general's office tried to prevent a walkout by getting a judge to threaten stiff fines. After the strike, the attorney general's office obtained court-ordered sanctions against the union.

Proskauer Rose also worked toward the same goal on behalf of the MTA.

In recent months, Proskauer has made the MTA's case in arbitration hearings aimed at finally securing a new contract with bus and subway workers.

Union and Proskauer lawyers are to submit written summations to the lead arbitrator next month. The terms of a new pact, including raises, could come before the end of the year.

Proskauer and the MTA signed a retainer agreement in 2004 that stipulated the rates for each lawyer in the firm. In January, Proskauer raised those rates by as much as \$120 an hour, records show. The MTA didn't object to the higher hourly rate, which increased anywhere from 8% to 60%, depending on the lawyer.

"Only with the MTA's twisted logic would it make sense to pay rich lawyers 60% more to fight against New York's working families," Local 100 Secretary-Treasurer Ed Watt said.

[pdonohue@nydailynews.com](mailto:pdonohue@nydailynews.com)