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NICHOLAS A. SPANO
SENATOR, 35TH DISTRICT

May 16, 2005

Mr. Peter Kalikow, Chairman
Metropolitan Transit Authority
347 Madison Avenue
New York, NY 10017

Dear Chairman Kalikow:

It has been brought to my attention by the relevant Metro-North unions (SEIU Firemen & Oilers, Railway Supervisors, Teamsters, Machinists, TWU, IBEW, TCU, and Sheet Metal Workers), that there has been a deadlock between Metro North and the union coalition for 14 months. The unions are now are filing to be released from mediation. Release begins a process that could result in a job action.

I understand that the deadlock stems from the fact that for more than a year Metro North/MTA has insisted that "the ACRE deal must be the pattern." If true, this concerns me as a Westchester public official and New York State Senator. To me, the needs of Metro-North riders must be paramount. ACRE represents only about 27% of the Metro North workforce, mostly the most senior and highly paid. ACRE is a union whose officers are on the Metro North payroll. Many believe that ACRE was created with the support of Metro North management. If so, arguably ACRE's very existence is symptomatic of the state's need for public authority reform, which my colleagues and I in the State Senate are working on. For these reasons, this does not seem to me to be an ordinary collective bargaining conflict. I would not seek to intervene in ordinary collective bargaining. However, in this case, an underlying political obstruction that must be removed. If the anomaly is removed, normal collective bargaining can begin.

In my estimation, allowing the present position of Metro North management: "the ACRE deal must be the pattern" to stand could harm the public interest:

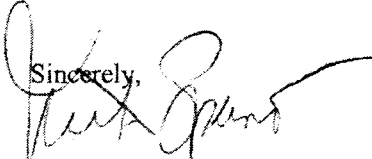
1. The contemplated merger of the LIRR and Metro North accentuates the gap between Metro North workers and LIRR workers. The interests of junior, lower-wage workers are not met by the ACRE pattern. Two groups of workers doing the same work for one employer -- but receiving different compensation -- is a formula for trouble. Chairman Kalikow, I admire the long-run view that you are taking with respect to adequate funding for the MTA Capital Plan, necessary if the whole system is to remain in a state of good repair. This displays enlightened stewardship focused on economic development. Possibly, a similar longer-run view of managerial self-interest may be in order at Metro North.
2. Intransigence from either side heightens the chance of unnecessary labor disputes and service interruptions on Metro North. Federal law gives these railroad workers the right to strike. Under provocation, they have exercised that right in the past. Good faith dialogue and constructive labor relations always work best, and would best serve the interests of the communities I represent.

3. A substandard contract would be unfair to Westchester County and other parts of the Lower Hudson Valley, consigning our region to lower wages and lower incomes in a major industry employing more than 5000 people. The inequality between regions worsens over time. This is not small change. I am reliably informed that the parts of the ACRE agreement covering health and welfare benefits, if spread to all 5000 employees, will mean a direct loss of \$20 million a year to the Metro North service region. With the usual multiplier effect, the full negative economic impact of such a pattern agreement would be even greater.

Based on my conversations so far, I am persuaded that the solution may be "the LIRR deal, plus protection for the older workers." This means the typical wage settlement on the other MTA properties: a) four yearly wage increases -- a \$1000 lump sum, then 3%, 3%, and 3 %, and b) 5 years of pension credits for the Metro North workers hired between 1983 and 1988. This would satisfy the requirements of all the legitimate Metro North AFL-CIO unions.

I know these union leaders. They are reasonable people. They know that to reach parity with LIRR workers, a laudable goal, may take several bargaining rounds. They are only asking not to fall further behind. Most importantly, several of these union leaders represent members on both LIRR and Metro North. Their Long Island experience teaches them that a different kind of industrial relations, based on accommodation and mutual self-interest, not wasteful strife, is possible. If it exists on Long Island, my region deserves no less.

I look forward to discussing these concerns with you as soon as possible.

Sincerely,

NICHOLAS A. SPANO
Senator

Cc: Senator Joseph Bruno
Ms. Katherine Lapp
Mr. Peter A. Cannito
Mr. Ray Burney
Mr. Gary Dellaverson