

# . . . and the case for the TWU

## Strikers in crucial fight for all workers, labor advocate says

By JAMES A. PARROTT

**T**he pension tension behind the transit strike is part smoke screen, part reality.

First, the smoke screen part. Pension costs are not responsible for projected MTA budget gaps for 2008 or 2009 (there's no deficit before then). Rapidly rising debt service costs are the culprit. Gov. Pataki knows this and knows why. In fact, he's responsible for the MTA's soaring debt costs and for the fare hikes needed to pay for the borrowing binge. The governor wanted tax cuts in the late 1990s more than he wanted to pay for new rail cars and buses and the costs needed to fix the transit system. He cut the state's contribution to the MTA capital plan to help pay for tax cuts, forcing the MTA to borrow much more than it had in the past. The massive Pataki-sanctioned borrowing is now coming due, and we'll be paying for it well into the 2020s.

Debt service costs will double between 2002 and 2007 and keep on rising. By 2007 the MTA will pay twice as much in debt service costs as it pays in pension contributions. Pension costs are basically flat be-

tween 2006 and 2009, while debt service costs continue shooting up by 36%.

The MTA's pension contributions have risen since 2002, but that is mainly because of the need to make up for the pension fund's poor investment earnings during Wall Street's 2001-2003 downturn. Transit workers didn't cause that poor performance and shouldn't be penalized for it.

Moreover, in 2000 the MTA granted 9,000 management employees the same pension benefits as TWU-covered employees. The cost to the MTA for extending this benefit to top management dwarfs the savings the MTA would see if it got its way with the TWU. Yet these management employees were not asked to pay more than the 2% contribution the union is struggling to maintain.

The reality part of the transit pension issue is that the governor and the MTA have forced a strike over rolling back pension benefits because they perceive that globalization has workers everywhere on the run. Claiming transit workers are "selfish," Mayor Bloomberg also embraced the drive to roll back pensions by making new workers pay a much steeper contribution. This, de-

spite the fact that only two months ago the mayor agreed to support the United Federation of Teachers in asking the state Legislature to reduce the retirement age from 62 to 55, exactly the provision the TWU is striking to preserve.

Real wages for most workers are falling and health and retirement benefits are being sacrificed on the altar of "global competition." In New York City, the middle class is shrinking, poverty is rising and living standards are eroding as housing, energy and health costs skyrocket. But if New York City is not winning at global competition, then no place is. It's just that the gains from globalization are not being shared. Profits and incomes for those at the top are soaring while wages and living standards for everyone else are falling.

All workers — in both the private and public sectors — deserve good health care and should be economically secure in retirement. Curbing such benefits for transit workers only puts us on the fast track away from that goal.

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