

State authorities threaten to impose contract on New York transit workers

By Alan Whyte and Peter Daniels
27 March 2006

The New York State Public Employment Relations Board (PERB) ruled last week that the contract fight of New York City's 34,000 subway and bus workers must be resolved by arbitration. This decision is the latest development in the protracted dispute, which led to a two-and-a-half day strike just before Christmas.

The walkout was the transit workers' first in 25 years, and came as a rude shock to the political and financial establishment, which had just succeeded in securing a second term for the city's billionaire mayor Michael Bloomberg and had confronted few militant labor struggles in recent years.

The strikers immediately won broad sympathy among working people, reflecting the growing polarization in the city between the super-rich and the millions of workers and sections of the middle class struggling to make ends meet.

Despite this support the transit workers were sent back to work without a contract, however, on the instructions of the officials of Transport Workers Union Local 100, headed by union president Roger Toussaint. The major city unions worked behind the scenes to sabotage the strike and craft together a deal that Toussaint could point to as a face-saving agreement.

The Metropolitan Transportation Authority quietly withdrew its demand for major concessions on pensions, including raising the retirement age from 55 to 62 for new hires. In exchange, however, the union wound up agreeing a few days after the return to work to a giveback as bad or worse, forcing the workers for the first time to pay 1.5 percent of their earnings toward their health insurance premiums.

The ruling elite got another jolt, along with Toussaint and the TWU leadership, when rank-and-file transit workers narrowly rejected the proposed settlement.

Although the margin of rejection was a mere 7 votes out of more than 22,000 cast the vote reflected a new level of anger and determination. Many workers were enraged by the provocative actions of the MTA and the denunciations of the transit workers as thugs by Bloomberg, other wealthy politicians and the big business media.

Toussaint, following the contract rejection, apparently hoped to rearrange the givebacks in additional negotiations. The MTA bosses, however, decided to teach the workers a lesson for daring to express their opposition. They withdrew their last offer, substituting even more drastic and obviously provocative demands, amid calls in the media for the mass jailing of transit workers if they renewed their strike.

The MTA quickly announced that it had reached an impasse with the union, and demanded that the dispute go to arbitration. The result of this would be, firstly, that the wages and conditions of the transit workers would be imposed by an arbitration panel and rank-and-file workers would have no right to vote on the contract. Secondly, the arbitration panel was legally barred from approving one of the very few improvements included in the rejected contract—the provision calling for repaying about \$131 million in pension contributions that the workers had been improperly assessed between 1994 and 2001. This repayment, which was in fact owed to the thousands of workers to whom it applied, had aroused the ire of New York Governor George Pataki and many other big business spokesmen.

Toussaint's answer to the arbitration demand was to announce that he would put the rejected contract before the membership for a revote, even though the MTA said it was no longer on the table. On March 17, the

union's executive board voted to conduct such a vote. The union bureaucrats held a press conference at City Hall at which they paraded support for the revote from 16 Democratic Party politicians.

Amidst these maneuvers, the transit workers themselves were left as bystanders without any say-so in this process. The majority who voted to reject the concessions is being told that their choice is to accept the original givebacks or face arbitration with the prospect of further attacks. A similar strategy was followed by the TWU bureaucracy in 1992, when the rank and file also rejected a concessions deal and was told to choose between accepting an offer almost the same as the one they had turned down, or else vote "no" and accept binding arbitration.

In any event, Toussaint's efforts to enlist the Democrats to plead with the MTA for a revote appears to have failed, with the March 20 decision by PERB in favor of binding arbitration.

The arbitration process is expected to last for months, and a settlement between the parties during that period is permitted and is still a possibility. What is virtually guaranteed, however, is that the workers, after demonstrating their potential strength last December, will be saddled with major concessions, undoubtedly including increased costs for their medical care.

The workers are also still saddled with the draconian fines under the state's Taylor Law of two days' pay for each day on strike for every worker, amounting to nearly \$2,000 each. Transit workers have in fact just had these fines deducted from their pay. The union is also facing fines of \$3 million, plus the threat of losing its automatic dues check-off privilege, a step that could threaten it with bankruptcy.

This giveback on health care is an issue affecting tens of millions of workers throughout the US and many others around the world. As medical costs continue to increase, a growing number of US companies are cutting benefits for active and retired workers. In the case of General Motors, Ford and others, it is a matter of struggling to restore profitability against their international rivals. In the case of profitable firms such as IBM, similar cutbacks are defended in the name of international competitiveness.

Rising health care and pension costs are a major issue in cities and states throughout the US. New York City paid out about \$1 billion for retiree health care last

year. As a result of new federal accounting rules, however, municipalities are no longer permitted to calculate these costs on a pay-as-you-go basis. The cost of retiree benefits is expected to increase to as much as five or ten times current levels. New York mayor Bloomberg expressed satisfaction with the original transit contract precisely because he expects to secure the same health care concessions with other city unions, including District Council 37 of the American Federation of State, County and Municipal Employees, the city's largest public employee union with 121,000 members.

The latest developments underscore yet again the crucial political issues facing every section of the working class. The transit workers are helpless to use the power in their hands only because they are politically disenfranchised through the alliance between the unions and the Democratic Party. A new political strategy is needed to forge a unity with every section of working people against the unending demands that workers pay for the crisis of the profit system. At the center of this must be the establishment of the political independence of the working class, through the building of a new mass party based on a socialist program.

To contact the WSWS and the
Socialist Equality Party visit:

<http://www.wsws.org>