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A COMPARATIVE ANALYSIS OF LABOR UNION AGREEMENTS FOR PUBLIC TRANSPORTATION
FIXED ROUTE BUS OPERATIONS IN PENNSYLVANIA

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Abstract

This study compares labor union agreements for public transportation fixed route bus operations in Pennsylvania and examines their effects on operational performance. Labor agreements for thirteen Pennsylvania public transportation agencies were collected to enable evaluation of wage rates, total wage costs, work rules, and other labor agreement-related matter. Terms within the agreements currently in force differ to varying degrees on matters such as use of part-time employees, true hourly wage rates, paid versus unpaid break time, fringe benefits, paid time off, and vacation time. These terms exert significant impacts on productivity and operating costs of transit systems.

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Section 1: INTRODUCTION AND BACKGROUND

Public Transportation is a fundamental part of society. Whether operating in larger urban areas or smaller rural areas, public transportation systems play a vital role in the lives of people across the country. Rising motor fuel prices and tougher economic conditions since the mid-1990s have caused more people to turn from driving themselves to public transportation as a lower cost means for getting from home to work, school, appointments, and many other daily activities. Public transportation plays a vital role in providing mobility for a growing, aging population segment as well as for persons in other age brackets who are physically unable to drive themselves. In addition to its direct benefit of mobility, public transportation enables reductions in traffic congestion and air pollution and foster more efficient land use patterns.

In the state of Pennsylvania, annually over 416 million trips are taken on public transportation services¹. These services can be divided into several categories which include:

- Fixed Route Bus and Rail
- Fixed Route Bus
- Shared Ride/Demand Response
- Intercity Passenger Rail
- Intercity Passenger Bus

Fixed Route bus and rail systems are systems that provide regularly scheduled passenger bus and rail service over a fixed route, repeatedly picking up and dropping off passengers at particular locations. Fixed route bus systems are the same as above. However, they do not have any rail lines as part of their system. Shared Ride/Demand Response systems refer to door-to-door services that are provided to senior citizens and persons with disabilities. These services require making requests a day in advance and willingness to share rides with other individuals.

¹ "Public Transportation Facts." *Pennsylvania Public Transportation Association (PPTA)*.

Intercity Passenger Rail is operated by Amtrak within the state of Pennsylvania as part of its national rail system. Intercity Passenger Bus companies operate fixed route services that connect different cities and towns, regionally and statewide².

Labor is a key aspect of any public transportation agency. Over 15,000 people are employed in public transportation agencies across the state of Pennsylvania³. Labor is a significant cost in any transportation agency's operation. Unions over the past several decades have come to play a major role in the public transportation industry and union labor agreements have a significant effect on the operations and productivity within a transit organization. Union-management relations and collective bargaining therefore play a vital role in controlling costs and productivity within a particular agency.

1.1: Major Topics to Be Covered

This study will provide a comparative analysis of Pennsylvania Transit Agencies' surface transit (primarily motor bus) union labor agreements and the effect of these agreements on work rules and productivity. The study will specifically address several topics:

- Different Pennsylvania transit unions: history and current issues
- Examination of contracts and differences in work policies with regard to a variety of factors
- Impact of work rules on different key players
- Impact of ambiguities in labor agreements
- Efficiency of transit operations with regard to labor agreements
- Operating cost analysis with regard to labor agreements

The remainder of this section will discuss previous research that has been done on the topic, the research methodology used in this study, and objectives of the study.

² "Public Transportation Services Defined." *Pennsylvania Public Transportation Association (PPTA)*.

³ "Public Transportation Facts." *Pennsylvania Public Transportation Association (PPTA)*.

1.2: Previous Research

Existing literature pertaining to union labor relations focuses on large public transportation systems on a national scale. Individual studies typically address conditions on either one particular large public transportation agency or multiple large public transportation agencies within the United States which conduct both rail and motor bus operations. Most of these studies date back to the early and mid twentieth century when the shift from private to public ownership was beginning to occur.

One notable, albeit 33-year-old piece of work authored and published by Darold T. Barnum entitled *From Private to Public: Labor Relations in Mass Transit*, examines large transit systems across the United States and discusses issues of unions, collective bargaining, compensation, and productivity in many of the nation's largest transit systems. These systems include both bus and rail. Mr. Barnum's research relies heavily on interviews with people within the industry to gain an understanding of the role of collective bargaining in labor relations and its effect on wages and productivity.

No previous research encountered examines labor agreements of different transit properties within a particular state. State resources and publications from the Pennsylvania Department of Transportation (Penn DOT) contain operating cost data and analysis of all transit agencies in Pennsylvania. Also, resources and publications from the American Public Transportation Association provide background on different transit agencies in Pennsylvania and general public transportation facts and statistics. However, none of these sources provide

detailed information on the contents and effects of labor contracts for particular transit agencies.

1.3: Methodology

In performing this study, existing published research-based literature alluded to previously as well as material published by industry experts, unions, and government sources were examined. Additionally, current labor union agreements were collected from most of Pennsylvania’s public transportation systems through Pennsylvania’s Right to Know law. These agreements, collectively, comprised the primary source of the data used in this study. The systems examined in this study are listed table 1A:

Table 1A: Transit Agencies in Pennsylvania

<u>Location</u>	<u>Agency Name</u>	<u>System Name</u>
Allentown, PA	Lehigh and Northampton Transportation Authority	LANTA
Altoona, PA	Transportation and Motor Buses for Public Use Authority	AMTRAN
Erie, PA	Erie Metropolitan Transit Authority	EMTA
Harrisburg, PA	Cumberland-Dauphin-Harrisburg Transit Authority (Capital Area Transit)	CAT
Johnstown, PA	Cambria County Transportation Authority	CamTRAN
Kingston, PA	Luzerne County Transportation Authority	LCTA
Lancaster, PA	Red Rose Transit Authority	RRTA
Philadelphia, PA	Southeastern Pennsylvania Transportation Authority	SEPTA
Pittsburgh, PA	Port Authority of Allegheny County	Port Authority
Reading, PA	Berks Area Reading Transportation Authority	BARTA
State College, PA	Centre Area Transportation Authority	CATA
Williamsport, PA	River Valley Transit (City of Williamsport)	RVT
York, PA	York County Transportation Authority (Rabbit Transit)	YCTA

While this list does not include all the different transit agencies within the state of Pennsylvania, it contains a good sampling of agencies from different geographical areas across the state. Several agencies were not included because they either did not respond to the request for a copy of their labor agreement, or they no longer have a union within their organization. Also, as mentioned previously, this study focuses almost exclusively on fixed route motor bus systems. While several of these systems such as SEPTA and Port Agency have other services such as commuter (regional) rail, subway, and trolley services, this study focuses only on the labor agreements for the motor bus sectors of their systems (though on rare occasion there may be several instances where these lines are crossed to examine a particular issue). Also, para-transit services and maintenance services, while included in many of the labor agreements, are excluded from consideration here because they differ operationally from the transportation or “on street” component of fixed route bus system operations.

1.4: Terms and Definitions

Fixed route bus system operations involve work force related terms that appear in subsequent sections of this thesis. As an aid to understanding for the reader, they are identified and defined as follows:

Split/Swing Shift- A work shift divided into two or more parts, with several unpaid hours in between shifts.

Regular Run- A set of work (usually comprised of about 40 hours) that a particular operator operates on a weekly basis.

Extra Persons- An operator who substitutes for regular drivers when they are ill or on vacation, or operates extra pieces of work, not assigned to a particular driver. These operators’ schedules change on a daily basis.

Fixed Route- A transportation service that operates along a prescribed route at designated times.

Top Rate- The highest hourly wage that an operator can earn.

Cost-of-Living Allowance (COLA)- An adjustment of salaries to based upon the cost-of-living index.

Seniority- A measure of how much time a person has worked at a particular job (Note: Transit agencies have different requirements on how seniority is calculated and maintained.)

1.5: Objectives/Importance of Study

The objective of this study is to comparatively analyze Pennsylvania transit agencies' surface transit (primarily motor bus) union labor agreements and measure the effect of these agreements on work rules and productivity. Pursuit of this objective is significant for several reasons. First, labor costs are a significant part of transportation operating costs. Second, labor is not an optional cost when it comes to operating a transit system. Third, contracts (labor agreements) have a significant effect on operations and productivity within a transit organization. For all of these reasons, a comprehensive analysis of a variety of labor agreements from a variety of transit agencies can provide a perspective on different ways of doing things and the financial impacts of certain rules and provisions within certain agreements.

Section 2: THE UNIONS

The transit industry is almost entirely unionized. In the state of Pennsylvania, all but one transit agency surveyed has union labor and therefore a labor union agreement. In Pennsylvania, as in many other states, the Amalgamated Transit Union (ATU) is the dominant

labor union for motor bus operations in most transit agencies. Other unions present in Pennsylvania include: Transport Workers Union (TWU), American Federation of State, County, and Municipal Employees (AFSCME), Teamsters, and the United Transportation Union (UTU). The only Pennsylvania Transit Agency surveyed that did not have a labor union was the Indiana County Transportation Agency (IndiGO), located in Indiana, Pennsylvania. Table 2A shows the different properties and the labor union and local numbers of each transit agency within Pennsylvania.

Table 2A: Pennsylvania Transit Authorities' Labor Unions and Contract Effective Dates

<u>System Name</u>	<u>Labor Union</u>	<u>Local Number</u>	<u>Contract Effective Date</u>	<u>Contract Expiration Date</u>
AMTRAN	ATU	801	June 1, 2009	May 31, 2012
BARTA	ATU	1345	July 1, 2007	June 30, 2010
CamTRAN	ATU	1297	July 1, 2008	June 20, 2011
CAT	ATU	1436	July 1, 2005	June 30, 2009
CATA	AFSCME	83	March 1, 2008	October 31, 2011
EMTA	ATU	568	April 1, 2007	March 31, 2011
IndiGO	No Union			
LANTA	ATU	956	December 15, 2005	December 14, 2009
LCTA	ATU	164	October 1, 2008	September 30, 2012
Port Authority	ATU	85	July 1, 2005	June 30, 2008
RRTA	ATU	1241	September 18, 2009	May 31, 2012
RVT	ATU	1496	January 1, 2006	December 31, 2008
SEPTA (City Division)	TWU	234	November 7, 2005	March 14, 2009
SEPTA (Suburban Division)	UTU	1594	November 14, 2005	April 1, 2009
YCTA	Teamsters	776	January 1, 2008	December 31, 2011

2.1: The Amalgamated Transit Union

The Amalgamated Transit Union is the largest transit workers union in the United States. The ATU represents over 190,000 members in 264 different transit agencies⁴. The ATU was founded in 1892, when Samuel Gompers organized a convention of transit workers from 22 different transit organizations across the United States. Originally called the Amalgamated Association of Street Railway Employees of America, the name was soon changed to Amalgamated Association of Street, Electric Railway, and Motor Coach Employees of America, and later shortened to Amalgamated Transit Union.

The ATU was very successful in organizing workers on most systems across America with the exception of those in New York and Philadelphia. As indicated in table 2A, SEPTA is one of the few transit agencies in the state of Pennsylvania not represented in any part by the ATU. However, the fact that the ATU represents over 70% of the unionized properties in Pennsylvania makes it the state's dominant transit union.

Until 1974, the ATU restricted its membership to mass transit employees of both inter-urban and urban transit systems. In 1974, the ATU amended its constitution to represent both transit and non-transit employees. This amendment allowed ATU to immediately begin organizing non-transit employees and was prompted by aggressive organization attempts of non-transit unions such as the Teamsters, in the transit field. According to its website the ATU now represents employees in a variety of fields including "bus, van, subway, and light rail operators, clerks, baggage handlers and maintenance employees in urban transit, over-the-road

⁴ About the ATU." *The Amalgamated Transit Union (ATU)*. <<http://www.atu.org/>>.

and school bus industries, as well as emergency medical service personnel, ambulance operators, clerical personnel, and municipal workers.”

The ATU is organized by local divisions and the international union. Each local division operates in a particular location and represents the interests of a particular group of workers at a particular transit agency or other type of entity. The international union, which consists of a president, an executive board, and a central headquarters staff, oversees the administration of all the local unions and rules on all questions and appeals of local divisions. Within each local division the members are responsible for electing officials, assisting in collective bargaining, and voting on labor agreements and amendments.

2.2: The Transport Workers Union

Although the ATU was successful in organizing most transit agencies across the United States, the Transport Workers Union became a strong force in both New York and Philadelphia. As opposed to nationwide coverage, the TWU has remained focused on several large cities, particularly on the eastern coast. While the ATU represents workers in both big and small transit agencies the TWU focuses primarily on major urban transit agencies.

The TWU is organized slightly differently than the ATU. While the ATU has a two tier system, international and local, the TWU is organized into three tiers, national, divisions, and locals. These divisions include: transit, air transport, railroads, utilities, universities, trucking, taxis, and miscellaneous groups.⁵ In the TWU, the international union has much more power, especially when it comes to collective bargaining. While local unions are involved in the

⁵ Barnum, *From Private to Public: Labor Relations in Urban Mass Transit*, Pg. 21

collective bargaining process, the international president must be informed of, and approve, all negotiations and demands requested by the local unions. For example, any strike of a local union must be approved by the international union.

2.3: Other Unions in Pennsylvania

Other unions with transit employee representation in Pennsylvania include AFSCME (CATA), Teamsters (YCTA), and United Transportation Union (SEPTA-Red Arrow Division). These three unions also represent employees in many different types of non-transit public and private sector entities across both Pennsylvania and the United States.

As noted previously, IndiGo (Indiana, PA) is currently not operating under any type of labor union agreement. Union representation at IndiGo was recently decertified. No additional information could be found to explain the reason for this action.

Section 3: WAGES

Wages are the largest operating cost of any transit agency and account for about two-thirds of all operating expenses.⁶ It is important to look at the different factors that influence particular wage rates in order to better understand the composition of wage rates and how they differ among transit agencies in different areas.

This section first provides a comparison of wage rates for transit agencies throughout Pennsylvania. Starting wages and wage rate progressions are among the details examined, followed by discussion of some of the factors that help determine the particular rates. Next, so-

⁶ *APTA 2009 Public Transportation Fact Book*, <www.apta.com>

called allowances, such as non-driving paid time and break time-compensation, are examined. While fringe benefits and healthcare benefits are also considered labor-related expenses, these topics will be covered in a later section.

3.1: Base Rates

In every transit agency there is a set base hourly rate that bus operators receive for their daily duties. These rates vary from agency to agency and sometimes even within a particular agency. Differentials in pay are usually attributed to different geographic areas in which there are differences in costs of living or job expectations.

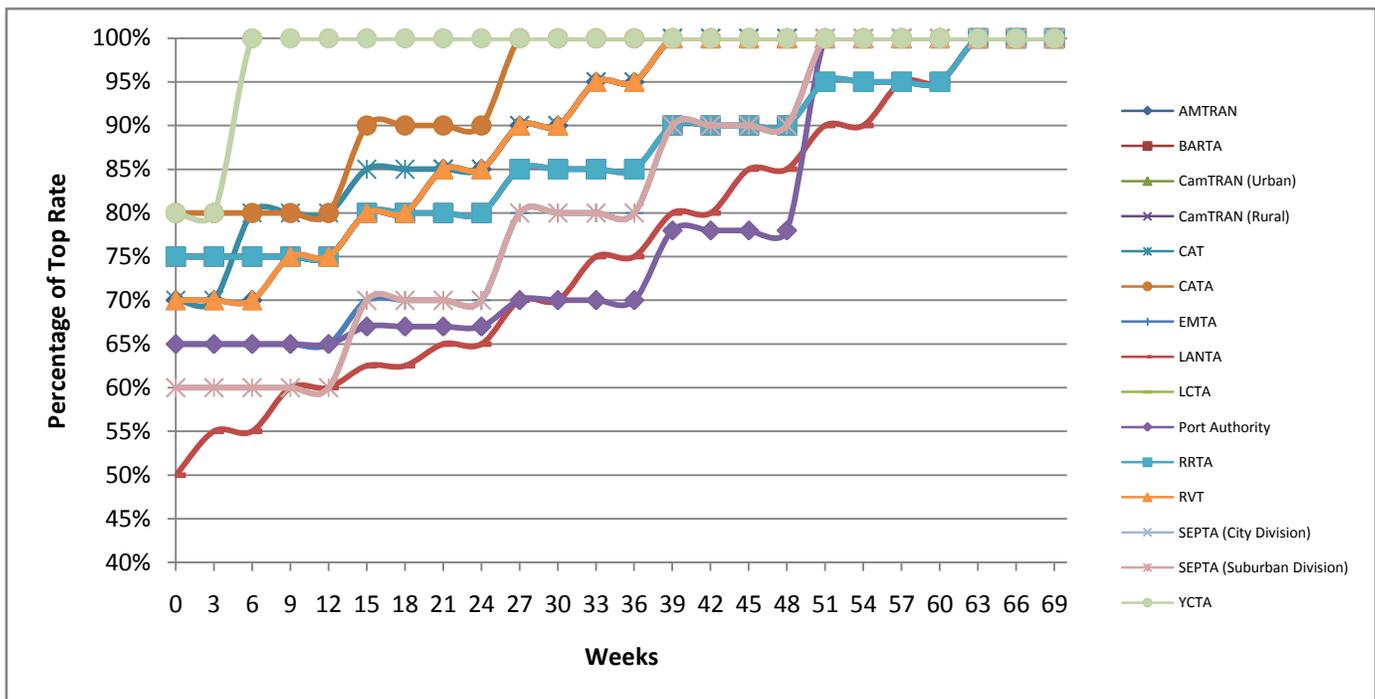
Most transit agencies work on a tiered pay scale in which operators receive a percentage until they reach the top rate for the particular agency. Operators usually see a pay raise ranging in frequency from every couple of months to every year based upon their particular agreement with the transit agency. Starting rates for Pennsylvania transit usually vary from 50% to 80% of the top rate, as shown in Table 3A. Most transit agencies in Pennsylvania have starting rates at around 65-70% of the top rate.

Figure 3A: Starting Rates for Bus Operators as a Percentage of Top Rates



Progression from starting rate to top rate also varies significantly from transit agency to transit agency. For example, Rabbit Transit (YCTA) bus operators make top after their first 90 days. Other agencies such as LANTA, BARTA, and RRTA require operators to work for over 60 days (5 years) before they can receive top pay. Most transit operators in Pennsylvania receive top pay around the 3rd or 4th year of employment with the agency. Wage rates can be reflective of the progression scale. In agencies where it takes much longer to get to the top rate, the top rate is usually higher, due to the fact that there are more operators earning a percentage of this top rate. This can be contrasted with lower rates earned by operators reaching top rates faster, such as in York, PA. Table 3B shows the wage rate progression for the different Pennsylvania transit agencies.

Figure 3B: Wage Rate Progression for Different Pennsylvania Transit Agencies

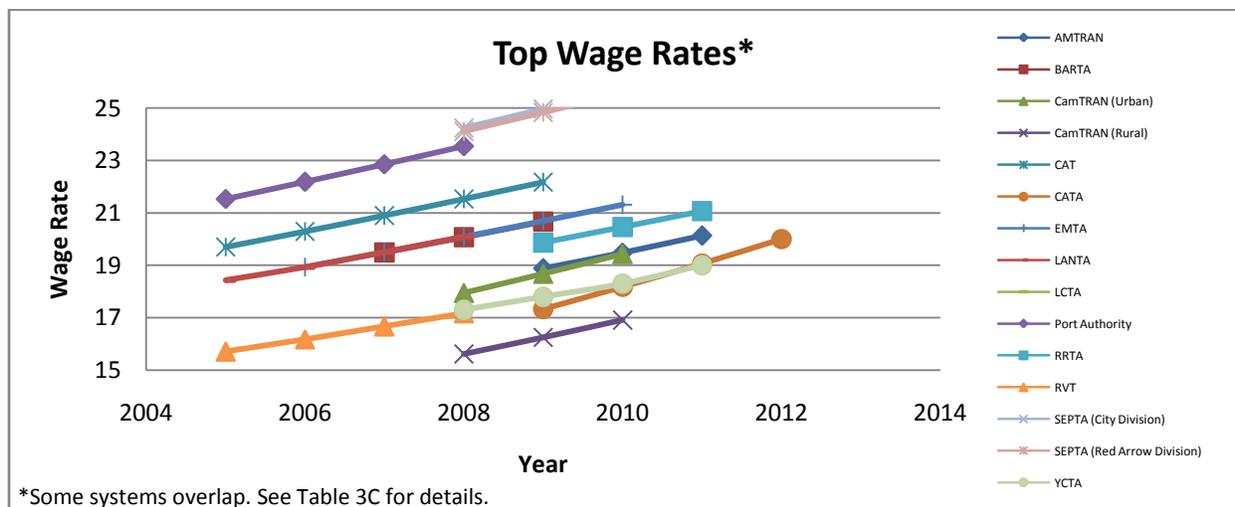


Top rates vary from about \$17 per hour to over \$24 per hour. Table 3C, portrays the top rates of each transit agency for each year in the contract that was examined in this study. The graph in Table 3D charts the different wages based on the year. Most wage increases seen are linear and tend to progress at similar rates for every transit agency.

Table 3C: Top Wage Rates by Year

Year:	2005	2006	2007	2008	2009	2010	2011	2012
AMTRAN					\$18.88	\$19.48	\$20.13	
BARTA			\$19.49	\$20.07	\$20.67			
CamTRAN (Urban)				\$17.95	\$18.68	\$19.43		
CamTRAN (Rural)				\$15.62	\$16.25	\$16.91		
CAT	\$19.70	\$20.29	\$20.90	\$21.53	\$22.17			
CATA					\$17.33	\$18.18	\$19.07	\$20.00
EMTA		\$18.93	\$19.50	\$20.08	\$20.69	\$21.31		
LANTA	\$18.43	\$18.93	\$19.50	\$20.09				
Port Agency	\$21.53	\$22.18	\$22.85	\$23.54				
RRTA					\$19.87	\$20.46	\$21.07	
RVT	\$15.71	\$16.18	\$16.67	\$17.17				
SEPTA (City Division)				\$24.24	\$24.97	\$25.72		
SEPTA (Red Arrow Division)				\$24.11	\$24.83	\$25.58		
YCTA				\$17.30	\$17.80	\$18.30	\$19.00	

Figure 3D: Graph of Top Wage Rates by Year



3.2: Factors Influencing Wage Rates/Cost of Living

Geographic factors have a large influence on wage rates. Those transit agencies that operate in larger urban areas tend to have higher wage rates, while those that operate in less densely populated areas tend to have lower wage rates. Within some transit agencies there are even divisions between rates based upon different divisions and the areas in which they operate. For example, CamTRAN has both an urban and a rural division. Employees within each make significantly different wages based on their geographic operating areas. SEPTA also has different wages based upon locations. For example, Suburban Transit Division operators make less than City Transit Division operators. Part of the differentials based on location has to do with risks and responsibilities associated with driving in urban and more congested areas as opposed to rural areas.

General economic conditions can also affect transit wage negotiations and settlement terms. One example is the cost-of-living allowance, or COLA clause, which provides for increases in base wage rates keyed to changes in a specified cost of living adjustment factor. During periods of relatively high inflation, union officials have often sought the inclusion of a COLA clause in the contract that they are negotiating. However, COLA clauses are absent from most of the in-force labor contracts scrutinized for this research project. An exception is Port Authority's agreement, which contains the following COLA provision:

The cost-of-living allowance will be determined and re-determined on the basis of point change in the United States Index (CPI-W 1967 Base) from December, 2006 to March, 2007, of one (1) cent for each 0.35 change, and thereafter quarter

annual adjustments through the April, 2008 quarter with a maximum payment of forty (40) cents and shall continue until June 30, 2008.⁷

In instances where transit agencies' labor contracts contain such clauses from previous agreements, they are usually preceded or followed by another clause that temporarily suspends them or abolishes them completely. For example, LANTA's labor agreement has the following provision: "The Cost of living clause shall be suspended. There shall be no adjustments to the basic wage rates set forth in Section V as a result of COLA throughout the life of this contract."

Section 4: ALLOWANCES

4.1: Non-Driving Paid Time

Many agencies have different allowances in place that are paid for the operators to complete particular tasks. Examples of these allowances include:

- Pre/Post Trip Inspection Time
- Time to relieve a bus already out on the road
- Fare Box Dumps
- Time to fill out accident or incident reports

Inspection times and relief times are usually factored into a particular shift and denoted by a particular amount of time, such as 15 minutes for a driver to inspect his or her assigned bus before going into service. Non-daily requirements may be paid in set increments such as \$10 for filling out an accident or incident report, or based upon the amount of time needed to complete a particular activity (i.e. an extra 15 minutes for filling out an incident report).

⁷ *Agreement Between Local 85 Amalgamated Transit Union Pittsburgh, PA and Port Authority of Allegheny County., Section 202, Cost of Living Allowance*

While non-driving paid time can seem like a very minimal cost, it can add up and can be very important in terms of scheduling. For example, setting up relief points as close to a particular garage as possible can cut down on time being paid to get to a particular relief point. However, it can also cost the transit system overtime for an operator that may have to be on the road for a longer period of time. Also, particularly in larger cities with more traffic, relieving operators further away from a garage may be costly if a particular bus is delayed. In this case one operator may be paid to stand on a street corner, while another operator is making overtime for completing his shift late, and the customers who are waiting for the bus are not being serviced.

4.2: Break Times

Break times and pay differ from transit agency to transit agency. Some transit authorities incorporate a paid break into a particular shift, whereas others give drivers a break; however, the driver is not paid for this break time. This can have an impact on the actual rate that an operator is making. Say an operator makes \$15 per hour and works an 8 hour shift with a paid 30-minute break included in the 8 hours. This driver's rate would be \$15 per hour. However, say that the driver works an 8 hour shift with a non-paid 30 minute break. This driver would technically be making \$14.12 per hour. This may not seem like a huge difference, but it has a much larger impact when multiplied across many weeks. While some transit agencies such as SEPTA have higher wages than a transit agency such as CATA, SEPTA's breaks are non-paid, whereas CATA pays their drivers their full rate for the entire break.

In terms of breaks, certain contracts mandate a particular amount of layover time at the end of each trip. Some contracts even specify the amount of time based upon the length of the run. This layover time is always paid time, and is typically a 5 to 10 minute period at the end of each run.

4.3: Meal Times/Meal Compensation

Meal compensation is rarely paid out to drivers. However, there are provisions in many contracts that allow for meal compensation in the event that an operator is required to work in addition to a particular shift due to an emergency and does not have time to break for a meal. In such situations, the transit agency is required to provide drivers with a stipend for a meal, which is usually somewhere between \$4 and \$8.

4.4: Additional Pay

Drivers in different agencies can receive differentials in pay for performing work that may be in excess to their normal duties. Different types of differential pay exhibited in certain contracts include:

- Extra pay for training new operators
- Extra pay for night time work
- Extra pay for Sunday work

Almost every contract includes a provision that requires drivers to be paid an additional \$0.30 to \$1.00 extra per hour for training a new operator. Training programs at many transit authorities involve a component in which new operators are sent out with veteran operators for on-the-road passenger training. These veteran operators who offer to train new operators are compensated for their additional responsibilities in teaching a new operator. In no

agreement is any operator forced to train new operators if they do not wish to do so. Training assignments are accepted on a purely voluntary basis.

SEPTA is the only transit agency in Pennsylvania which has a provision in its contract for a night differential. SEPTA's Red Arrow division contract states that, "Operators, working late runs (those straight runs that report after 12:00 Noon) shall be paid a night differential of twelve cents (12¢) per hour for work after 7:00 P.M." The City Division's contract states, "A premium of fifteen cents (\$.15) per hour will be paid for platform work in the case of employees in the Transportation Unit...performed between the hours of 6:00 p.m. and 6:00 a.m." These clauses are not present in other contracts due to the fact that many of the other agencies do not operate 24 hours per day or even past a certain hour in the evening.

Red Rose Transit Agency provides additional pay to those operators who are willing to work on Sundays. Their contract states in section 8.14: "Bus operators assigned to or working a regular Sunday shift shall receive a shift differential of Twenty-Five Cents (\$.25) per hour for that shift." A clause similar to this was not found in any of the other transit agencies' agreements. Whether the clause originated as a union bargaining demand point or as an attempt by the RRTA to provide drivers with an incentive to accept Sunday shift assignments is unknown.

4.5: Overtime

In all agreements overtime is either calculated after 8 hours of work or after 40 hours of work in a week. Some contracts also require that overtime be paid for any time in excess of 11 to 11.5 hours spread within a split shift. In some contracts where drivers are permitted to

operate 4 days of 10 hour shifts, overtime rates are only paid for work completed over their normal ten hour scheduled run. Other work rules such as required rest time between shifts and limits on the number of hours an employee can work in one day will restrict overtime opportunities as well. When operators work overtime on holidays they can earn double time and a half, which is their typical holiday pay plus their time and a half for overtime.

The standard overtime rate paid at all Pennsylvania transit authorities is one and one-half times the driver's normal rate. Extra work that may be available is assigned differently, depending on the agency. Different ways of assigning overtime include:

- Strictly by seniority
- Equally among all employees who wish to work overtime (by means of a rotating list)
- First to part-time operators, then extra board operators, then those who signed up for overtime
- On call operators waiving overtime definition, then by seniority
- To operators who are on their scheduled days off

Each means of assigning overtime has a variety of benefits and drawbacks for both the employees and the agency which will be discussed in a later section. Overtime work is not considered mandatory. However, turning down a particular assignment will usually disqualify a particular operator from receiving any other work that may arise on the particular day. Their name may be moved to the bottom of the list, or they may be removed from the overtime list altogether.

Section 5: TIME OFF

5.1: Sick Time

Sick time can be accumulated and used in several different ways depending on the labor agreement. In some agencies sick time is accrued monthly, while in others it is accrued annually. Typical sick leave can range anywhere from 5 to 13 days per year. Many agencies allow employees to carry over sick leave from one year to another until they reach a maximum amount that they are allowed to accumulate. Different agencies will also buy back sick time once a certain amount is accrued. Usually the buy-back rate is 50% of the value of the sick time accrued or they will only buy back a percentage of unused sick days

To regulate sick time abuse, many transit agencies require that employees turn in a doctor's note if they are absent for a period of three or more days. Another form of regulation requires employees to turn in a doctor's note after the second sick occurrence in a 12 month period. A third way of regulating sick time is exhibited by the Port Agency system in which the first day of illness is not compensable. However, in the event the employee is sick for two work days or more the benefits are paid from the beginning of the illness. Port Agency also requires employees that are off for two days or more to present a certificate from a physician.

SEPTA has a very intricate attendance system in which employees are assessed points based upon types and frequencies of absences. The system, which can be found in Appendix A, establishes the point system and discipline scale for the accumulation of a particular amount of points. There are also potentials to earn personal days and excused days (without pay) for

completing a specified number of days without using a sick day or missing work. This attendance system is used system wide for all of SEPTA's employees.

5.2: Personal Days

Personal time can be allocated annually to employees or can be distributed through vacation time or floating holidays. Certain contracts allocate a particular number of paid personal days per year per employee. Other contracts incorporate personal time into vacation time. These contracts allow employees to take day-by-day vacation. Other contracts state that the employees are entitled to several floating holidays. These holidays can be taken at any date during the year as a paid "personal" day. The agencies that tend to have more paid holidays tend to not have personal days and use floating holidays instead. One other method used by SEPTA and mentioned in the previous section allows employees to gain personal days through their attendance point system as an incentive for not missing work.

5.3: Vacation Time

Drivers accumulate vacation based upon the amount of time that they have worked for the agency. Each agency has a set of specific rules on how vacation is accumulated and how it is to be used. Many transit authorities require vacation be taken in week-long periods of time. This facilitates the scheduling of extra/on-call operators and optimizes the number of extra operators needed. At a certain period during the year as designated in the labor agreement, there is a picking for vacation weeks. There are a particular number of vacation slots available each week of the year and they are picked based upon seniority. After drivers have accumulated more than a specified number of weeks vacation (usually 4 or 5) they may be

allowed to take a certain number of weeks on a day-by-day basis as opposed to in week-long blocks.

A few authorities, such as CATA, allow all vacation to be taken on a day-by-day basis throughout the year as well as in week-long blocks. Other authorities will allow employees to take day-by-day vacation after they have accumulated a set number of weeks of vacation. For example after a driver has accumulated four weeks of vacation each additional week can be used on a day-by-day basis. There are a designated number of slots for each type of vacation and drivers sign up on January 1st for the vacation they would like. Vacation days are assigned by basis of seniority and then on a first-come first-serve basis until all slots are filled.

Table 5A depicts the number of vacation weeks that a driver is entitled to based upon his or her years of service with the agency. In most authorities, drivers are not entitled to vacation until they have completed one year of service with the agency. However, some authorities allow drivers to begin accumulation starting with the first day of employment. The maximum number of weeks of vacation at any agency is six weeks, and this is usually only obtained after 28 to 33 years of service.

Table 5A: Weeks of Vacation per Year of Service

Year:	0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33		
AMTRAN	0	1	1	2	2	2	2	3	3	3	3	3	3	3	4	4	4	4	4	4	4	5	5	5	5	5	5	5	5	5	5	5	5	5	5	
BARTA	0	1	2	2	2	2	2	2	3	3	3	3	3	3	4	4	4	4	4	4	4	4	5	5	5	5	5	5	5	5	5	5	5	5	5	
CamTRAN	0	1	2	2	2	2	2	3	3	3	3	3	3	3	4	4	4	4	4	4	4	4	5	5	5	5	5	5	5	5	5	5	5	5	5	
EMTA	0	1	1	2	2	2	3	3	3	3	3	3	4	4	4	4	4	4	4	4	4	4	5	5	5	5	5	5	5	5	5	5	5	5	5	
CATA	1.4	1.4	1.4	1.4	1.4	2.1	2.1	2.1	2.1	2.1	2.1	2.1	2.9	2.9	2.9	2.9	2.9	2.9	2.9	2.9	2.9	2.9	2.9	2.9	2.9	2.9	2.9	2.9	2.9	2.9	2.9	2.9	2.9	2.9	2.9	
LANTA	0	1	2	2	2	2	3	3	3	3	3	3	3	3	4	4	4	4	4	4	4	4	5	5	5	5	5	5	5	5	5	5	5	5	5	
CAT	0	1	2	2	2	3	3	3	3	3	4	4	4	4	4	4	4	4	4	4	4	4	5	5	5	5	5	5	5	5	5	5	5	5	5	5
LCTA	0	1	2	2	2	3	3	3	3	3	3	3	4	4	4	4	4	4	4	4	4	4	5	5	5	5	5	5	5	5	5	5	5	5	5	5
YCTA	0	1	2	2	2	2	2	2	3	3	3	3	3	3	3	3	4	4	4	4	4	4	4	5	5	5	5	5	5	5	5	5	5	5	5	5
RRTA	0	1	2	2	2	3	3	3	3	3	3	3	4	4	4	4	4	4	4	4	4	4	4	5	5	5	5	5	5	5	5	5	5	5	5	5
RVT	1	2	2	2	2	3	3	3	3	3	3	4	4	4	4	4	4	4	4	4	4	4	5	5	5	5	5	5	5	5	5	5	5	5	5	5
SEPTA (City Division)	0	2	2	2	2	3	3	3	3	3	3	3	3	3	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4
SEPTA (Red Arrow Division)	0	2	2	2	2	3	3	3	3	3	3	3	3	3	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4
Port Authority	0	1	2	2	2	3	3	3	3	3	3	3	3	3	4	4	4	4	4	4	4	4	5	5	5	5	5	5	5	5	5	5	5	5	5	5

5.4: Paid Holidays

Each labor agreement outlines particular holidays during which employees receive holiday pay for 8 hours. These holidays can include: New Year's Day, Dr. Martin Luther King Jr.'s Birthday, President's Day, Good Friday, Easter, Memorial Day, Independence Day (Fourth of July), Labor Day, Veteran's Day, Thanksgiving, Christmas, Employee's Birthday, and Anniversary date of employment with the agency. In the event that an employee has to work on a paid holiday they receive two and one-half times their normal pay for that day which is their holiday pay plus the typical overtime rate. The amount of paid holidays that an employee typically gets can range from 6 to 11. Six holidays that are paid across all agencies are New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving, and Christmas. Additional holidays vary by labor agreement.

There are two different types of holidays: paid holidays and floating holidays. Paid holidays must be taken on the particular date that the holiday occurs. Floating holidays may be used during a different day as a paid day off, if a driver elects to do so and it is approved by the supervisor or superintendent of the particular garage.

Table 5B details the paid holidays at each of the different Pennsylvania public transportation authorities from which contracts were obtained:

Table 5B: Paid and Floating Holidays

Holiday:	New Year's Day	Martin Luther King Jr. Day	Presidents Day	Good Friday	Easter	Memorial Day	Fourth of July	Labor Day	Veterans Day	Thanksgiving	Christmas	Birthday	Anniversary of Employment	Total:
AMTRAN	Paid					Paid	Paid	Paid		Paid	Paid			6
BARTA	Paid				Paid	Paid	Paid	Paid		Paid	Paid			7
CamTRAN	Paid					Paid	Paid	Paid		Paid	Paid	Paid		7
EMTA	Paid	Floating			Paid	Paid	Paid	Paid		Paid	Paid	LWOP		8
CATA	Paid	Paid	Paid			Paid	Paid	Paid	Paid	Paid	Paid			9
LANTA	Paid					Paid	Paid	Paid		Paid	Paid			6
CAT	Paid	Paid			Paid	Paid	Paid	Paid		Paid	Paid			8
LCTA	Paid				Paid	Paid	Paid	Paid		Paid	Paid	Paid		8
YCTA	Paid					Paid	Paid	Paid		Paid	Paid			6
RRTA	Paid	Floating			Paid	Paid	Paid	Paid		Paid	Paid	Floating	Floating	10
RVT	Paid					Paid	Paid	Paid		Paid	Paid	Paid		7
SEPTA (City Division)	Paid	Floating		Floating		Paid	Paid	Paid	Paid	Paid	Paid	Floating		10
SEPTA (Red Arrow Division)	Paid	Paid		Paid		Paid	Paid	Paid	Paid	Paid	Paid	Floating	Floating	11
Port Authority	Paid	Paid	Paid	Paid		Paid	Paid	Paid	Paid	Paid	Paid			10

5.5: Bereavement Pay

All contracts contain a section addressing bereavement pay for the event of a death of a family member. Table 5C shows how many days are allowed off for each employee in the event of the death of each particular family member. Certain boxes in the chart were left blank if the contract did not address this particular relationship. This lack of specific information is potentially a source of conflict that would need to be addressed by the union and management. This issue along with other issues of ambiguity in contracts will be discussed in a later section.

Table 5C: Days of Bereavement Pay per Relationship

Relationship:	Spouce	Child	Step-Child	Parent	Step-Parent	Sibling	Mother/Father-in-law	Brother/Sister-in-law	Grandparent	Grandchild
AMTRAN	3	3	3	3	3	3	3	1	1	2
BARTA	3	3	1	3		3	3	1	1	1
CamTRAN	3	3	3	3	3	3	3	3	3	3
EMTA	3	3		3	3	3	3	1	1	1
CATA	3	3		3		3	3	3	3	3
LANTA	3	3		3		3	3	3	3	3
CAT	4	4	1	4	1	3	3		1	1
LCTA	3	3		3		3	3	1	2	2
YCTA	3	3	3	3	3	3	3	1	3	3
RRTA	5	5	3	3	3	3	2		1	2
RVT	5	5	3	3	3	3	3	1	1	
SEPTA (City Division)	3	3		3		3	3		3	3
SEPTA (Red Arrow Division)	3	3		3		3	3		3	3
Port Authority	3	3		3	3	3	3		1	1

The typical number of days off in the event of the death of an “immediate” family member is three days. However, some contracts grant employees up to five paid days off. For non-immediate family members employees are typically granted one or two days off. Definitions of “immediate” vary from agency to agency.

5.6: Benefits and Pensions

All transit authorities provide different health insurance options to their full time employees. Each agency’s health plan is different but is usually comprised of basic health insurance (with options for family coverage as well for additional charges). Agencies also usually cover or contribute to life insurance, health insurance, and dental insurance for their employees. In almost all cases, employees are required to contribute to their health insurance benefits in some way. Different ways of contribution include:

- Employee pays a percentage of a 40 hour work week’s salary (e.g., employees of SEPTA, Port Authority, and LANTA contribute 1% of their 40 hours at the hourly rate)
- Employee pays a base weekly or monthly rate (e.g., Amtran Employees currently contribute \$55.00 per month to their health insurance.)
- Employee pays a percentage of the total cost of the insurance plan and the Authority contributes the rest (e.g., EMTA employees pay 15% of insurance costs and Authority contributes the other 85%.)

For more details regarding health insurance policies and costs see Appendix B. Employees who are already covered under a spouse’s insurance plan or opt not to take advantage of the health insurance provided typically receive some sort of payment or benefit in exchange for what the authority would be contributing to their benefits. For example, CATA’s labor agreement states:

An Employee eligible for dependent coverage who elects either no coverage, single coverage, or dental and vision coverage only shall as an incentive, receive the following incentive amounts in which one of the above alternative coverage's is selected.⁸

Under this provision, a CATA employee can receive between \$50 and \$150 per month as an incentive based upon the type of coverage that is selected.

The agreements of all thirteen transit authorities studied contain provisions for contribution towards pension or retirement funds for employees. The types and terms of contract-specified retirement benefits (e.g., period of time to become vested, eligibility for full vs. part-time employees, etc.) vary from agency to agency. Typically, employers at least match and often exceed employee contributions. Fringe benefits as a component of total costs will be discussed later.

5.7: Performance Incentives

Some transit authorities offer performance incentives to promote safe driving, perfect attendance, and improved system performance. These incentives come in the form of cash, bonds, awards, and even pay increases.

Safe driving awards can give drivers an added incentive to be extra vigilant when operating their vehicles and encourage safe practices every day. CamTran offers drivers a \$50 U.S. Savings Bond for each year of safe driving. Rabbit Transit offers drivers who have not been in a preventable accident, in the past year, a pay increase of \$0.10 per hour. SEPTA has an annual award ceremony to honor drivers who have exemplified safe driving. There are probably

⁸*Contract between Centre Area Transportation Authority and American Federation of State, County and Municipal Employees (AFL-CIO) District Council 83, Pg. 38*

other awards that can be earned at other transit authorities. However, the awards mentioned here were specifically addressed in the labor union agreements.

Promoting good attendance is another common performance incentive. A higher attendance rate minimizes the number of “extra” employees and overtime that a system must pay out throughout the year. It can be significantly cheaper to award employees for good attendance than to pay employees time and one-half to work overtime. River Valley Transit in Williamsport, Pennsylvania offers operators a \$50 U.S. Savings Bond for every three months of perfect attendance. CamTran gives a \$50 cash bonus to operators who have perfect attendance. Rabbit Transit again gives its award in the form of a pay increase. Drivers who have missed no more than two unscheduled days (e.g., sick days, leave without pay, or absence due to emergency or unplanned event) in a year will receive a \$0.10 per hour pay increase. SEPTA rewards drivers who have not missed any unscheduled days with personal days (See Appendix A).

Rabbit Transit goes even further in performance benefits than most other transit authorities in Pennsylvania by offering its operators incentives for system performance. If fixed route ridership increases 2%-5%, drivers receive an extra \$0.10 per hour the following year. If fixed route ridership increases 5% drivers receive an extra \$0.15 per hour the following year. Also, drivers can get a bonus for on-time performance. On-time is considered within three minutes of the printed timetable. If drivers are on time 95% of the time or more they also receive a \$0.10 per hour bonus the following year.

While it may seem costly to offer employees incentives and bonuses, these costs can be significantly less than the cost to repair damaged vehicles or pay employees overtime as a result of higher absentee rates. Performance incentives and bonuses can be a good way to encourage employees to take that extra step above and beyond what is expected, thereby creating benefits in a variety of areas such as passenger goodwill, operating cost savings, and environmental savings. These savings would be difficult to quantify or attribute to one particular source.

Section 6: MISCELLANEOUS RULES AND POLICIES

6.1: Part-Time Employees

Many labor agreements limit the number of part-time employees that an agency is allowed to employ. Some labor agreements prohibit the particular agency from hiring any part-time employees. Those agencies that are allowed to have part-time employees are usually restricted to a particular number of employees or a percentage of full-time employees. Part-time employees usually face restrictions in terms of the number of hours per week they are allowed to work, usually no more than 25 to 32. Some labor agreements restrict the use of part-time operators unless there are no available full time operators. Part-time employees are not usually eligible for the same types of fringe benefits and wage rates as full-time employees. In addition, they are not usually eligible for seniority and the benefits associated with it. Table 6A details different restrictions applicable to agencies' use of part time operators.

Table 6A: Part Time Employees and Restrictions

<u>Agency</u>	<u>Number of Part-Time Employees</u>	<u>Restrictions</u>
AMTRAN	Shall not exceed 40% of operators	No Fringe Benefits
BARTA	Maximum of 5 Part Time Employees	Maximum of 25 Hours Per Week
CamTRAN	Maximum of 6 drivers per weekday, 8 per weekend	Guaranteed 20 Hours Per Week- Limited to 32 Hours Per Week. Eligible for Benefits of full time employees except those mandated by federal, state, or local laws
CAT	May not exceed 15% of full time operators	Maximum of 25 Hours Per Week. May only work trippers after extra board operators and penalty operators, will not accrue seniority,
CATA	None	N/A
LANTA	None	N/A
LCTA	May not exceed 20% of full time operators	Maximum of 24 Hours per Week. Not eligible for full time benefits or seniority.
RRTA	May employ 5% or 5 part time operators whichever is greater	May work a maximum of 7 hour per day and 33.5 hours per week
RVT	No limit however none shall be used when regular employees are available	Collectively, part-time employees may not work more than 185 hours per week. Individually, part-time employees may not work more than 25 hours per week.
SEPTA (Suburban Division)	May hire up to 20 operators as small bus operators.	May not be scheduled for more than 40 hours per week.

Part-time operators can be used to reduce the number of overtime hours paid out to full time employees. Also, they can operate service such as trippers that supplement regular base-level bus service and may not run on a daily basis. Many labor unions place limits and restrictions on the amount of part-time operators because they can significantly reduce the number of overtime hours that their members have the potential to earn.

6.2: Probationary Period

New employees are almost always required to complete a probationary period in which the transit agency can determine if the employee is fit for the position. During this period new employees are not typically entitled to the same benefits as full time employees. In some cases, seniority does not begin to accrue until completion of the probationary period. Probationary employees may receive some portion of their fringe benefits during this period. However, full fringe benefits do not usually kick in until completion of the probationary period. Probationary periods are typically anywhere from the first 60 to 120 days of employment, though they can last as long as the first six months of employment, as with River Valley Transit. Table 6B below shows the probationary period for the transit agencies whose labor agreements were examined for this thesis:

Table 6B: Probationary Period

	Probationary Period
AMTRAN	90 Days
BARTA	120 Days
CamTRAN	90 Days
EMTA	120 Days
CATA	60 Days
LANTA	120 Days
CAT	90 Days
LCTA	60 Days
YCTA	90 Days
RVT	6 Months
SEPTA	90 Days

Section 7: WORK RULES AND AMBIGUITIES IN LABOR AGREEMENTS

7. 1: Unions

As noted previously, unions are present in almost all of Pennsylvania's transit systems. Since Pennsylvania is not a right to work state all employees holding positions subject to a union agreement are required to either join the union or contribute a "fair share" of union dues to the union each pay period. Employees who are full union members are entitled to all union benefits and protection, and are eligible to vote in union elections and hold positions as union officers. Fair share members are entitled to all union benefits and protection except the right to vote or hold office.

It is the union's responsibility to uphold the contract and ensure that all employees are being treated fairly, according to the contract's specifications. If at any time a dispute arises in terms of the way an employee has been treated, the union will represent the employee and fight for the rights of the employee within the terms of the labor agreement.

When different ambiguities or conflicts arise in the labor agreement the union must represent the employee, possibly extending to arbitration where a third party professional arbitrator will decide on the issue. Usually when there is some type of dispute a variety of steps are taken before it would come to arbitration. However, when steps towards a resolution become ineffective, the arbitrator can provide a final ruling in a particular matter. More detailed treatment of conflicts over contract applications exceeds the bounds of this thesis.

Due to the small size of many labor union locals, especially within the smaller transit authorities, it can be difficult for local union personnel to obtain the expertise that usually is

needed to deal with some of the complex issues that arise in labor negotiations. Also, many labor unions are comprised of drivers and/or mechanics who may have little expertise or experience when it comes to collective bargaining. This can prove to be a road block, especially for management, when trying to negotiate a labor agreement. Many unions, however, provide resources, including information and training sessions for their members which can enable them to become better prepared for engaging in contract negotiations as well as handling other tasks such as representing their fellow employees in grievance proceedings.

Different members of the union share different concerns and priorities when it comes to collective bargaining. New members and more senior members usually differ greatly in terms of their priorities and values. Many of the senior employees who have worked at a particular agency for a long time believe that the newer employees should have to put in the same time before they can earn what the senior employees currently earn. Many transit agencies have recently been hiring more and more new employees. In this situation, a growing portion of a transit system's total employees are likely to see higher starting rates and faster wage rate progression in the early years as very positive, thus raising friction with more senior drivers who prefer lower starting rates and slower progressions leading to higher top rates. Also, many senior employees feel that they should have first priority for extra work and overtime. However, due to increasing presence of less senior drivers within the union, these priorities are not always provided for in the labor agreement.

7.2: Employees

Labor union agreements serve as a protection for employees to ensure that they are treated in accordance with the rules set forth in the labor agreement. As union members, employees have the opportunity to have a direct say in application of the rules that affect them on a daily basis. They also get the final say when it comes to voting for or against a new agreement.

Ambiguities in labor agreements can have a direct effect on the employee. If a particular area of concern is not addressed in the labor agreement disputes may arise that cause trouble for the employee as well as the employer. This is why labor agreements are usually such lengthy documents, constructed in an attempt to ensure that they address all possible aspects and concerns that could arise.

Employees also benefit from job security as a result of the labor agreements. If at any time a layoff were to occur, employees that were laid off would be the first ones hired back and given a specified amount of time to return to the agency. In addition, many labor agreements state that if a job is available anywhere else within the agency at the time of a layoff and a current employee about to be laid off is capable of doing that job, they must award it to the current employee before hiring a new employee.

7.3: Management

It is the responsibility of management within any transit agency to strictly follow and abide by all rules in the labor agreement to ensure that the employees are treated fairly, and minimize unnecessary costs that may arise from not following the rules of the labor agreement.

For example, if a supervisor makes a mistake when assigning overtime to a driver based on seniority, the transit agency will most likely have to pay both drivers for the shift. There are many other examples of how work must be assigned within the terms of a labor agreement and if these rules are not followed or mistakes are made, financial consequences usually result.

Labor agreements can also mandate how many extra operators are necessary at a particular location. The ways in which time off can be taken that are specified in an agreement will mandate how many extra people need to be available to cover these shifts while minimizing the amount of overtime that needs to be paid out. Also, when it comes to service operation planning, many contracts dictate the percentage of runs that have to be straight eight hour runs and how many can be split shifts. As a result, schedulers must find the most cost effective way to schedule within the constraints imposed by the labor agreement.

There are many situations within which management can encounter difficulties when it comes to following the rules set forth in the labor agreement on the one hand, and making cost effective decisions for transit system operations on the other. It is important to consider ways for reducing these difficulties (e.g., minimization of driver work assignments resulting in overtime payments) when negotiating labor union agreements. Attempts by management to obtain agreement provisions that reduce the cost of service operations can be quite difficult in the face of union negotiators' strong resistance to changes in past practices and the lack of employee understanding of costs associated with planning and scheduling.

Section 8: OPERATING COST ANALYSIS WITH REGARD TO LABOR UNION AGREEMENTS

8.1: Total Wages, Wage Rates, and Allowances

Wages can account for about 30% to 40% of operating costs for a particular transit agency. In some cases, wages can be as high as about 45% of total operating costs. Table 8A (below) shows wages as a percent of total operating costs for the transit agencies examined in this study. Drivers' wages are significant component of total wage costs.

Table 8A: Wages as a Percent of Total Operating Costs

System Name	Total Wage Costs (in 000's)	Total Operating Costs (in 000's)	Wages as a Percent of Total Operating Costs
AMTRAN	\$1,227	\$3,883	31.60%
BARTA	\$3,393	\$10,189	33.30%
CamTRAN	\$2,820	\$7,345	38.39%
CAT	\$5,046	\$12,923	39.05%
CATA	\$3,974	\$8,466	46.94%
EMTA	\$4,734	\$11,847	39.96%
LANTA	\$5,680	\$19,016	29.87%
LCTA	\$2,449	\$6,108	40.09%
Port Authority	\$120,054	\$334,984	35.84%
RRTA	\$3,074	\$8,337	36.87%
RVT	\$1,827	\$4,216	43.33%
SEPTA	\$398,039	\$1,018,501	39.08%
YCTA	\$2,760	\$7,581	36.41%

Information from Pennsylvania Department of Transportation's *Pennsylvania Public Transportation Annual Performance Report (2009)*

Wage rates for bus operators in Pennsylvania vary quite significantly from about \$16 dollars per hour to about \$25 dollars per hour. However, wage rates taken alone do not portray the real hourly wage rates of transit employees' labor service. In computing true hourly wages,

it is important to consider the amount of paid time in relation to the amount of driving time. Labor agreements contain provisions that allow designated amounts of paid time for particular activities, such as report time, break time, layover time, time to travel to relief points, etc. Times allotted for these particular activities vary from agency to agency. An extensive evaluation of operations and scheduling along with in-force labor agreement provisions would need to be conducted in order gain a full understanding of the cost implications of these activities.

Break times are an important factor to consider when analyzing the composition of wages. To analyze the cost of break times in relation to wages it is important to look at the difference between paid and unpaid breaks. As a case in point, drivers for CATA are paid quite generously (60 minutes for an 8 hour shift) for their breaks. They typically work 7 hours for 8 hours of pay. On the other hand, a look at a transit agency such as SEPTA reveals a different situation. Operators at SEPTA’s Red Arrow Division receive an unpaid 30 minute break for an 8 hour shift. Thus in effect, they must be on duty 8.5 hours for 8 hours of pay. Table 8B shows a comparison of pay between these two agencies.

Table 8B: Comparison of Paid Break- Adjusted Wage Rates for CATA and SEPTA’s Red Arrow Division

	2009 Base Rate	2009 Adjusted Rate	2010 Base Rate	2010 Adjusted Rate
CATA (Paid Breaks)	\$17.33	\$19.81	\$18.18	\$20.78
SEPTA Red Arrow Division (Unpaid Breaks)	\$24.83	\$23.37	\$25.58	\$24.08
% Difference- Wages between CATA and SEPTA Red Arrow Division	43.28%	17.99%	40.70%	15.87%

8.2 Time Off

Paid vacation time, sick leave, and personal time are additional factors that must be recognized when calculating operating costs for a transit agency. It is important to set parameters and controls on the use of these benefits in order to better control operating costs. Employees' use of paid time off has a direct effect on both the total cost per employee and the total number of employees (and hence total employment costs) for maintaining a particular level of transit system operation.

Most transit agencies restrict the number of operators that can take vacation at a particular period of time and many also require operators to take vacation in week-long periods of time. By making vacation in week-long (40 hour blocks) mandatory it eases scheduling conflicts and reduces overtime payment. By taking the total number of weeks of vacation available to all operators and dividing it by the number of weeks for the year, the agency can determine how many vacation slots to make available each week. Sign-up for vacation slots is done on a seniority basis which allows senior drivers to select their vacation weeks first. Selecting vacation on a week-long basis allows the agency to better control the number of drivers needed for operation.

For agencies such as CATA that do not require drivers to take week long vacation blocks, it can be more difficult to schedule operators to cover shifts of those on vacation for a particular day. This may require more extra board operators to make up for uncertainty in shifts that will need to be covered. In contrast, transit systems able to use the block vacation method always know that there will be a set number of 40 hour shifts that need to be covered each

week and therefore can readily determine the set number of drivers needed to cover these shifts.

Finding the right balance of extra board operators to cover open work, trippers, and sick time is important because it helps to control the amount of overtime paid out and thus reduce operating costs. The use of part-time operators can also aid in covering open work (i.e., work for which no operator is currently assigned). However, many contracts have restrictions on the number of part-time operators an agency can use, the amount of hours they can work, and the way in which they may be assigned to a particular piece of work. Negotiating the use of part-time operators can be an effective means to reduce operating costs by reducing overtime payment and benefit costs.

8.3: Performance Incentives

Performance incentives offer a potential means for improving an agency's operating efficiency and effectiveness. By promoting drivers' commitments towards of good attendance, safe driving, and improved transit system performance, agencies can seek benefits in reduction of sick time used, reduced repair and maintenance costs, and increased system performance. These benefits can be much more valuable than the costs associated with them. For example, if the agency could prevent an accident that may cause \$5,000 in damages by giving out a \$50 award per driver for safe driving the agency could give out 100 safe driving awards at a total cost less than what it could quite likely cost for a single accident. In addition to saving the direct cash costs of an accident, the agency could avoid increasing the opportunity cost associated with having to take a bus out of service for a period of time.

8.4: Fringe Benefits

Fringe benefits such as health insurance and pension contributions are also significant components of operating costs. Table 8C below shows the total cost of fringe benefits as a percentage of total operating costs. Drivers' benefit costs are a significant percentage of total benefit costs.

Table 8C: Cost of Fringe Benefits as a percent of Total Operating Costs

System Name	Total Benefit Costs (in 000's)	Total Operating Costs (in 000's)	Benefit Costs as a Percent of Total Operating Costs
AMTRAN	\$1,094	\$3,883	28.17%
BARTA	\$2,720	\$10,189	26.70%
CamTRAN	\$1,817	\$7,345	24.74%
CAT	\$3,630	\$12,923	28.09%
CATA	\$1,967	\$8,466	23.23%
EMTA	\$3,724	\$11,847	31.43%
LANTA	\$5,045	\$19,016	26.53%
LCTA	\$1,825	\$6,108	29.88%
Port Authority	\$111,632	\$334,984	33.32%
RRTA	\$2,150	\$8,337	25.79%
RVT	\$681	\$4,216	16.15%
SEPTA	\$350,022	\$1,018,501	34.37%
YCTA	\$1,963	\$7,581	25.89%

Information from Pennsylvania Department of Transportation's
Pennsylvania Public Transportation Annual Performance Report (2009)

As shown in this table, fringe benefits range from about 25% to 35% of an agency's total operating costs. When negotiating labor agreements, it is important to consider the cost of fringe benefits in addition to wages. In many cases employees are contributing a very low percentage of the total cost of health and pension benefits. Current funding issues for transit

systems as well as inflation have increased the importance of sharing costs between employees and employers.

Section 9: Conclusion

In an ideal world the most efficient transit operation would provide the maximum amount of service necessary for the lowest possible cost. However, due to the strong presence of labor unions it is often very difficult to achieve greater efficiency in the public transportation industry. Wages and benefits of unionized transit operators are much higher than those of non-unionized workers who hold non-transit jobs with similar education and skill-set levels. Many labor agreements have stipulations in terms of the number of hours employees must be paid for completing certain tasks (e.g., many employees who are asked to report are guaranteed two or three hours of work, just for showing up). Also, restrictions on use of part-time employees reduces efficiency by forcing more overtime to be paid out than may be necessary.

Through the examination of different labor agreements for different transit agencies across the state of Pennsylvania it can be seen that each transit agency has its own unique labor agreement based upon circumstances specific to the evolution of each agency's relationship with its labor union (or unions). Many labor agreements contain provisions which make control of operating costs within a transit agency difficult. The domination of unions in the transit industry has caused tighter work rules and greater protection for the employees. This study has provided an evaluation of the different labor agreements with regard to wage costs, work rules, and productivity. However, opportunities exist for further research in this subject area.

The severe resource constraints faced by transit agencies make a more in-depth and wider investigation of the inefficiencies that result from labor agreements provisions a topic of great possible value for transit in industry managers and union officials. For example, many labor agreements require a set number of straight eight hour shifts per day which can directly affect how an agency schedules buses. By further examining passenger time and mileage versus empty time and mileage, one could gain a better understanding into possible scheduling inefficiencies.

Behavioral dynamics between transit managers and union officials highlight another topical area for future research. For example, research based on personal interviews with representatives from unions, and management within these different transit agencies could offer insight into how both parties can work together to shape labor agreements that better serve the needs of transit system employees, transit managers, and the users of public transport services.

APPENDIX A: SEPTA'S ATTENDANCE POINT SYSTEM

SICK TURN-INS

(a) Each sick turn-in will be assessed two (2) points. At least three (3) similar types of turn-ins in one (1) year will establish a recognizable pattern:

- (1) Three (3) turn-ins on the same day of the week
- (2) Four (4) turn-ins before and after days off
- (3) Four (4) turn-ins on the weekend (Saturday and Sunday)
- (4) Three (3) turn-ins which result in three (3) consecutive days off when an employee has split days off

All pattern turn-ins must be similar type turn-ins.

Turn-ins greater than three (3) days will not be considered for purposes of establishing a pattern. Absences identified by a physician as related to premenstrual syndrome, however, will not be considered for purposes of establishing a pattern.

Patterns will be calculated on a 365-day cycle as per the labor agreement. The turn-in that establishes the pattern will be assessed an additional four (4) points. Each subsequent sick turn-in that fits into this pattern, and still has three (3) prior sick turn-ins in the year (in the same pattern) will be assessed an additional two (2) points. These points for additional pattern sicknesses will also be added to the penalty assessed for misses with sick turn-ins.

(b) *Sickness at Home/Emergency at Home (on straight time or overtime)/Sick on Overtime*: Beginning with the third turn-in for any combination of sickness at home, emergency at home, or sick on overtime in any twelve (12) months, two (2) points will be assessed. Two (2) points will be assessed for each turn-in of any type thereafter.

(c) *Any Turn-in by an Extra List Operator or a Regular Operator Working His/Her Day-Off after Receiving an Assignment*: five (5) points will be assessed for each occurrence

AWOL

The first AWOL will be assessed ten (10) points. The second AWOL within two (2) years of the first will be subject to progressive discipline one step beyond that which the employee would have been assessed.

An employee shall be deemed to have abandoned his/her job upon being AWOL for three (3) consecutive days without communicating with the Agency, unless such employee was hospitalized, incapacitated or otherwise could not reasonably be expected to communicate with the Agency.

Subject to the general rules set forth below, points are to be assessed against employees for various incidents of non-attendance. An employee who accumulates twenty (20) or more points will be subject to progressive discipline each time his/her point total reaches twenty (20), as follows:

- (a) One-day administrative suspension;

- (b) Five-day administrative suspension with a final warning;
- (c) Discharge, provided, however, that, for purposes of discharge, the twenty (20) point total will be increased two (2) points for each five (5) years of service.

For any month in which an employee has no incident of non-attendance covered by the point system, the employee's point total will be reduced two (2) points. Beginning the sixth consecutive month without such an incident, and for each month thereafter, the employee's point total will be reduced three (3) points. The point total, however, cannot be less than zero (0).

The imposition of progressive discipline will reduce the employee's point total by (10).

GENERAL RULES

- (a) All discipline to be imposed under this Point System is set forth above. All such discipline and the imposition of points hereunder shall be segregated from, and shall not be considered in the imposition of discipline for other infractions or incidents.
- (b) Each employee will be notified, in writing, of all points assessed against him/her and will be interviewed upon accumulating fifteen (15) or more points.
- (c) The parties recognize that the foregoing Point System will be implemented as soon as practicable after the execution of the labor agreement.
- (d) If an employee is late for work as a result of occurrences pertaining to the Agency's service, the employee will not be charged any points, provided the employee can establish that he/she was aboard the vehicle that preceded the trip that would have allowed the employee to arrive at work on time.

EARNED DAYS OFF - EARNED PERSONAL DAY

- (a) Effective July 1, 1989, all hourly employees will be entitled to a one (1) earned excused day (without pay) for every ninety (90) days with no sick days, I.O.D. days, misses or suspension days. These days, as well as VID, personal days and floating holidays could be used with a minimum of forty-eight (48) hours notice. Up to four (4) days may be accumulated. Quotas will be established in the particular location based on the number of outstanding "earned" excused days at that location, the daily number of requests to use those days, and the needs of the service. "Earned" excused days will be given a priority which is less than personal days but more than other excused days and can be used to address child care and other personal needs.
- (b) Effective July 1, 1989, any hourly employee who has completed twelve (12) consecutive months without a sick day, I.O.D. day, miss, lateness, or a suspension day, will be entitled to an additional personal holiday. This personal day may be taken in pay or used within one year of the twelve (12) consecutive months. Notice will be given to the Agency in the same manner as other floating personal holidays.
- (c) In the event an employee reports I.O.D. from work and he/she is precluded by the Agency from returning to work the same or next working day, such absence will not be counted as an I.O.D. for the purposes of consecutive months' attendance.

APPENDIX B: Health Insurance Policies and Costs

<u>Agency</u>	<u>Insurance Policy</u>	<u>Costs to Employee</u>
AMTRAN	UPMC PPO IV Health Plan	Employee Contributions: June 1, 2009- \$55/month June 1, 2010- \$60/month June 1, 2011- \$65/month If not used employee reimbursed 40%
BARTA	Preferred Provider Organization (PPO) health care program or comparable program will be provided	1st year- 25% of healthcare premium 2nd year- 20% of healthcare premium 3rd year- 15% of healthcare premium 4th year- 10% of healthcare premium 5th year- 5% of healthcare premium Thereafter - 1% of 40 hour weekly earnings
EMTA	Select Blue	Authority Pays 85% of Cost and the employee is responsible for the other 15%
LANTA	Blue Cross PPO Plan	Employee contributes 1 percent of his/her wages based on a maximum 40-hour work week
LCTA	First Priority Health POS Plan	Employee pays 15% of the cost of coverage
Port Authority	Highmark Indemnity Plan, Highmark Select Blue Point of Service Plan, and Highmark Keystone HMO plan	1% of 40 hours at the employee's hourly wage rate
RRTA	Capital Blue Cross Keystone Health (HMO) Plan	\$11 per week for single coverage to \$18 per week for employee and dependant(s) coverage
RVT	Program of Blue Cross and Blue Shield Benefits for Employees of the City of Williamsport, Pennsylvania	Date of Hire- Single coverage +75% addtl. Second Year- Single Coverage+80% addtl. Third Year- Single coverage +85% addtl. Fourth Year- Single Coverage + 90% addtl. Fifth Year- Single Coverage + 95% addtl. Sixth Year- 100% paid by city
SEPTA	HMO Plan, Independence Blue Cross Blue Shield	1% of 40 hours at the employee's hourly wage rate
YCTA	Coordinated Care Preferred Provider Organization (CCPPO)	In 2010: Ranges from \$15.75 per week for single coverage to \$31.35 per week for Family Coverage

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