

# TRANSIT LABOR

## OUTLINE

1. **New Paradigms for Transit** (*source: Creating a New Future for Public Transportation: TCRP's Strategic Road Map. TCRP Research Results Digest, Project J-8A, 1998*)
2. **General Transit Labor Context**
3. **Labor-Management Innovations** (*source: Part-Time Transit Operators: the Trends and Impacts. TCRP Report 68, Project F-7, 2001*)
4. **Typical Operator Contract Terms**
5. **Part-time Operators**

# Environmental Forces Impacting Transit Industry

## GOVERNMENT

Balanced Budget Pressures  
Policy Decisions Push Funding to Lower Levels  
Automobile Subsidies  
Unfunded Mandates  
Low-Density Development

## SUPPLIERS

Unionized Labor  
Demoralized Workers  
Political Clout of Labor  
Shrinking Supply-Base  
Expensive Technology  
Expensive Infrastructure

## TRANSIT INDUSTRY CRISIS

Financially "Broke"  
Declining Ridership  
Subsidy-Dependent  
Service Cut/Fare Increase Cycle  
Fixed-Route Services  
Expensive Technology & Infrastructure

## BUYERS

Automobile Oriented  
Living and Working in Suburbs  
Increased Travel Needs  
Complex Trip-Chains  
Negative Perceptions  
Changing Demographics

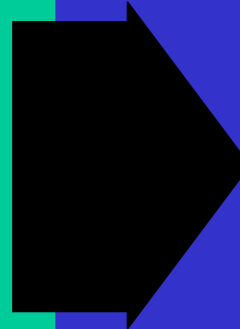
## COMPETITION AND SUBSTITUTES

Private Automobiles  
Other Private Transportation ...air,water,ground  
Non-Motorized Travel ...walking, biking, etc.  
Virtual Access ...telecommuting, telemedicine, etc.

# Industrial-Age and Information-Age Paradigms

## Industrial-Age Paradigm

- *Operational Efficiency*
- *Focus On A Small Piece*
- *Autonomy, Adversarial*
- *Command & Control*
- *Machines, Buildings, Materials*



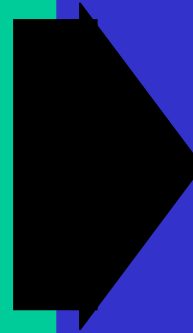
## Information-Age Paradigm

- *Flexibility & Adaptation*
- *Focus On Whole System*
- *Collaboration*
- *Employee Involvement, Empowerment*
- *Information, People*

# An Emerging Paradigm for Public Transportation

## Efficient Transit Performance Paradigm

- *Subsidy Dependent, Locked Revenues*
- *Fixed-Route Services*
- *Physical Infrastructure*
- *Control Costs, Operational Orientation*
- *Organizational Rigidity & Autonomy*
- *Labor –Management Conflict*



## Change, Growth, Mobility Paradigm

- *Broader Revenue Base*
- *Flexible Routes*
- *Information*
- *Increase Revenues, Customer Orientation*
- *Organizational Partnerships & Connections*
- *Labor –Management Collaboration*

# J-8 New Research Paradigm

## Normal Applied Research

### **TOPICS:**

*Operational projects that incrementally improve transit efficiency*

### **METHODS:**

*Engineering, economics and social science research and analyses that yield technical reports*



## New Paradigm Applied Research

### **TOPICS:**

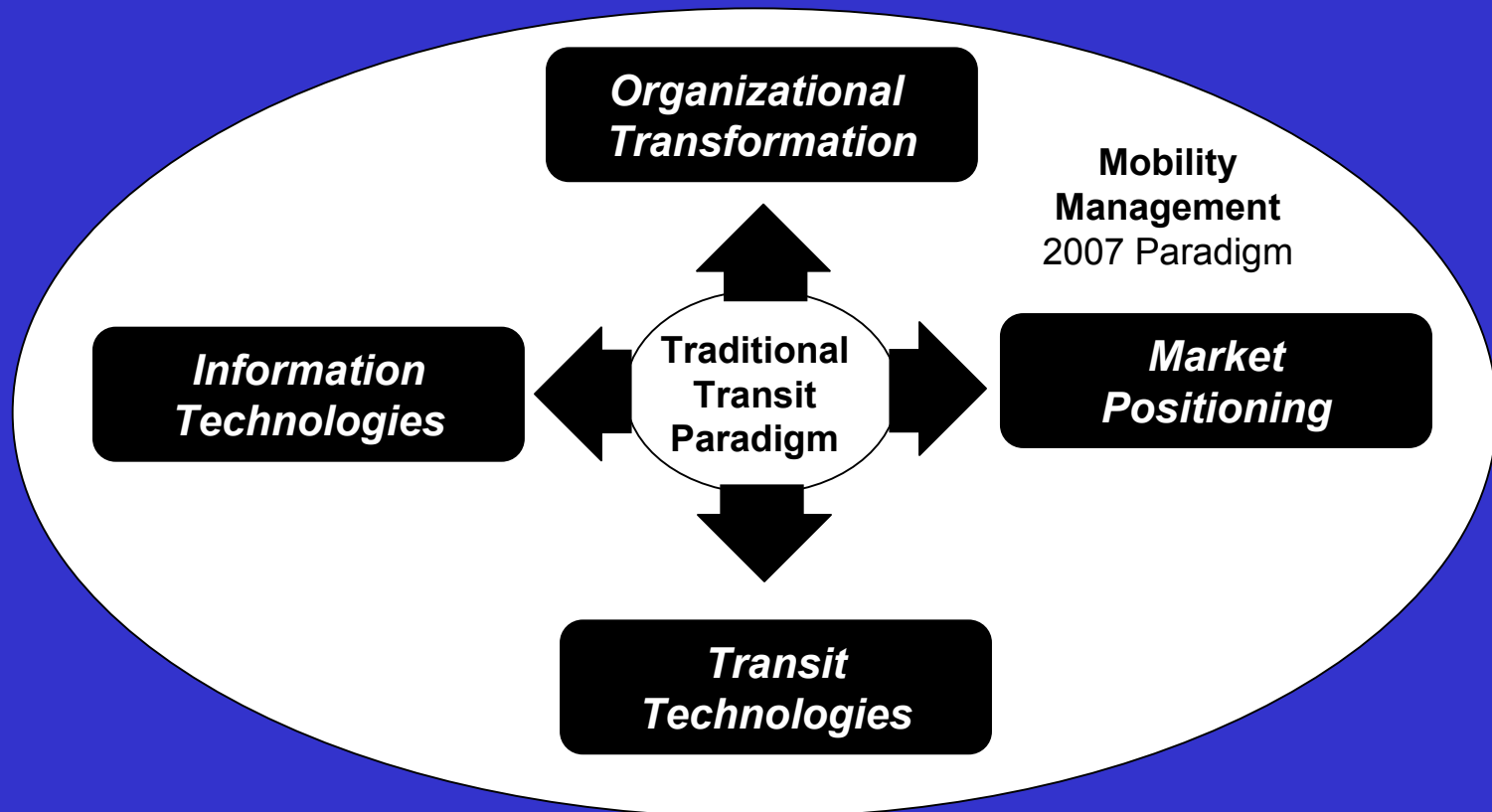
*The public transportation system itself... its paradigms, interconnections and levers for change*

### **METHODS:**

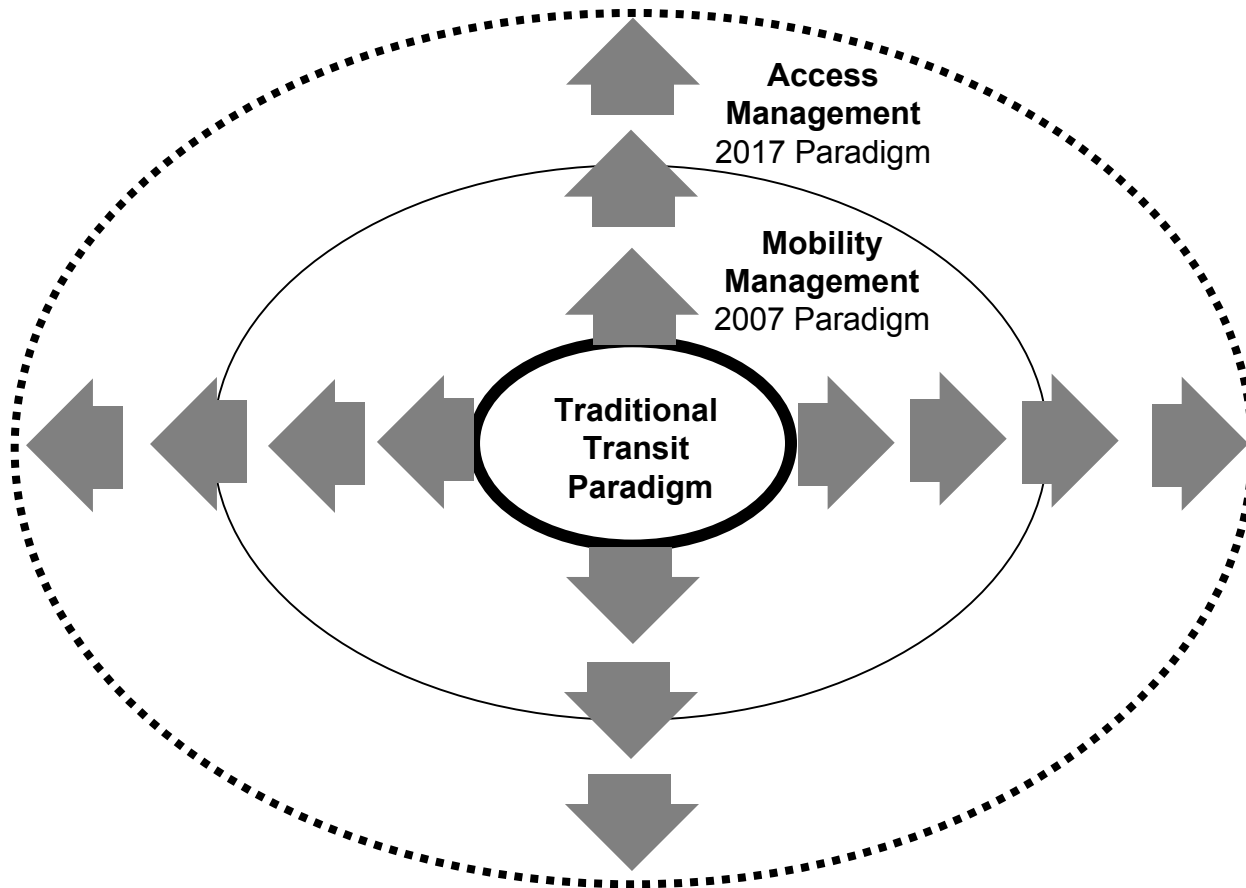
*Action-oriented, experiential research to Facilitate change*

*Holistic ... bring system elements Together, confront the "System" itself*

# Research Themes that will Expand Industry Mind-Set Toward Mobility Management Program



# Evolution Into Future Paradigms



# General Transit Labor Context in the US

- **Transit labor is heavily unionized: ATU, TWU, UTU, Teamsters**
- **Union structure is important at national and local levels**
- **Labor protection clause in Federal legislation: 13(c)**
- **Protection of private operators from subsidized competition**
- **Traditionally adversarial relations between Labor and Management**
- **Labor side in large city contract negotiations has generally been more effective**



# The Range of Labor-Management Innovations

## Category

Collective Bargaining

Quality of Work Life  
and  
Employee Involvement

Work Redesign,  
Socio-technical Systems,  
Self-Directed Work Teams

Labor-Management Partnership  
and  
Co-determination

## Criteria

Joint determination of wages  
and working conditions

Quality of Work Life, Quality Circles,  
Working Conditions,  
Employee Involvement

Autonomous Teams,  
Semi-autonomous Teams,  
Socio-technical Work Systems  
High-Involvement Teams

Labor-Management Cooperation,  
Joint Labor-Management Structures,  
Joint Committees, Employee  
Involvement/Participation,  
Employee Ownership

# The Range of Organizational Initiatives

## Category

De-layering, Downsizing  
Reorganization

Bureaucracy Reduction  
"Work Out"

Continuous Process Improvement

Total Quality Management

Business Re-engineering,  
Business Reinvention,  
Horizontal Organization

## Criteria

Management/Layers, Hierarchy,  
Corporate Structure, Flattening,  
Broad Band Compensation

Natural Work Teams, Bureaucracy  
Reduction

Continuous Process Involvement (CPI)  
Statistical Process Control

Total Quality Emphasis,  
Statistical Process Control

Work Systems Redesign, Process  
Engineering, Business Process  
Re-engineering, Culture Change,  
Re-invention.

# Top- and Bottom-Ranked Challenges to Transit Practitioners

## TOP CHALLENGES

<u>Rank</u>	<u>Challenge</u>
1	Relationships with Customers
2	Obtaining Government Funding
3	Improving Quality of Operations and Service
4	Improving Operating Efficiency
5	Building Employee Commitment

# Top- and Bottom-Ranked Challenges to Transit Practitioners

## BOTTOM CHALLENGES

<u>Rank</u>	<u>Challenge</u>
19	Linkages to Other Transportation Modes/Services
18	Competitive Pricing
17	Advertising and Innovative Marketing Techniques
15.5 (tie)	Serving New Markets
15.5 (tie)	Employing New Operating Technologies
14	Administrative Cost Control

# Typical Operator Contract Terms and Provisions

## A. Operator Hiring and Training

- operators work in a "closed shop"
- training typically takes 3-6 weeks
- overall hiring process often takes several months
- higher turnover rates imply higher costs

## B. Wage Rates and Progression

- maybe different rates for part-timers and full-timers
- "progression" is sequence from entry wage to top rate, typically over 1-3 years
- seniority privileges are key in rewarding long tenure

## C. Part-Time Operators

- typically limited in the contract by share of all positions
- relations between part-time and full-time status

# Typical Operator Contract Terms and Provisions

## D. Vacations

- vacation time increases with seniority
- vacation time is picked in order of seniority
- single days versus weeks of vacations

## E. Run Picking

- typically by seniority in the US
- may be "cafeteria style" or by "roster"

# Typical Operator Contract Terms and Provisions

## **F. Split Runs, spread time, travel time, guarantee time, overtime**

- definition of legal run types
- maximum percentage of runs by type
- pay premiums for non-straight runs

## **G. Disciplinary and Grievance Procedures**

- progressive discipline
- steps in appealing actions and sanctions

# Part-Time Operators\*

## A. The Need

- Large difference between peak and base service requirements
- Full-time operators have daily guarantees significantly greater than peak service hours
- The spread between the start of the AM Peak and the end of the PM Peak is greater than a typical work day
- Split shift premiums, overtime pay and/or guarantee pay mean that peak period operating costs with full-time operators are very expensive

\* This discussion is heavily based on TCRP Report 68: "Part-Time Transit Operators: The Trends and Impacts," by Charles River Associates, 2001.



# Part-Time Operators

## B. The Solution

- Hire a new class of part-time operators to work just the peak periods, with lower unit costs
- Part-time operators began to be introduced in the US in the late 1970s

## C. Ancillary Benefits

- Potentially increases the transit labor pool

# Use of Part-Time Operators in Large US Transit Systems\*

	Number of Agencies	PTOs as Percentage of FTOs: Average across All Agencies in 1997
Agencies that reported using part-timers	55	11.9%
Agencies that reported not using part-timers	12	0%

Note: Part-time and full-time operator counts have been obtained from counts of “vehicle operations” personnel reported in the NTD. It is possible that the NTD data include some employees that are not operators, but rather employees in categories such as system security and fare collection. This issue is explained in more detail in Appendix A.

Sources: Study team analysis; 1997 National Transit Database data.

\* *More than 500 Full-Time Employees (FY 1997)*

# Wage Differentials Between FTOs and PTOs

Part-Time and Full-Time Wage Rates Always the Same  
(Observation dates: Nov-82, Nov-85, Oct-88, Sep-97)

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Orange County, CA	San Diego	Cleveland
Portland, OR	Delaware Transit	Indianapolis
Seattle	New Jersey Transit	Louisville
Detroit - SEMTA/SMART	Madison, WI	Montgomery Co., MD
Minneapolis	St. Paul	

Source: Study team extract from APTA, *Top Hourly Rate Summaries, 1982-97*.

# Wage Differentials Between FTOs and PTOs

## Part-Time Wage Rates Converge toward Full-Time Rates

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Boston

Dallas

Cincinnati

Kansas City

Denver

## Part-Time Wage Rates Diverge from Full-Time Rates

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Chicago – CTA

Albany

Austin

## Part-Time Wage Rates Maintain Constant Proportion

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Milwaukee

MTA – Long Island

Phoenix

Source: Study team extract from APTA, *Top Hourly Rate Summaries*, 1982–97.

# Part-Time Operator Findings: Cost

- **Net cost savings range from 1-10% of operating costs, depending on:**
  - peak/base service ratio
  - restrictiveness of full-time operator work rules
  - extent of concessions made in negotiations to win right to use part-timers
- **Cost savings come from:**
  - reduced premium and guaranteed pay
  - lower part-timer wages
  - lower part-timer fringe benefits

# Part-Time Operator Findings: General

- Other impacts are on agency "morale" and labor relations overall
- Uncertain impacts on accident rates, attrition, and absenteeism
- Agencies have tended not to develop a staff of long-term part-timers
- Typically a part-time shift is a short day covering both peaks without spread premiums being paid

# Part-Time Operator Findings: General

- Little diversity of part-time shifts
- No guarantee that the desired type of shift will be available in the future
- Training conducted during normal daytime hours
- Part-time positions are not attractive in good economic times:
  - low pay and poor benefits
  - difficult working hours make it hard to find other jobs
  - uncertain time before "promotion" to full-time status

# Part-Time Operator Benefits — Percentage of Operators

## 1996 PTO Benefits Compared to FTO (per hours worked)

Benefit	Same	Lower	None
Sick leave	36%	6%	58%
Holiday pay	15%	46%	39%
Vacation	38%	21%	41%
Health insurance	8%	68%	23%
Retirement	32%	20%	47%

Source: Study team analysis of 1998 survey responses.



# Part-Time Operator Benefits — Percentage of Agencies

## 1996 PTO Benefits Compared to FTO (per hours worked)

Benefit	Same	Lower	None
Sick leave	15%	8%	77%
Holiday pay	15%	35%	50%
Vacation	19%	23%	58%
Health insurance	13%	33%	54%
Retirement	25%	17%	58%

Source: Study team analysis of 1998 survey responses.

# Recommendations

- **Restructure caps on part-timers in terms of hours rather than bodies**
- **Create work rules and procedures to attract those who want long-term part-time employment:**
  - **stability in schedules across run cuts**
  - **offer flexible working hours and tailored duties**
  - **move to one-piece duties from two-piece duties**
  - **develop some weekend part-time work**
  - **provide training in evenings and on weekends**
- **Move to dual hiring process into part-time and full-time ranks**