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FOR IMMEDIATE RELEASE

BART EXPRESSES CONCERN OVER WHETHER UNION LEADERS SEE STATE'S, REGION'S GRIM ECONOMIC OUTLOOK IN CONTRACT NEGOTIATIONS

OAKLAND, CA – BART management said it is actively attempting to negotiate a contract with its five employee unions through the new deadline of July 9, but expressed concern that union leaders are still failing to see the grim economic conditions that are facing the nation, the state and BART.

“I am hopeful that through discussion and negotiation with union leaders that we will help BART close the current budget deficit of \$250 million over the next four years—as well as addressing the extremely challenging economic times ahead,” said BART Board President Thomas Blalock. “But I am deeply concerned by the ongoing failure of union leaders and their attorneys to see the economic realities that BART and its riders are facing.”

While union leaders say a nine-day contract extension will help them reach consensus with BART on a new labor agreement, a union website posting suggests the unions will seek to bargain beyond July 9. Contract talks have been ongoing since April 1.

And union leaders continue to make statements to the media defending their demand for a 3 percent raise despite the weak state of the economy and BART finances. Meanwhile, riders are expressing impatience with the union negotiating stance and union demands for more time to reach an agreement.

Blalock pointed to BART experiencing its worst sales tax revenue drop in its 37-year history and a 10 percent decline in ridership during the first half of June – all of which is making BART's projected \$250 million, 4-year deficit worse, not better, he said. These are the two main sources of operating revenue for BART, accounting for 90% of BART's operating income.

Blalock said it is BART's objective is to negotiate a fair contract with union leaders that will address \$100 million in savings for the transit agency through improved union contracts. BART is asking for its union employees to pick up more of the cost of their benefits and pensions or trim the amount of benefits so riders and taxpayers don't have to bear the additional burden. In addition, BART proposed to eliminate contract language that limits the agency's right to improve productivity by changing wasteful work rules. Learn more at www.BARTlabor.com.

“We have to improve efficiency and reduce all costs, including the cost of our labor contracts while at the same time keeping BART affordable for our riders. Our proposed work rule changes will let us put the right people in the right place to do the right job. None of the proposed work rule changes – which could save almost \$40 million – affect workers' wages – except by reducing unnecessary overtime,” Blalock said.

BART faces a \$250 million, four-year deficit. The contract with all five of BART's unions now expires on July 9, 2009, after being mutually extended past the original contract date of June 30.

The average union worker makes \$114,000 a year in wages and benefits. Even without an increase in salary, the cost of maintaining the current benefits for BART employees over the next four years accounts for nearly half of BART's \$250 million shortfall.

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“We now need to reach an agreement by July 9,” Blalock said. “BART riders and taxpayers cannot afford to extend beyond this new deadline because every day of delay means we fail to achieve the savings we need.” He said every day of delay costs nearly \$70,000.

"It would be unfortunate for union leaders to call for a strike," Blalock said. "Instead of protecting their workers' jobs, the union leaders would make it extremely difficult or impossible for hundreds of thousands of working men and women to get to their work by using BART. These are the same riders who ultimately pay for this system."

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