

Metro-North Labor Coalition Action Update

January 24, 2007

A Report from the
BARGAINING FRONT

PEB 240 Releases Report With Contract Recommendations

Presidential Emergency Board 240 has issued its non-binding recommendations to resolve the outstanding contract dispute between the unions of the Metro-North Labor Coalition and Metro-North Railroad.

The key recommendations are:

- ♦ **WAGES:** "a one-time lump sum payment of \$1,000 for 2003; 3% general wage increases January 1, 2004, 2005, and 2006; 4% January 1, 2007; and, 3.5% January 1, 2008." (All increases would be fully retroactive to the dates shown.)

- ♦ **PENSION:** "Convert Vanguard Plan to MTA Defined Benefit Coverage. Past service credited to 1983. All employees contribute 3% on gross wages, effective 10/1/2005. Employee contribution account, including associated earnings, remains with employee. Employer contributions, including associated earnings, transferred to MTA DB Plan. The plan of benefits cannot be unilaterally changed by the employer. All changes in benefit levels must be collectively bargained."

- ♦ **PENSION OPT-OUT:** "One-time irrevocable option for current employees hired

prior to 1/1/88 to opt out of participation in the MTA DB Plan."

- ♦ **HEALTH CARE CONTRIBUTION:** "Employees hired after the effective date of this Agreement will contribute 1.5% of 40 hours of their weekly gross wages..., with an "escalator" for the term of the agreement, the escalator not to exceed 2% of gross wages in any one year." (Emphasis added.)

Review the complete 22-page report at
<http://www.nmb.gov/whatsnew.html>

Other significant recommendations include that employees who retire after the date of the agreement re-

ceive a retiree "Pop Up" benefit upon becoming eligible for Medicare, which will consist of a monthly allowance of \$100 for single person coverage and \$200 for family coverage. The Board also recommended management vision care benefits and the replacement of the existing \$100,000 life insurance benefit with the Metro-North Defined Benefit Plan death benefit.

Coalition Reaction To the Report

The Coalition is very disappointed that the Board did not adopt our justified proposals for

More ►

Metro-North Labor Coalition: American Railway & Airway Supervisors Association, TCU/IAM: Lodge 5041 ♦ International Association of Machinists & Aerospace Workers: District Lodge 19 ♦ International Brotherhood of Electrical Workers: System Council 7 & Local 1575 ♦ International Brotherhood of Teamsters: Local 808 ♦ National Conference of Firemen & Oilers, SEIU: System Council 2 ♦ Sheet Metal Workers International Association ♦ Transportation Communications Union/IAM: System Board 86 & Districts 227, 1043 and 1402 ♦ Transport Workers Union of America: Locals 2001 & 2055

...Metro-North Coalition Reviews PEB 240 Report

wage parity with our brothers and sisters on the Long Island Rail Road and with the Board's rejection of many of our other proposals. However, it is extremely significant that the Board recommended no health insurance contributions for current employees, and capped contributions for employees hired in the future at a percentage of straight time earnings, rather than all earnings including overtime, as well as limiting the escalator to this contract only.

What Happens Next

The PEB report is non-binding. The Coalition will continue to pursue negotiations with Metro-North for a fair and ratifiable contract.

This report hopefully will bring us closer to a voluntary agreement.

If no agreement is reached, in early April Metro-North or the Governor can request President Bush to appoint a second Emergency Board, which under the Act the President shall then establish. Both sides will then have to submit their final settlement offers to the new Board, and the Board will select what it considers "the most reasonable offer."

The second Board's report is also non-binding. Sixty days after the second Board issues its report, if no agreement is reached the unions will be free to legally strike.

The Coalition's goal remains to achieve a contract at the bargaining table. The solidarity and perseverance of the Coalition rank and file and leadership has enabled us to substantially improve the terms of a possible settlement, especially over what was presented to us as the "pattern" for almost four years of bargaining. The Coalition's determination has never wavered. We are finally in the home stretch. It is our fervent hope that Metro-North will now negotiate a fair final settlement of this dispute.