

## SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT

300 Lakeside Drive, P.O. Box 12688  
Oakland, CA 94604-2688  
(510) 464-6000

2013

August 7, 2013

Tom Radulovich  
**PRESIDENT**

Joel Keller  
**VICE PRESIDENT**

Grace Crunican  
**GENERAL MANAGER**

### DIRECTORS

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**1ST DISTRICT**

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James Fang  
**8TH DISTRICT**

Tom Radulovich  
**9TH DISTRICT**

The Honorable Jacob Applesmith, Chair  
Office of Edmond G. Brown Jr.  
State Capitol, Suite 1173  
Sacramento, CA 95814

The Honorable Robert Balgenorth  
State Building and Construction Trades Council of California  
1225 8<sup>th</sup> St., Suite 375  
Sacramento, CA 95814

The Honorable Micki Callahan  
City and County of San Francisco  
Department of Human Resources  
1 South Van Ness Ave, 4<sup>th</sup> Floor  
San Francisco, CA 94103

Dear Board Members:

The San Francisco Bay Area Rapid Transit District hereby submits the attached documents for your consideration in the matter of the Board of Investigation Hearing on Wednesday, August 07, 2013, called pursuant to Labor Code Section 1137.2 by Governor Edmond G. Brown Jr.

Sincerely,

A handwritten signature in black ink that reads "Grace Crunican".

Grace Crunican  
General Manager

Attachments



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**SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT**

**2013 BOARD OF INVESTIGATION**

**WEDNESDAY, AUGUST 07, 2013**

**Remarks of Grace Crunican, General Manager  
San Francisco Bay Area Transit District  
Governor's Board of Investigation  
August 7, 2013**

We appreciate the opportunity to make a statement this morning. I would like to thank the Governor and the Board for their efforts on behalf of BART and the Bay Area.

Our overarching goal in the 2013 contract negotiations has been to find a balance between reinvesting in our vital aging infrastructure, providing fair and reasonable compensation for our workers, while ensuring the long-term financial health and sustainability of our transit system.

Today I'm going to give a quick overview of BART, our recent successes, the challenges we face, and our contract negotiations with the unions that represent our workers.

BART is the backbone of the Bay Area's regional transit system. The District is proud of its 95% on-time performance rate, and is defined by its reliability. We carry 400,000 riders each day, and dramatically reduce car congestion and air pollution throughout the region.

Each weekday, BART riders collectively save over 20,000 gallons of gasoline, and the Federal Transit Administration (FTA) calls BART the environmentally cleanest system in the country. People depend upon BART to get to work, to school, to medical appointments, to attend sporting and cultural events, and to get back home.

Over the past two years, BART has seen record breaking ridership increases. Today, BART carries 200,000 passengers through the Transbay Tube. The four and a half day strike by BART unions in July demonstrated that the extra service provided by our transit partners and the additional busses we secured were unable to carry even a fraction of the region's BART riders. Transportation leaders unanimously concluded that it is simply not possible to replace BART should another strike occur.

According to an estimate by the Bay Area Council, the daily cost of a BART strike is \$73 million in lost productivity to the Bay Area. The Council concludes that an

already fragile economic recovery would be demonstrably damaged by a prolonged strike.

Since the July strike, our riders have provided multiple testimonials about its impact on their lives. Regular commutes of 30 minutes took as long as three hours during the strike. Waitresses, hotel workers, and other service employees lost wages because they were simply unable to get to work. Some Bay Area workers were able to work from home for one or two days, but that option may not be available should a long strike occur.

### **Negotiations Overview – The Need for Reinvestment**

BART is at a critical juncture in its 40 year history. While enjoying record ridership and maintaining on-time performance goals, the District faces significant reinvestment needs that will define whether it thrives or deteriorates as has happened in other aging systems such as New York City Transit in the 1970's.

The UC Berkeley Transportation Institute conducted a detailed analysis of the impact to the Bay Area should BART fail to replace its oldest-in-the-country fleet of train cars, invest in its stations, and keep other critical systems in good working condition. In 2012, the Institute concluded that BART needs about \$16 billion over the next 25 years to maintain the system and prepare for future growth. That equates to an investment of \$500 million annually to make the repairs and replace the necessary equipment required to ensure that trains run reliably and safely.

This reinvestment requires a shared responsibility from all BART stakeholders. BART's goal is to have new contracts in place which will balance the long-term interests of our employees, riders, and other stakeholders.

### **Pension/Health Care Costs: Employees Must Share**

BART is currently struggling with a challenge common to every employer in the nation - how best to control the rising cost of its benefit packages. The average BART employee makes \$79,500 in salary. Our benefit package, which is considered one of the richest in the industry – costs an average of \$50,800 per employee per year. The costs of the benefit package have risen nearly 200% in 10 years and the escalation continues.

BART is asking its employees to play a larger role in sharing the costs of their generous pension and medical plans.

A recent survey of employer-sponsored health benefits done by the Kaiser Family Foundation/Health Research & Educational Trust found that workers in both the private and public sector on average are paying \$4,316 a year toward the cost of their health care premiums. This is nearly four times more than the \$92 per month that BART employees pay.

Unlike many other transit districts and government agencies, BART employees do not contribute to their pension plans. BART's unfunded liability for these pensions topped \$158 million last year.

If BART doesn't normalize its benefit packages, the public will feel the consequences in reduced train service and less reliability.

### **Big Three Major Reinvestment Projects:**

#### **1. Replacing the Oldest Fleet in the Nation**

BART's purchase of new high-tech, reliable and environmentally-friendly train cars is a critical investment that will help to carry more riders and protect the region's economic future.

Last year, the BART Board approved a contract for 410 new cars (of a 775 total order). At an average cost of about \$2.2 million per car, BART customers can expect new train cars as early as 2017. BART is paying about 25% of the cost of the new cars and the additional 75% will be federally funded through the Metropolitan Transportation Commission (MTC).

BART's new trains will be more efficient to operate and will include:

- 50% more doors to make getting on and off faster and easier;
- More priority seating for seniors and people with disabilities;
- Bike racks to better accommodate bicyclists;
- Energy efficiency LED lighting and state-of-the-art propulsion;
- Interior digital displays showing the next stop and other passenger information in multiple languages;
- Exterior digital displays showing route color and the train's destination;
- An improved public address system, including automated announcements;
- Improved on-board security cameras.

## **2. Hayward Maintenance Complex**

Over the next 30 years, BART will expand the system into Silicon Valley and also gain additional riders from the Oakland Airport Connector, and the East Contra Costa (eBART) extension.

Accordingly, this will require an expanded maintenance and storage facility to serve the expanded fleet. The proposed Hayward Maintenance Complex project will include the purchase of additional property and the construction of additional storage tracks, and a new two-story facility to house our truck bay and our secondary repair equipment.

## **3. New Train Control System**

Our train control system is four decades old and is quickly becoming the number one source of equipment caused delays. A new system is needed to ensure reliability and to meet the demands from growing ridership. A new system will allow us to increase capacity and run 30 instead of the current 23 trains an hour through the Transbay Tube. It will mean fewer failures and delays. It will be easier to repair because of better parts availability and it will allow for more remote diagnostics which we can address without having to send staff out to the scene.

### **Modern Work Rules: Absenteeism/Overtime Costs**

BART must find ways to modernize and operate more efficiently to help keep costs down. Labor contract limitations have tied our hands to the point where we can't manage our workforce in the current age of technology. Arcane and outdated work rules prevent us from taking advantage of modern work practices. As Silicon Valley neighbors, we should be leading the industry in technological advancement, yet we are out of sync with other transit agencies.

One of the goals in this year's contract bargaining talks is to require that employees must actually work 40 hours before they collect overtime in any given week. This common sense fix may interrupt the absence/overtime cycle, and will not only improve the overall financial health of the system but will allow for more efficiency and increased customer service.

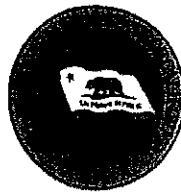
The average station agent and BART train operator takes 40 unscheduled absences per year out of their 248 working days. As absences rise, so do overtime costs – and those costs are increasing at an alarming rate.

BART is hard at work on accident prevention and “return to work” solutions that should slow down the increase in absences. Staffing levels, which lagged during the recession, have returned to pre-2009 levels. Despite these steps, BART work rules have evolved to give a financial advantage to employees who work overtime, without working 40 hours in a week.

## **Conclusion**

The District has succeeded in providing safe, reliable and convenient transportation to the Bay Area through the valuable combination of our riders, employees, and stakeholders.

We remain far apart on the major issues of this contract. That's why we are here today. I'd like to restate the District's commitment that whatever package that we ultimately agree to must be good for the long-term sustainability of the system. I strongly believe that we can agree to a wage and benefit package that both fairly compensates our workers and ensures a sustainable the system. It is in everyone's interest to settle this dispute swiftly.



## OFFICE OF THE GOVERNOR

August 5, 2013

Grace Crunican, General Manager  
San Francisco Bay Area Rapid Transit District  
P.O. Box 12688  
Oakland, CA 94604

Antonette Bryant, President  
Amalgamated Transit Union, Local 1555  
132 Ninth Street, Suite 100  
Oakland, CA 94607

Roxanne Sanchez, President  
Service Employees International Union, Local 1021  
100 Oak Street  
Oakland, CA 94607

Pat Schuchardt, Vice President  
AFSCME Local 3993  
300 Lakeside Drive, Suite 102  
Oakland, CA 94612

Dear Ms. Crunican, Ms. Bryant, Ms. Sanchez, and Ms. Schuchardt:

I write to you in my capacity as Chairman of the Board of Investigation that Governor Edmund G. Brown Jr. has empanelled to investigate the labor dispute between Bay Area Rapid Transit and its three unions: AFSCME Local 3993, SEIU Local 1021, and ATU Local 1555.

As authorized by Government Code section 3612, the Board will conduct a hearing into the issues involved in the dispute on Wednesday, August 7, 2013, at 10:30 a.m., at the State of California building, 1515 Clay St., Oakland, California, 2nd Floor, Room 1. The hearing will be recorded and will be open to the public. Testimony and documentary evidence will be received at the hearing to form the basis for the report we will prepare and submit to the Governor.

Accordingly, please prepare a summary of the issues in dispute and your position on whether a strike or lockout would significantly disrupt public transportation services and endanger the

Grace Crunican, Antonette Bryant, Roxanne Sanchez, Pat Schuchardt

August 5, 2013

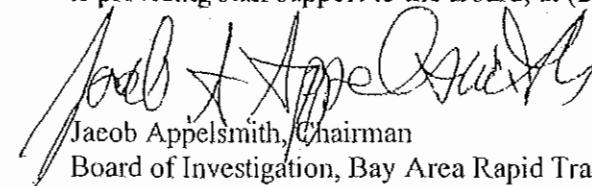
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public's health, safety, or welfare. Please include your organization's position on each of these issues, with any relevant supporting documentation you wish to include, such as the estimated costs of the proposals. We hope that you will attend the hearing to present your information, but if you wish you may instead submit it to me directly by noon on August 6, 2013. Please bring seven copies of any submissions to be presented at the hearing for the Board members and other parties.

Please note that the Board's charge is to prepare a report including a statement of the facts with respect to the dispute, with the positions of the parties. The report will not include recommendations.

Finally, I join the Governor in urging all parties to continue with the negotiations process, even as the Board conducts its business. The convening of the Board should not delay negotiations in any way.

Thank you for your cooperation. If you have any questions, you may call Harold Jackson, who is providing staff support to the Board, at (213) 576-7714.



Jacob Appelsmith, Chairman

Board of Investigation, Bay Area Rapid Transit Labor Dispute

cc: Micki Callahan  
Robert Balgenorth

OFFICE OF THE GOVERNOR

August 4, 2013

Ms. Grace Crunican  
General Manager, San Francisco Bay Area Rapid Transit District  
P.O. Box 12688  
Oakland, CA 94604

Ms. Antonette Bryant  
President, ATU Local 1555  
132 Ninth Street, Suite 100  
Oakland, CA 94607

Ms. Roxanne Sanchez  
President, SEIU 1021  
100 Oak Street  
Oakland, CA 94607

Ms. Jean Hamilton  
President  
AFSCME, Local 3993  
80 Swan Way, Suite 110  
Oakland, CA 94621

Dear Ms. Crunican, Ms. Bryant, Ms. Sanchez, and Ms. Hamilton:

At the request of the Bay Area Rapid Transit District, I am appointing a board to investigate the threatened strike that would disrupt public transportation services in the Bay Area. This board is appointed under the authority of Government Code, § 3612, subdivision (a), because the strike will significantly disrupt public transportation services and endanger the public's health, safety, and welfare.

The three individuals appointed to the board of investigation are:

Mr. Jacob Appelsmith, Chairman  
Mr. Robert Balgenorth  
Ms. Micki Callahan

Grace Crumican, Antonette Bryant, Roxanne Sanchez, and Jean Hamilton

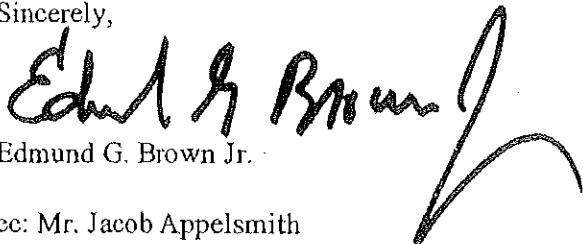
August 4, 2013

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The Government Code prohibits any strike or lockout while the board completes its investigation. (Gov. Code, § 3612, subd. (b).)

The board is directed to provide me with a written report within the next seven days. For the sake of the people of the Bay Area, I urge – in the strongest terms possible – the parties to meet quickly and as long as necessary to get this dispute resolved.

Sincerely,

A handwritten signature in black ink, appearing to read "Edmund G. Brown Jr." The signature is fluid and cursive, with a large, sweeping flourish at the end.

Edmund G. Brown Jr.

cc: Mr. Jacob Appelsmith

Mr. Robert Balgenorth

Ms. Micki Callahan

Mr. Marty Morgenstern, Secretary of the Labor and Workforce Development Agency



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**Zekhary Mallott**  
**7TH DISTRICT**

**James Fung**  
**8TH DISTRICT**

**Tom Radulovich**  
**9TH DISTRICT**

The Honorable Edmund G. Brown, Jr.  
State Capitol, Suite 1173  
Sacramento, CA 94814

Dear Governor Brown,

As you are aware, BART and its unions (AFSCME 3993, SEUI 1021, ATU 1555) have been at the bargaining table for months trying to reach a deal on the terms of a new contract. Throughout this process, the District has necessarily prioritized the long-term health and sustainability of the BART system, and its ability to meet the future needs of our Bay Area residents. The BART system is aging, and needs considerable reinvestment to meet the mobility needs of the Bay Area while state and federal support for transit dwindle. Meanwhile, the cost of maintaining benefits continues to grow faster than our revenues. Our labor agreements must reflect these financial realities.

We will continue to focus our efforts on the table and remain committed to reaching an agreement. We believe that the best agreement is one arrived at between the parties themselves, without intervention by outside forces.

Despite these efforts, we may reach tonight's midnight deadline without an agreement. If this is the case, the District is willing to extend the contracts and will make that offer to the unions. If they decline to extend the contracts, they may choose to strike and shut down BART service. As we saw in early July, the effect of a public transit strike is a complete disruption of the Bay Area economy.

If the unions do decide to strike, we are requesting that you seek a cooling off period for these three unions, as provided for in California Government Code Section 3612 (the Public Transportation Labor Disputes Act). This would allow us to continue negotiating while assuring the public that it will have transit service tomorrow and for another 60 days as we continue to bargain. We believe the public should not be deprived of this essential public service unless all alternatives to avoid a work stoppage have been utilized.

We appreciate your vigilance in monitoring this process and trust we may continue to rely on your help as we continue to work out this complex dispute.

Sincerely,

Tom Radulovich  
President

cc: Board of Directors  
General Manager

### BART System Overview:

BART is a 104-mile regional rail rapid transit system that serves the premiere employment and activity centers in the Bay Area, including downtown Oakland, San Francisco and the San Francisco International Airport. Extensions to San Jose, Antioch and Oakland International Airport are under construction right now. Since the 1997 work stoppage, BART ridership has increased by over 125,000 or to about 400,000 weekday riders today. With over 500,000 additional riders in our foreseeable and near-term future, systematic renovations and other mission critical preparations must be addressed.

First and foremost, the rapidly aging system is a vast and complex network of concrete structures, electrical wiring, circuitry and steel. Many of these aging items that make BART work today were once ahead of their time and also proprietary. Compounding these complexities is the fact that, like many other transportation agencies in the state, BART must renovate this aging physical plant while maintaining service at record levels.

Train service is carefully scheduled due to all the merging and diverging service routes on both sides of the Bay. The integrity of the system's reliability must be maintained to the highest standards as delays ripple through the whole system and important transfers and other connections are delayed or skipped. It is a delicate dance and it does not take very much in the way of small system perturbations to create problems on a large scale that negatively impact thousands of riders. Decaying infrastructure makes this balancing act even more difficult and increasingly unpredictable.

The fact is that there is less money coming out of Washington DC and Sacramento for our critical system renovation needs. The gas tax has been losing more of its purchasing power every year and there are more demands on the same shrinking pot of money. BART must help itself more every year or run the severe risk of losing our brand identity which is service frequency, speed and reliability. As the transit operators in the Northeast have learned the hard way, once you infrastructure decline accelerates, it can take decades to get service reliability back. BART's current customer base of 400,000 weekday riders, future service extensions and our integral role in the Bay Area's land use plans do not provide flexibility to gamble with these very real needs.

## **Financial Status and Service Delivery**

The District's Interim Budget for FY14, which began on July 1, 2013, totals \$1.5 billion, of which \$737 million is directed to BART's capital program, including system reinvestment, and \$797 million supports BART's operating budget. The largest component of BART's operating costs is labor and benefits, which is budgeted at \$402 million in FY14. In FY14, BART also budgeted \$46 million towards the purchase of 410 new rail cars and will direct \$58 million towards debt payments for prior renovation and capital projects.

As BART enters its fifth decade of service, the District recognizes that vital system reinvestment needs are severely underfunded. As the same time, BART has experienced unprecedented ridership growth, with trips increasing to nearly 400,000 on a daily basis. Currently, 62 trains and 534 cars provide daily peak service, with an average of 95% passenger on-time performance. Maintaining this high performance is critical to keeping ridership and the Bay Area moving and becomes more challenging each year as the system ages. BART has made responsible funding of infrastructure and system reinvestment a top priority in budget and funding decisions. A key action taken by the BART Board includes renewal of BART's inflation-based fare increase program, which regularly increases fares at a rate slightly less than inflation. Fare revenue currently covers over 70% of BART's operating expenses and the additional revenue from future increases will be directed to system reinvestment and State of Good Repair projects.

Labor Negotiations:

On April 1, 2013 BART exchanged proposals with Service Employees International Union (SEIU) Local 1021 and Amalgamated Transit Union (ATU) Local 1555. Prior to that time BART had entered into agreements with American Federation of State County and Municipal Employees (AFSCME) Local 3993 and its two police unions, BART Police Manager's Association (BPMA) and BART Police Officers Association (BPOA) to engage in "Interest Based" bargaining. On or about April 1, 2013, those parties exchanged lists of issues to be addressed through that process which does not contemplate the formal exchange of written proposals.

Based on the initial, 1973, unit determination, BART negotiates the "general" provisions of the SEIU and ATU contracts with those unions jointly. Those general provisions (contained in sections 1-10 of both collective bargaining agreements) address those matters related to mutual rights and responsibilities, union security, employee affairs, vacations and leave of absences, medical and retirement benefits, sick leave and disabilities, and pay procedures. BART also generally negotiates wages jointly with ATU and SEIU. In addition both SEIU and ATU have a number of individual supplemental contract provisions which address issues specific to the classifications represented by those Unions.

SEIU currently has a total of 1,423 members and represents the maintenance and clerical units and a professional sub unit. ATU has 927 members and represents the train operators, station agents and related staff. AFSCME represents 220 supervisory and profession personnel. BART has a total of 3425 employees.

## ***Introduction and Overview***

### **Wage and Benefit Package Highly Competitive in Transit Industry**

BART's wage and benefits package is highly competitive in the transit industry, and in the local labor market generally. Recent wage rate surveys show that, in general, BART employees are paid at or above the average for their respective labor markets. With respect to jobs represented by ATU and SEIU, BART base wage rates rank number two nationally among comparable transit systems in the occupations of Train Operator, Station Agent, and Maintenance Worker, and third nationally for Track Workers. BART collective bargaining agreements provide liberal differentials and overtime pay, which substantially elevate take home pay amounts above the base pay levels. For example, the average per capita overtime earnings for an ATU employee in FY12 were \$17,613; the comparable SEIU figure is \$7,273.

For positions represented by AFSCME, BART's most recent survey ( August 1, 2012) compares BART pay rates to other regional agencies, and to other national agencies using rates adjusted to reflect the cost of living in the Bay Area. Overall, the 2012 study indicates that BART actual pay is right at the marketplace.

In addition, all BART employees enjoy the benefit of the CalPERS medical plans at a flat monthly rate that is currently \$92.24. The CalPERS defined benefit pension of 2% at age 55 is currently fully paid by the District. Vision and dental coverage are likewise provided at no cost to employees. The District also funds a Money Purchase Pension Plan, and provides a Deferred Compensation vehicle for employees' contributions to post-employment income through defined contributions. BART's review of benefits cost-sharing in other regional agencies indicates that most make contributions to pension, ranging from two to ten per cent, and many contribute to medical coverage at higher rates than BART employees. Low levels of employee financial participation create a long term sustainability problem for BART, as the cost of benefits continues to rise. Over the past four fiscal years alone, the District's total expense for pension and medical has increased by \$35.7 million.

### Issues Involved in this Negotiation - "What's on the Table"

During the last contract duration, BART celebrated 40 years of service. Given the age of the system BART is now faced with major maintenance and upgrading projects. The BART board has recently established a priority for three major capital projects: purchase of new railcars, the Hayward Maintenance Complex, and the automated train control system. While the capital requirements for these much needed changes are not yet established, preliminary studies tell us with certainty that the amounts will be in the billions of dollars over the next several decades. At the initial exchange of proposals, BART provided an outline of the primary issues and concerns to be addressed and which formed the basis for its proposal. The District's proposals reflected that priority which addresses the long term sustainability of the service and the system.

In addressing its overall budget concerns related to sustainability of the system, BART also evaluated the sustainability of the employee benefits going forward. The current contract provisions relating to benefits incorporated leave virtually the entire risk of benefits cost increases with BART. Both pension and medical benefits costs have increased steadily in recent years, with the result that the District's cost for benefits has reached 60% of each employee's pay. BART's initial and continuing proposals ask that the employees share the risk and participate in the cost increases. The District initially proposed that rather than pay a set medical premium amount that the employees contribute a percentage of the total premium which requires the employee to share equally in the risk of increased medical premium cost. That initial proposal has been significantly revised and modified now BART asks the employee to share in the risk of existing medical costs by capping its contribution to the medical premium. BART has also proposed that all employees contribute to their pension. Currently, employee's hired before January 1, 2013 contribute nothing to this pension plan. The current proposals provide for an initial 2% contribution by employees hired before January 1, 2013, escalating to 5% over four years.

Another significant issue to be addressed through these negotiations is related to employee availability. BART's costs in overtime have continued to escalate while its employee availability decreases. In order to address the attendance issue BART provided a series of attendance related proposals, the most important of which is the "40 hour work week" proposals which requires that an employee actually work 40 hours during the work week before earning overtime.

In conjunction with the supplemental provisions of the SEIU and ATU contract, there are a number of efficiency related issues that address BART's ability to schedule its work, to update and integrate new technology into the various classifications, and to otherwise manage the system. These proposals which were designated as efficiency proposals address a number of specific and problematic work rules or practices and all relate generally to BART's ability to manage its workforce.

BART has met with ATU and SEIU. The parties have met and bargained all of these issues since May and have through the course of those negotiations reached a number of tentative agreements. The primary issues which remain in dispute concern: (1) the term of the contract; (2) medical contributions;

(3) pension contributions; (4) wages; (5) the 40 hour work week; (6) BART's right to schedule and direct its work force; and (7) the ability to determine the nature and scope of work to be performed by each classification. Concurrently BART continued to meet with AFSCME using a modified interest based bargaining process. BART's proposals to AFSCME generally reflect the same issues as presented in its negotiations with ATU and SEIU; however, an additional issue with AFSCME relates to a class and compensation study and adjustment proposal which remains unresolved between the parties.

ATU/SEIU have proposed a 3 year contract and are currently seeking wage increases of 5% (inclusive of a COLA) each year for a total wage increase of 15% over 3 years. BART has offered ATU/SEIU a wage increase of 2%, 2%, 2.5% and 2.5%, for a total of 9% over 4 years. ATU /SEIU have proposed pension contributions of 7% but demand a "swap" for a 6.5% wage increase for that contribution. BART proposes contributions of 2%, 3%, 4% and 5%. BART's current medical proposal to ATU/SEIU is that BART's medical premium payment be capped at the lower of the employee plus 2 dependents premium of either Kaiser or Blue Shield Access +, less modest monthly employee premium contribution, the result of which would only require those employees who remain in the higher of the two medical plans to pay the difference or alternatively to change their coverage to the lower rate plan. In response ATU /SEIU have offered a small increase to the previously agreed upon employee premium contributions.

In response to the 40 hour work week SEIU and ATU have each offered to include a contract provision that would exempt an employee from the right to work on his or her day off if that employee was in an unpaid and unprotected leave status for one of more days during the work week. The District has modified its initial 40 hour work week proposal to allow employees to earn overtime pay for working in excess of 8 hours in a day but still requires 40 hours actually worked to earn overtime premiums when working on a regular day off.

On July 1, 2013 ATU and SEIU went on strike upon expiration of their current contract. AFSCME had previously agreed to a contract extension and did not strike but many members did honor the SEIU and ATU work stoppage. On July 5 SEIU and ATU returned to work pursuant to a mediated agreement pursuant to which the parties agreed to a 30 day contract extension. During that extension the parties met and BART made significant changes and modifications to its proposals related to the medical, wage and pension contributions. During that extension AFSCME revoked its agreement to extend the contract and further advised BART that it was no longer willing to participate in interest based bargaining. As a result, AFSCME and BART have recently exchanged proposals. The economic proposals to AFSCME are the same as those proposals to SEIU and ATU.

BART is prepared to continue to work with the Unions in the development of a fair and equitable package which provides employees with a net wage increase. In exchange BART asks the employees to share in increased benefits costs going forward. Without that shared risk, BART will be unable to continue to provide the rich benefits package its employees currently enjoy. In addition BART's employees must be prepared to address employee availability and allow more efficiency and flexibility to management so that BART can continue to provide the current level performance of the BART system enjoyed by the Bay Area.

## Impacts of BART Work Stoppage

### Effects on Public Health and Safety

The direct, negative impact on public health and safety of a BART strike is irrefutable. Substantially increased traffic congestion leads to more traffic accidents. Emergency response vehicles (fire, police, ambulance, paramedic) responding to these additional accidents, as well as to their regular calls, would be hindered, in some cases severely. The result of these traffic congestion caused delays could be life threatening under many circumstances.

Caregivers, charged with providing essential aid to those in need, would be challenged to get to their patients and clients. People without automobiles who rely on BART might not be able to get to their pharmacy to fill their prescriptions or to important doctor's appointments. Even children could be exposed to danger as they waited for parents, delayed in traffic, to pick them up from school or camp, even more so if they chose to walk home on their own.

The public health and safety consequences of shutting down the region's largest public transit provider are serious. These serious consequences warrant appropriate emergency measures to prevent the shutdown. The lack of BART service represents a clear increased risk to public health and safety.

### Economic Impacts:

The Bay Area Council has estimated that the direct cost of a BART strike to the region is \$73 million per day. Let's wrap our heads around what this figure means.

This figure is conservative as it only counts the increased travel time people endured after being forced off BART and into their cars or other forms of transit. Yet it is still a very big number in the sense that it represents a loss of about \$45 a day to the average household and an 8% loss in the Gross Domestic Product of the San Francisco/Oakland Metropolitan Area.<sup>1</sup>

To put an 8% loss GDP in perspective, this drop would be even greater than the single biggest downturn in US GDP that was witnessed during the 2008–2009 Global Financial Crisis.

The true economic loss is probably much higher, the above figures do not include the indirect economic impacts that a BART strike has. These include empty tables at San Francisco and Eastbay restaurants, lower attendance at concerts and sporting events, freight not moving

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<sup>1</sup> Note that \$73 million per day equals \$26.6 billion per year, which is 8% of the latest Regional GDP estimate of \$347 billion.

along the Bay Area's highways, trips cancelled by potential visitors, higher day care expenses for working parents, increased greenhouse gas emissions, increased accidents on roadways, and an overall increase in personal stress levels.

#### Transportation Impacts:

We do have some solid information to back up the Bay Area Council's findings on a BART strike's highway travel time and transit capacity impacts. We know that of the 400,000 daily trips taken on BART, only 83,000 or 21% were diverted to other forms of alternative transit. The remaining 79% either stayed home or were stuck in some very heavy traffic. Of our nearly 200,000 weekday Transbay trips, only about 15% of them were absorbed by regional express buses and ferries.

Luckily it was the July 4th Holiday week so many people were not working, schools were not in session and employers were more flexible. It is anticipated that the impacts would be worse next time.

#### *Traffic Impacts*

Despite it being a lighter than usual traffic week, traffic delays on Tuesday, July 2<sup>nd</sup> in several travel corridors more than doubled. That can equate to hours out of many people's day. According to the Bay Area Council, increased traffic congestion generated almost 16 million pounds of carbon, and wasted almost 800,000 gallons of gas at a cost of almost \$3.3 million every day.

Specifically, traffic delays on day two of the recent BART strike were most greatly felt in the Bay Bridge corridor between West Oakland and San Francisco and the SR-24 corridor between Walnut Creek and West Oakland:

- AM peak hour driving times increased 25 minutes to just over 60 minutes or about 140% on the route between Walnut Creek and West Oakland, the corridor where BART is the only transit alternative.
- In the Bay Bridge corridor where BART carries nearly 21,000 riders in the AM peak hour/direction, driving times during that same time period increased from 10 minutes to 30 minutes or about 200%.
- Traffic delays and travel times were very unstable and unpredictable in most corridors normally served by BART.

Telecommuting is an option for some of our riders. This option has become less attractive as many companies have reduced telecommuting from two days a week to one or eliminated it all together (e.g. Yahoo). For many of those who do have telecommuting as an option, after a few days of telecommuting they must eventually return full-time to their place of business or office.

Those who work in retail, hospitality, restaurants, health care and other service industries must show up in person do their jobs every day. Many of these service workers do not have access to an automobile and are in fact transit dependent.

Ridesharing and carpooling work really well during the AM peak period but there are always fewer drivers that are willing to take riders back home during the PM peak period in San Francisco due to lack of travel time savings and economic incentives. Consequently, the regional transit operators must pick up the slack in the afternoon and evening.

### *Transit Impacts*

The Water Emergency Transportation Authority (ferry operator) saw ridership increase by 200% and AC Transit (Transbay bus) saw ridership increase by 150%. Lines for buses and ferries were very significant and multiple “pass-ups” were a regular occurrence.

This network of Transbay express buses and ferries has seen considerable investment in the last 10 years. Still this system does not even come close to substituting for BART’s peak period capacity:

- One express bus or ferry boat only carries 50-200 people and matches the approximate crush load carrying capacity of just one BART car in a multi-car train.
- On weekdays we deploy 62 trains during the peak period with an average train length of 9 cars; this works out to be about 570 total BART cars circling the Bay.
- The customer service feedback we receive on a typical weekday today and future ridership projections strongly suggests we should be running longer trains and more of them during the peak period.
- The ferries and regional bus network currently lack high capacity passenger terminals in Oakland and San Francisco: existing facilities are medium capacity at best and were overwhelmed during the strike with lines stretching for blocks.
- Multiple public agencies must redeploy staff to assist with increased crowding, vending of fares and traffic congestion at bus and ferry terminals. The reallocation of already constrained resources results in significant staff overtime and reduced ability to address other priorities.
- The productivity of the regional express bus system, including BART’s charter buses during the recent July BART work stoppage, is greatly impacted by freeway traffic conditions. The worse traffic gets, the less productive the bus system gets and more resources must be deployed to provide the required capacity and service frequency.