

**REPORT  
TO THE  
RAILWAY LABOR EXECUTIVES' ASSOCIATION**

*Solidarity*



**PREPARED BY THE  
JOINT RESEARCH DIRECTORS' COMMITTEE**

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An Example of Joint Rail Labor Collective Bargaining  
On A Single Carrier

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Metro-North Labor Coalition and the  
Collective Bargaining Agreements of 1988 and 1990

The following is a brief description of two complete rounds of collective bargaining between the Metro-North Rail Labor Coalition and Metro-North Commuter Railroad that culminated in the labor agreements of 1988 and 1990.

The focus of this examination is on the operation of the Labor Coalition that was created to address collective bargaining issues common to all crafts.

It is hoped that the examination of negotiating structures and bargaining techniques that proved successful during a previous single carrier negotiation will reveal valuable insights and lessons that may be useful in the upcoming round of railroad collective bargaining talks.

The possibility exists that during the next round of rail/labor negotiations, a number of carriers may refrain from national bargaining and choose to negotiate locally. In such cases, it is important for rail labor to be prepared to present those carriers with a united labor front. Whether negotiating nationally or locally, it is safe to say that labor fares best when it is able to maintain a strong bond of unity, solidarity and common purpose.

#### Background

Metro-North Commuter Railroad was formed in 1982 as a result of the Northeast Rail Service Act of 1981. Consisting of the former Metropolitan Region of Consolidated Rail Corp., Metro-North provides commuter rail service into and out of New York City's Grand Central Terminal.

It has three main commuter lines: The Hudson Line provides service northward along the Hudson River to Poughkeepsie, New York; the New Haven Line runs eastward along the shore of Long Island Sound to New Haven, Connecticut; and the Harlem Line runs north eastward through West Chester County to Brewster, New York.

Metro-North is part of the umbrella of commuter agencies under the jurisdiction of New York's Metropolitan Transit Authority (MTA). Besides Metro-North, the MTA has jurisdiction over one other commuter railroad, the Long Island Rail Road (LIRR).

### Bargaining History

Metro-North began operations at the end of 1982. Implementing Agreements were in place by the time rail operations commenced. However, by early 1983, many crafts were still in the process of negotiating new collective bargaining agreements. One craft, the United Transportation Union, was unable to reach agreement and went on strike. The UTU strike lasted six weeks and was eventually settled through binding arbitration.

The strike created many bitter feeling among the rank and file and between various organizations. Amtrak trains traveled over two of Metro-North's main lines. The striking organization believed that continued operation of Amtrak was essential to prevent Congressional intervention. Thus, personnel essential to maintaining Amtrak service, such as dispatchers and trainmen, were allowed to work despite the strike.

Many striking employees did not understand the need to maintain operations and felt animosity towards those who were permitted to work. While the strike ended after six weeks the bitter feelings remained.

### Birth of the Coalition

After the 1983 contracts, Section VI notices were served again in January 1985. With the memory of the 1983 strike still fresh, a number of organizations were eager to avoid a repeat of the previous round of negotiations. Several crafts, particularly the Transport Workers Union (TWU) and the UTU, pushed for the formation of a labor coalition.

TWU International President, the late John Lawes, invited all organizations that held contracts with Metro-North to TWU headquarters to discuss forming some sort of coordinated bargaining strategy. Crafts were free to send representatives from any level of the organization they so chose; most organizations were represented by General Committee and System Board officers although International and Grand Lodge officers were also present.

At the initial meeting frank discussions took place regarding mutual suspicions and mistrust; however, all parties were in agreement that the events of the previous negotiation must not be repeated. The group decided to form a labor coalition to present a united front to the carrier at the upcoming round of negotiations.

## Structure of the Coalition

The framework of the Metro-North Labor Coalition was worked out during ensuing meetings. Also, the parties agreed upon a list of issues that the Coalition would address.

While the concept of a labor coalition was by no means a new idea in the railroad industry, the concept of bargaining through a coalition with a single carrier was relatively unique. The idea was met with much skepticism from many parties, including Coalition members themselves. Therefore, it was decided that the coalition would operate on a strictly voluntary basis with no by-laws or constitution, decisions were reached by consensus.

There was no hierarchy of officers; the coalition selected a coordinator to preside over meetings, receive and distribute correspondence, arrange meeting schedules and act as primary spokesman during bargaining sessions. The coordinator was a well-respected attorney from an FELA law firm that had no formal ties to any labor organization.

The coalition had no dues. Meeting rooms were provided by the various organizations who had space available. At one point the Coalition did hire an economist to perform economic analysis with all parties agreeing beforehand to split the costs. Otherwise, each organization was responsible for its own expenses.

Organizations were free to participate in Coalition bargaining sessions or refrain from doing so. Each organization could send as many representatives as it pleased to any Coalition meeting. It was up to each organization to designate who would be the Coalition contact person, some organizations had more than one contact person.

While the various organizations agreed to bargain over common issues through the Labor Coalition, each organization was responsible for negotiating its own collective bargaining agreement. The Coalition had no power of attorney, it could not bind any party to an agreement. The Coalition was merely a vehicle to discuss with the Carrier, those common issues that the crafts agreed should be negotiated jointly.

Prior to each bargaining session, the Coalition members would agree to a bargaining position, the coordinator would be the primary spokesman presenting that position to the carrier. Each organization was free to join in the discussion.

## Common Issues

Before joint negotiations could take place, all parties had to agree to a list of common issues. Employees on the Long Island Rail Road earned considerable higher wages, had more

favorable work rules and substantially better benefits than their counterparts on Metro-North. Therefore, initially the common issue was "parity" with the LIRR.

However, even in the very beginning, almost all crafts realized parity was not a reasonable expectation. It took the LIRR crafts many years to achieve their enhanced position, it would likely take a number of contracts for Metro-North employees to catch up.

The Coalition members decided to concentrate on achieving a supplemental pension, similar to one that existed on the Long Island, plus a suitable wage increase with full retroactivity.

### Bargaining Through The Coalition

Once common issues were decided, each organization had to craft a Section VI Notice that incorporated the common goals. For some organizations this meant amending Section VI Notices that had already been served. Equal wage increases and a supplemental pension equal to the pension provided by the LIRR became a part of every coalition member's notice.

At first, the Carrier refused to recognize the Coalition. It would only meet for individual collective bargaining talks. However, each craft was insistent on meeting to discuss the common issues. The crafts made it clear that individual negotiations would not be settled unless the common issues were addressed, especially the issue of a supplemental pension.

Eventually the Carrier reluctantly agreed to attend several Coalition meetings but it was steadfast in refusing to agree to a pension. Meanwhile individual bargaining sessions continued with each individual craft, but here again Metro-North was adamant that no settlement would contain a supplemental pension.

Finally, at one particular Coalition meeting all of the participating crafts agreed to file for mediation at the same time. Once in mediation the federal mediators found it expedient to meet with the Coalition over common issues. However, as late as September 1987, Metro-North continued to refuse to agree to a pension. At that time, all crafts in the Coalition coordinated requests seeking release from mediation.

Soon after the requests for release from mediation, more than two years after the initial Section VI Notices were served, the Carrier agreed, in principle to provide a pension and fully retroactive wage increases of 5%, 4.5% and 5%.

The details of the Carrier's pension proposal were still to be worked out in further negotiation. Outstanding issues included: 1) would the pension be a defined contribution plan or a defined benefit plan; 2) would previous years service with predecessor railroads be recognized, and if so how; and 3) what

would the Carrier's level of contribution be. All bargaining over the pension took place through the Coalition.

The Carrier's own Section VI proposals had, from the very beginning, contained demands common to all crafts, including a new hire wage progression similar to the one agreed to nationally several years earlier; health and welfare cost containment measures similar to those now in effect nationally and reduced meal allowances. Each of these items was the subject of local negotiations with each individual craft.

By January 1988, most crafts had ratified agreements that contained three yearly wage increases of 5%, 4.5% and 5%, fully retroactive; a defined contribution pension plan with the Carrier contributing 3% of yearly wages and lump sum payments for past railroad service (based on a sliding scale); plus the major issues sought by the Carrier.

#### Another Round of Coalition Bargaining

The moratorium provisions of the 1988 contract allowed Section VI Notices to be served as early as July 1988, not to become effective until January 1989. Again Coalition members met to discuss common bargaining goals and coordination of Section VI Notices.

This time it was Metro-North that made an offer to bargain through the Coalition. Metro-North had been rocked by several scandals and saw the departure of several top management officials, including the Vice President in charge of Labor Relations and Personnel. The Carrier notified the Coalition spokesman that an agreement might be possible in a few months and address only wages. In return, Metro-North sought the right to implement the health care cost containment measures agreed to in the previous round of bargaining. (The language of the previous agreement stated that cost containment would be implemented only when all crafts were in agreement and one craft had not yet settled.)

The Coalition met with the Carrier in early 1989. After several sessions Metro-North put forth a proposal offering yearly wage increases of 5%, 5%, and 5% fully retroactive, and the right to implement the health care cost containment measures previously agreed to. No work rule changes were proposed by the Carrier.

Various organizations had proposed their own work rule changes and met in individual collective bargaining sessions to discuss these proposals.

All Coalition members had signed tentative agreements before the year's end.

## Obstacles to Joint Bargaining

Bargaining through a coalition was by no means an easy undertaking. There were numerous obstacles and problems with which to contend. Some problems were external, brought on by the Carrier; others were internal, caused by the actions of the Coalition members themselves.

The Carrier created the first obstacle by refusing to recognize the Coalition. However, Carrier obstinence only strengthened the resolve of the Coalition members. The thinking was "if the Carrier is opposed to coalition bargaining, then it must be a good thing."

Each organization held firm in demanding that the Carrier meet with the Coalition to discuss the common issues, even while bargaining was taking place on an individual basis.

Once the Carrier began meeting with the Coalition, it continuously tried to sow seeds of dissension. Metro-North repeatedly commented that it did not know who had authority to bargain over which particular issue. Coalition members and the Coalition Coordinator repeatedly made the point that each craft retained sole authority to make its own agreement. The proposal put forth by the Coalition merely represented those issues and points on which Coalition members were in agreement.

Perhaps the most critical challenge to the stability and cohesion of the Coalition came when several organizations signed agreements prior to the Carrier conceding to the Coalition's demands on common issues.

Two crafts signed and ratified agreements that did not contain a supplemental pension. Together these two crafts comprised slightly more than one-quarter of the Metro-North work force. The agreement contained the 5%, 4.5% and 5% fully retroactive pay raises, plus the Carrier's demands for health care cost containment, meal allowances and bidding restrictions.

With a "pattern" set, there was speculation that the Coalition's efforts to reach its common goal of a supplemental pension were doomed. However, the remaining members of the Coalition decided to stick together and push on. The Coalition pressed its demands for joint bargaining over the common issue of a supplemental pension.

However, in time, two more organizations reached tentative agreements in accordance with the "pattern". Again there was concern over the future of the Labor Coalition. This time both agreements were rejected by the rank-and-file. It seems the membership accepted the idea of a joint labor coalition working for common issues and decided to hold out with the rest of the Coalition.

The two organizations rejoined the coalition at the bargaining table. From that time on there were no more defections from the Coalition.

One organization did distance itself from the Coalition by refusing to back off from the Coalition's initial demand for complete parity with the Long Island Rail Road. This organization did attend most Coalition bargaining sessions regarding the pension, however, when the Carrier and Coalition had agreed in principle to adopt a supplemental pension and remove from the bargaining table other issues regarding parity with Long Island, this one organization stopped participating in Coalition bargaining sessions. It did not sign the 1988 agreement until long after the Coalition members had ratified the 1990 agreements.

#### Factors in the Labor Coalition's Success

There were several factors responsible for the success of the Metro-North Labor Coalition in bargaining over common issues:

1) First and foremost was the will and resolve of the Coalition members to work together. Throughout the entire process there were mutual suspicions and mistrusts; there was doubt that the Coalition would succeed. However, divisive forces were overcome by the will and commitment of the principals to make the Coalition work.

It was stated from the very beginning that every craft was responsible for its own agreement. If an organization felt the necessity to sign an agreement that deviated from the position taken by the Coalition, then that craft was reacting to its own unique set of circumstances. Coalition members took the position that the such settlements had no bearing on the remaining Coalition members. If a single craft were able to negotiate a better deal, the Coalition would hold it up as a "pattern".

2) Also, Coalition members showed no animosity towards those organizations that broke ranks. Especially in the cases where a craft signed a tentative agreement that failed ratification, those organizations were welcomed back into the Coalition fold with open arms.

3) Rank-and-file acceptance of the Coalition and its common goals was another factor that helped strengthen the Coalition. Rank-and-file rejection of some of the so-called "pattern" settlements helped lend legitimacy to the Coalition's efforts.

4) The nature of rail negotiations in general also supported a Coalition structure. Metro-North's Section VI Notices, like those of most carriers, contained many proposals that were identical for all crafts. The fact that "patterns" play such a prominent role in rail labor negotiations supports the concept of coalition bargaining.



5) The tendency of the National Mediation Board to deal with different crafts all at the same time also works in conjunction with the idea of a coalition.

6) An important factor that may have been unique to the Metro-North Labor Coalition's success was the fact that the Coordinator was very well respected and trusted by the organizations on the property. Not being associated with any particular organization gave him an aura of neutrality.

7) Finally, a very important factor regarding the success of the Coalition was simple necessity. The old method of bargaining seemed ineffective and had created disunity and mistrust. Coalition bargaining was looked upon as the only alternative.

## Metro-North Labor Coalition

One of the most positive developments in many years was the recent formation of a strong labor coalition on Metro-North. All of Metro-North's crafts are engaged in bargaining over the formation of new contracts, and on November 20, 1985 representatives from 13 unions met in the Mike Quill Room at the TWU International headquarters in New York City. The meeting was organized by the members of this Coalition with the hope that other labor representatives would realize the importance of presenting a united front on bargaining and legislative issues. We are pleased to report that there was unanimous support for the creation of a Metro-North Labor Coalition, and a second meeting was held on December 16, 1985.

The Metro-North Coalition members have identified numerous common bargaining issues to negotiate jointly, and are in the process of compiling their own analysis of the Railroad's economic position. As examples of the positive developments generated by this Coalition, the various shop crafts on Metro-North have agreed to negotiate jointly on their common issues, and the crafts currently bargaining with New Jersey Transit have agreed to form a similar coalition on that property. The next meeting of the Metro-North Coalition is on January 20, 1985. We will keep you informed regarding this exciting example of rail labor cooperation and solidarity.



Among the individuals who attended the first Metro-North Rail Coalition meeting on November 20, 1985, were: Dick Bernard (BRAC); Pete Puglia (IBEW); Dalt Brennan (IBEW); Ed Farley (UTU); John Lawe (Int. Pres. TWU); Tim Grandfield (TWU); Tom McAdam (TWU); Charles Goetsch (Attorney); Ed Fusco (SMWIA); Joe Burns (IAM); Don Reynolds (ARSA); Bob McKenzie (BRS); George Gavalla (BRS); George Francisco, Jr. (IBF&O); John Mahoney (IBT); Ed Winters (RPBA); and Joe Thomas (UTU-Y).