

Before the Board of Arbitration

In the matter of the Interest Arbitration between:

CHICAGO TRANSIT AUTHORITY

and
Agreements

Wage & Working Conditions

Effective January 1, 2004

AMALGAMATED TRANSIT UNION, LOCAL 241
AMALGAMATED TRANSIT UNION, LOCAL 308

APPEARANCES: JAMES P. DALEY and DAVID NOVAK of Bell, Boyd & Lloyd, LLC, JOSEPH J. STEVENS of Schuyler, Roche & Zwimer, P.C., and DARKA PAPUSHKEWYCH, CTA General Counsel, and KENT RAY, Deputy General Counsel Labor, appeared on behalf of the Authority.

JOSEPH J. PASS of Jubelirer, Pass & Intrieri, P.C., appeared on behalf of Local 241.

JOSEPH M. BURNS of Jacobs, Burns, Orlove, Stanton & Hernandez, appeared on behalf of Local 308.

ARBITRATION AWARD

Amalgamated Transit Union, Local Union #241 and Amalgamated Transit Union #308, hereinafter referred to as Local 241 and Local 308, or the Unions, are parties to Wage and Working Conditions Agreements with the Chicago Transit Authority, hereinafter referred to as the CTA or Authority. By their terms, both agreements are effective from January 1, 2000 to December 31, 2003. Under the terms of both agreements, either party had the right to open the agreement for modifications and/or additions to be effective January 1, 2004, or any anniversary date thereafter, by giving written notice to the other party 60 days prior to such anniversary date. If no agreement is reached within said 60 days, or such further time as both parties may agree upon, the matter is to be submitted to arbitration as provided in Article 14. Timely notices to open the agreements were filed by the Unions and negotiations began on July 6, 2004. The parties were unable to reach agreement on all of the proposed modifications and/or additions within the agreed to 60-day time limit.

The CTA named James P. Daley and Joseph J. Stevens to serve as its appointed arbitrators; Local 241 named Joseph J. Pass to serve as its appointed arbitrator; and Local 308 named Joseph M. Burns to serve as its appointed arbitrator. The four party-appointed arbitrators selected George R. Fleischli to serve as Impartial Chairman.

The Board held an organizational meeting on November 22, 2005 and agreement was reached on a number of procedural matters. Among other things, it was agreed that the party-appointed arbitrators would present evidence, with the assistance of others, and that the parties could substitute another person to serve as a party-appointed arbitrator from time to time if the need arose.

Transcribed, evidentiary hearings were convened on all or a portion of the following dates: December 13, 2005, December 15, 2005, January 18, 2006, January 24, 2006, February 21, 2006, February 22, 2006, March 15, 2006, March 23, 2006, March 27, 2006, April 25, 2006, June 1, 2006 and June 29, 2006.

The Board met in executive session on numerous dates. In some cases the executive sessions occurred prior to or subsequent to one of the evidentiary hearings listed above. In addition, the Board met in executive session on the following dates: March 13, 2006, March 14, 2006, March 28, 2006, March 29, 2006, May 19, 2006, June 22, 2006, June 26, 2006, July 6, 2006 and July 7, 2006.

THE AWARD IS AS FOLLOWS:

- I. **Term of Agreement:** January 1, 2004 through December 31, 2006.

- II. **Wages:**
 - A. Raise all rates of pay by 3%, effective January 1, 2004.
 - B. Raise all rates of pay by 3.25%, effective January 1, 2005.
 - C. Raise all rates of pay by 3.5%, effective January 1, 2006.
 - D. Retroactivity:

All pay shall be retroactive on the basis of 2080 hours and shall have deducted from such sum the employee's customary deductions as of July 10, 2006, and the employee's contribution of 3% to the Pension Plan. Likewise, the employer shall contribute 6% to the Pension Fund, within 14 days of the deduction for the employee's contribution, on such sum representing retroactive wages. Retroactive wages shall be paid by October 1, 2006.

An employee discharged before the payment required above is made, and who is reinstated, is entitled to the retroactive pay increases for the time worked before his/her discharge and any time for which he/she is awarded backpay, regardless of whether the employee is reinstated with or without full backpay.

Employees who left the employ of the Authority prior to July 10, 2006, other than through retirement (disability or otherwise), shall not receive any retroactive pay. Retirees, including employees who retired as a result of disability, shall receive retroactive pay for all hours paid up to the date of his/her retirement and shall have his/her retirement allowance adjusted to reflect the retiree's Compensation as adjusted by the retroactive wage payment.

III. The Rostering Issue:

When hearings began, there were numerous issues in dispute. Perhaps the most contentious issue was the question of whether the practice of "Rostering"—which was introduced under the terms of the 2000 agreements—should be eliminated as the Unions proposed, or extended to other locations as the Authority proposed. Local 241 took the position that, under the terms of its agreement with the Authority, it had the right to have the Rostering procedures eliminated after one year, even though the question of whether they should be eliminated or expanded (or modified) was pending before the Board. Local 241 had filed grievances, alleging that the Authority was in violation of the Local 241 agreement by its failure to eliminate Rostering.

The Authority took the position that the grievances filed by Local 241 were not subject to the regular grievance and arbitration procedure. Nevertheless, in order to expedite this proceeding, the Authority agreed to submit them to the Impartial Chairman, serving as a grievance arbitrator. On April 3, 2006, the Impartial Chairman issued the following award:

"The grievances of the Union are sustained. However, the selection of work for the system and summer pick is scheduled for mid-April, and it would be impossible for the Authority to reschedule those picks. For that reason, the Authority is hereby directed to eliminate all Rostering at the time of the next following pick, currently scheduled to be effective August 27, 2006."

The Board has determined that the following shall be implemented in connection with the elimination of Rostering under both agreements:

Bus System

- Current 7 way/cafeteria style picking will remain.
- Block runs will remain at current 20% level and with the current rules of assignment.
- No Daily Minimum Guarantee.
- No Daily Overtime.
- Weekly overtime only after 40 hours paid (excluding lunch and spread) under the following stipulations:
 - If picked work, must pick a minimum of 38.5 hours of work and perform all of this picked work to be eligible for a weekly forty-hour guarantee. This stipulation includes work as determined by platform and allowances only. Lunch and spread are excluded. If an employee does not pick a minimum of 38.5 hours, he will not be eligible for the weekly forty-hour guarantee.
 - Lunch and spread time will not count toward obtaining the forty hours necessary for weekly overtime.
 - All paid time will count toward the forty-hour weekly guarantee.
 - If work will be assigned under extra board procedures, an employee will receive the 40 hour weekly guarantee if available for all assignments and works as assigned on each of the five specified work days.
 - No runs will be scheduled for less than 7.0 hours of platform time.
 - Maximum hours allowed to be picked within a week will be a maximum of 48 hours during 2006, 47 hours during 2007 and 46 hours during 2008 and thereafter.
 - Whenever during a pick an employee cannot pick sufficient hours to allow them to work a minimum of 38.5 hours for the week, the pick will be stopped and all unpicked work will be filled from the extra board.

- Operators shall not lose any time as a result of shortages of vehicles, breakdowns or any conditions over which they have no control.
- In the first paragraph of section 5.3 relating to spread premium, change "10" to "10.5."
- Swings will be allowed from 0400 hours until 2000 hours under the following restriction: no more than 7% of the swings can start before 0530 hours.
- Lunches on Sunday will be paid 30 minutes.
- Swings will be decreased from current maximum of 40% to 35%.
- All divine 7 holidays plus vacation/VRD time off will be paid at the rate of 8.0 hours daily.
- Extra board will be treated under the same rules as stated above with the exception of someone on a "Show." If an employee does not receive work within the timeframe of the "Show," the employee will receive 8.0 hours of pay for the day and will get eight hours credited toward their weekly guarantee. All sitting time will be credited toward weekly guarantee.
- Any operator who picks at least 38.5 hours per week, who completes all his week's assignments and works additional work shall be paid time and one half for all time in excess of his regular work week. No borrowing.
- If an employee is assigned to attend training/instruction or court as their day's assignment, they will receive what their run pays with a minimum of 8.0 hours of pay.

Other Working Rule Changes

- Allow eligible part timers to pick their earned unpaid vacation at the end of the full time vacation pick. CTA will set the vacation week controls.
- Allow part timers to select their work location during all scheduled system picks based upon their date of hire and will pick at the end of the full time pick. CTA will set the manpower controls.
- Allow part timers to work up to 32 hours per week.
- Bus Service Supervisors will be eligible for spread premium pursuant to the terms of section 5.3, as revised.

- Develop a two garage pilot program designed at reducing absenteeism by allowing any full time employee to recruit a part time employee to work for them to allow them to take a VRD (over the normal required number allowed) or to take an Requested Day Off (RDO). The part time employee who accepts this assignment would be paid at straight time and this time would be over and above their weekly maximum allowed. Both employees would have to acknowledge their willingness to management. Management will authorize this trade by close of next business day (Monday through Friday). A part time employee would be allowed to accept only one such assignment per week. The current practice regarding VRD's shall be retained. The program may be expanded, modified or stopped at the mutual agreement of the parties.
- The Wage and Working Conditions Agreement and side letters will be amended in whatever manner necessary to accomplish the above changes.
- Delete Article 7, "Rostering."
- The position of Bus Repairman will be re-titled Bus Mechanic.
- Future Bus Mechanics' picks will have specific job duties, associated with their general repair activities, listed for each position.

RAIL SYSTEM

- Current 3 way style picking will remain.
- Block runs will remain at current 12.5% level and with the current rules of assignment and pay except no daily overtime.
- No Daily Minimum Guarantee.
- No Daily Overtime.
- Weekly overtime only after 40 hours paid (excluding lunch and spread) under the following stipulations:
 - If picked work, must pick a minimum of 38.5 hours of work and perform all of this picked work to be eligible for a weekly forty-hour guarantee. This stipulation includes work as determined by platform and allowances only. Lunch and spread are excluded. If an employee does not pick a minimum of 38.5 hours, he will not be eligible for the weekly forty-hour guarantee.

- Lunch and spread time will not count toward obtaining the 40 hours necessary for weekly overtime.
- All paid time will count toward the forty-hour weekly guarantee.
- If work will be assigned under extra board procedures, an employee will receive the 40 hour weekly guarantee if available for all assignments and works as assigned on each of the five specified work days.
- No runs will be scheduled for less than 7.0 hours of platform time and there is no cap on scrubs.
- Allow scrubs to be scheduled for rail service work, which will pay actual work time under 7.0 hours and will be worked by extra board personnel. Extra board personnel can work two scrubs within a day's work as long as extra board procedures for assignments are followed. Flagging can be assigned in lieu of one of these scheduled scrubs. CTA may fill the remaining open work from the work books under the same procedures as set forth above.
- Maximum hours allowed to be picked within a week will be a maximum 48 hours during 2006, 47 hours during 2007 and 46 hours during 2008 and thereafter.
- Whenever during a pick an employee can not pick sufficient hours to allow them to work a minimum of 38.5 hours for the week, the pick will be stopped and all unpicked work will be filled from the extra board.
- In the first paragraph of section 5.2(c) relating to spread premium, change "10" to "10.5."
- Swings will be allowed from 0400 hours until 2000 hours under the following restriction: no more than 7% of the swings can start before 0530 hours.
- Paid lunches will be of 30 minutes duration and there are no lunches on swing runs.
- Swings will increase to the level of 30% for weekdays and stay at 10% for Saturdays. Swings have an interval of over 2.0 hours between any two pieces.
- All divine 7 holidays plus vacation/VRD time off will be paid at the rate of 8.0 hours daily.

- Extra board will be treated under the same rules as stated above with the exception of someone on a "Show." If an employee does not receive work within the timeframe of the "Show," the employee will receive 8.0 hours of pay for the day and will get eight hours credited toward their weekly guarantee. All sitting time will be credited toward weekly guarantee.
- If an employee is assigned to attend training/instruction or court as their day's assignment, they will receive what their run/trick pays with a minimum of 8.0 hours of pay.
- On Sunday and holidays, pay will be based upon the hours actually worked with a minimum of 3.0 hour guarantee. (Changes sec. 5.2(d).)
- Individual pieces of work will pay for the hours actually worked with a minimum of 3.0 hour guarantee. (Changes sec. 5.2(b).)

Other Working Rule Changes

- C/A work will not be blocked.
- During weekday scheduled hours of 0600 until 0900 (Monday -- Friday, no holidays), the following rail stations will have C/A's in them regardless of the entry ridership levels:
 - Red Line -- 13 stations -- State Subway between North/Clybourn and Roosevelt Stations.
 - Blue Line -- 13 stations -- Dearborn Subway between Division and Clinton Stations.
 - Elevated Lines -- Loop Elevated Structure -- 8 stations -- State/Lake, Randolph/Wabash, Madison/Wabash, Adams/Wabash, Library/State/Van Buren, LaSalle/Van Buren, Quincy/Wells, Washington/Wells.
 - There is nothing in this agreement which would restrict CTA from opening or closing other stations within any of the three identified rail lines.
- Establish the classification of Rail Instructor III, which will be filled according to the framework of Dean Oorheck's proposal dated March 24, 2006. With the establishment of the position of Rail Instructor III, the position of Key Instructor will be eliminated.
- Develop a two terminal pilot program designed to reduce absenteeism by requiring any employee who wants to trade assignments to identify a qualified

employee who would be willing to trade work assignments within the same work week (Sun. through Sat.). Both employees would have to acknowledge their willingness to trade to management. Management will authorize this trade by close of the next business day (Monday through Friday). The program may be expanded, modified or stopped at the mutual agreement of the parties.

- The Wage and Working Conditions Agreement and side letters will be amended in whatever manner necessary to accomplish the above changes.
- Delete Article 7, "Rostering."

IV. Other Matters:

- All fully-executed tentative agreements will be included in the agreements.
- Except to the extent granted herein, or otherwise resolved by the parties during negotiations and arbitration proceedings, all proposals made by the Authority and the Unions are denied.

THE FOREGOING REPRESENTS THE AWARD IN THIS CASE.

BY THE BOARD OF ARBITRATION THIS 10TH DAY OF JULY 2006:

_____/S/_____
GEORGE R. FLEISCHLI, Impartial Chairman

_____/S/_____
JAMES P. DALEY, CTA Arbitrator
Dissenting

_____/S/_____
JOSEPH J. PASS, Local 241 Arbitrator
Concurring

_____/S/_____
JOSEPH J. STEVENS, CTA Arbitrator
Dissenting

_____/S/_____
JOSEPH M. BURNS, Local 308 Arbitrator
Concurring

July 10, 2006


- There is nothing in this agreement which would restrict CTA from opening or closing other stations within any of the three identified rail lines.
- Establish the classification of Rail Instructor III, which will be filled according to the framework of Dean Oorbeck's proposal dated March 24, 2006. With the establishment of the position of Rail Instructor III, the position of Key Instructor will be eliminated.
- Develop a two terminal pilot program designed to reduce absenteeism by requiring any employee who wants to trade assignments to identify a qualified employee who would be willing to trade work assignments within the same work week (See. through Set.). Both employees would have to acknowledge their willingness to trade to management. Management will authorize this trade by close of the next business day (Monday through Friday). The program may be expanded, modified or stopped at the mutual agreement of the parties.
- The Wage and Working Conditions Agreement and side letters will be amended in whatever manner necessary to accomplish the above changes.
- Delete Article 7, "Rotating."


IV. Other Matters:


- All fully-executed tentative agreements will be included in the agreement.
- Except to the extent granted herein, or otherwise resolved by the parties during negotiations and arbitration proceedings, all proposals made by the Authority and the Union are denied.

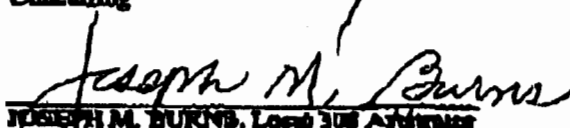
**THE FOREGOING REPRESENTS THE AWARD IN THIS CASE
BY THE BOARD OF ARBITRATION THIS 16TH DAY OF JULY 2006:**


 GEORGE R. FLEISCHI, Impartial Chairman


 JAMES P. DALRY, CTA Arbitrator
 Dissenting


 JOSEPH J. PASS, Local 241 Arbitrator
 Concurring


 JOSEPH J. STEVENS, CTA Arbitrator
 Dissenting


 JOSEPH M. BURNS, Local 308 Arbitrator
 Concurring

DISSENT:

CTA Arbitrator James P. Daley and CTA Arbitrator Joseph J. Stevens dissenting.

These interest arbitration proceedings and the negotiations that preceded them took place in an environment of admitted and ongoing financial crisis for both the Authority and the Retirement Plan for its employees. To alleviate pressures brought about by the structural deficit that has plagued the CTA for years, the Authority has urged state and regional officials to increase funding for transportation in the region. The State of Illinois responded by consolidating regional transit for disabled customers with a mandate for increased efficiency; requesting financial, performance, and management audits of all transit agencies; directing the Authority to separate the funding of its retiree health benefits; and mandating a potential diversion of transit sales taxes to the pension plan for CTA employees beginning in 2009.

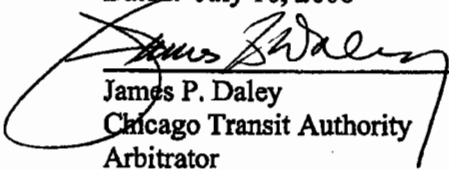
The CTA has responded to these challenges appropriately. In bargaining and in interest arbitration, the CTA made addressing pension and health care issues a top priority, continued to press for greater efficiency and flexibility in operations, and urged restraint in wages. The Authority also proposed certain changes in the benefit structure. These proposals were not only fair and reasonable, they were consistent with the benefit and contribution levels for other public employees, including State of Illinois employees and public teachers. It is simply not sustainable for the CTA pension plan to continue to provide free health care coverage to its retirees. During interest arbitration, the CTA presented hundreds of exhibits and thousands of pages of testimony by management and outside experts in support of all of its proposals, including its proposals for operational efficiencies, active and retiree health care, and retirement funding.

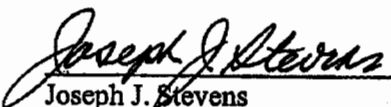
By contrast, the unions sought wage increases far in excess of current national averages, attempted to expand archaic work practices and reverse recent efficiencies, and steadfastly resisted greater sharing of the growing cost of benefits. As for the financial crisis, at the outset of these proceedings, the unions essentially took the position that the General Assembly would ultimately assume responsibility for the CTA's financial crisis, and therefore, the Impartial Chairman should issue an award without taking the facts related to CTA finances and the precarious state of the Retirement Plan into consideration. Well before the award issued, however, state officials made it clear that it was the CTA's responsibility to meet the new statutory requirements without any additional funding or other assistance from the State of Illinois.

In light of this, it is altogether more apparent that this award does nothing to address the critical issues facing this Authority. The most disturbing aspects of the award are that the majority does nothing to begin to resolve the problems that confront the CTA, its employees, and its retirees; does not state why it refuses to act; and, indeed, does not even mention the existence of the core problems. The majority's inaction, the dismantling of rostering, and the award of an unnecessarily large wage increase do nothing to help the CTA or the Retirement Plan meet the challenges they face. In fact, this award makes those challenges worse.

The CTA Arbitrators accordingly dissent from the Award in its entirety.

Dated: July 10, 2006


James P. Daley
Chicago Transit Authority
Arbitrator


Joseph J. Stevens
Chicago Transit Authority
Arbitrator