

**BEFORE
EDWIN H. BENN
ARBITRATOR**

In the Matter of the Arbitration

between

Chicago Transit Authority

and

**Local 241 – Amalgamated Transit Union,
Local 308 – Amalgamated Transit Union**

2007 – 2011 Agreement

OPINION AND AWARD

APPEARANCES:

For the Chicago Transit Authority

Karen Rowan, Esq.
James P. Daley, Esq.

For Local 241 Amalgamated Transit Union

Joseph J. Pass, Esq.

For Local 308 Amalgamated Transit Union

Anita Tanay, Esq.

Dated: June 26, 2007

OPINION AND AWARD

This case comes before this panel of arbitrators at the request of the parties for an expedited hearing and decision. The parties' request is occasioned by certain proposed legislative action being contemplated by the Illinois government, which is designed to remedy a long standing financial problem with the parties' pension and retiree health and welfare funding. From the evidence and arguments of the parties, it is clear that the parties' Pension Fund and retiree health insurance is in dire financial straits and in desperate need of major additional funding. The cause of this financial plight is not due to any actions of the current employer or union administrations but results from a variety of reasons stretching back to the mid-1980's.

The Illinois Legislature, with the input and support of interested parties, is considering an immediate solution for these major problems. In order to assure the Illinois Legislature and the Governor that the parties' collective bargaining agreement will not conflict and will be consistent with the objectives of providing financial stability to the CTA and the employees' pension and retiree health and welfare insurance, it is incumbent that an immediate decision by the Board of Arbitration occurs. Therefore, the parties have agreed that the jurisdiction of this panel to issue an arbitration award in this matter is expressly conditioned upon the passage into law of legislation which contains substantially the terms and conditions set forth in the attached Exhibit A. In the event such legislation is not passed into law, this Award shall be void and of no effect whatsoever. Therefore, based upon the conditions set forth above, the Board of Arbitration awards as follows:

I. Term of Agreement:

January 1, 2007 – December 31, 2011

II. Wages:

2007 -	3% wage increase effective when the legislature passes the funding package and it becomes law
January 1, 2008 -	3% wage increase
January 1, 2009 -	3% wage increase
January 1, 2010 -	3.5% wage increase
January 1, 2011 -	3.5% wage increase

III. Retirement Plan:

- A. Counsel for the parties shall be permitted to participate in all Funds meetings.
- B. A one-time ad hoc pension adjustment of not more than 2.5 million dollars will be effective for retirees and/or survivors upon mutual agreement of the parties on or about July 1, 2008.

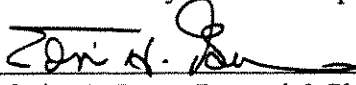
IV. Other Matters:

No other changes to the Agreement shall be made except those in Exhibit A attached to this Award.

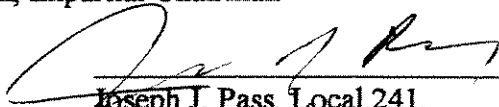
Except where specifically stated otherwise, each of the foregoing terms of this Arbitration Award will be effective on the date of the Award. The Wage and Working Conditions Agreement between the CTA, Local 241 and Local 308 shall be amended in whatever manner necessary to accomplish the findings of this Board of Arbitration.

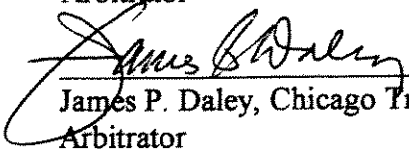
Except to the extent granted herein or otherwise resolved by the parties during the arbitration proceedings, all proposals made by the Authority and the two Unions are denied.

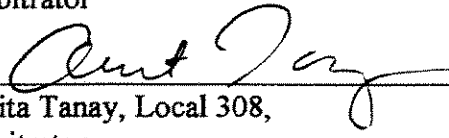
As may be expected, in the Board's deliberations there were many disagreements among the Board members concerning the merits of the many proposals and the manner in which these proposals should be resolved. The signing of the Award, therefore, does not necessarily reflect full assent to all terms of the Award by each of the parties' arbitrators.


Edwin H. Benn, Impartial Chairman


Karen Rowan, Chicago Transit Authority
Arbitrator


Joseph J. Pass, Local 241,
Arbitrator


James P. Daley, Chicago Transit Authority
Arbitrator


Anita Tanay, Local 308,
Arbitrator