HOUSE BILL REPORT

HB 1348

As Reported By House Committee on:
Commerce & Labor

Title: An act relating to providing for arbitration in public transportation labor negotiations.

Brief Description: Providing for arbitration in public transportation labor negotiations.

Sponsor(s): Representatives Prentice, Heavey, Winsley, Jones, Dellwo, R. King, Franklin, R. Fisher, Phillips, Ebersole, O'Brien, Cole, G. Fisher, Basich and Jacobsen.

Brief History:
Reported by House Committee on:
Commerce & Labor, February 15, 1991, DPA.

HOUSE COMMITTEE ON COMMERCE & LABOR

Majority Report: *Do pass as amended.* Signed by 9 members: Representatives Heavey, Chair; Cole, Vice Chair; Franklin; Jones; R. King; O'Brien; Prentice; Vance; and Wilson.

Minority Report: *Do not pass.* Signed by 2 members: Representatives Fuhrman, Ranking Minority Member; and Lisk, Assistant Ranking Minority Member.

Staff: Chris Cordes (786-7117).

Background: In 1964, the U.S. Congress passed the Urban Mass Transportation Act (UMTA) to provide financial assistance to state and local governments for the development of mass transportation systems. This included providing financing for the acquisition of already-existing private transit systems. A state or local government may not receive these funds, however, unless the agency enters into an agreement, known as a "Section 13(c) agreement," which details the conditions the state or local government must meet.

One of the conditions to receiving federal assistance requires employers to preserve the rights, privileges and benefits to employees under existing collective bargaining agreements. Until 1982, the Secretary of Labor and the lower federal courts required that transit employers provide

their employees with a right to interest arbitration for labor disputes, because as public employees, they no longer had a right to strike.

In 1982, however, the U.S. Supreme Court held that disputes arising under Section 13(c) agreements must be decided in state courts according to state law. Under current Washington law, transit workers do not have the right to interest arbitration.

Summary of Amended Bill: If a collective bargaining agreement for the transit system has not been negotiated within 60 days of the commencement of bargaining between a labor union and a local government transportation authority, then either party to the negotiations may demand mediation. If final agreement is not reached within 60 days of the commencement of mediation, then either party may demand binding arbitration.

Amended Bill Compared to Original Bill: After either a labor union or a mass transit authority have demanded mediation, the time required before either side can demand arbitration is 60 days rather than 30 days.

Fiscal Note: Not requested.

Effective Date: Ninety days after adjournment of the session in which bill is passed.

Testimony For: As public employees, transit system personnel cannot strike and need a "fair" way in which to resolve contract disputes. Because arbitration is expensive and because it places the ultimate decision making power in a third party, its use is inherently limited to that of a last resort.

Testimony Against: Arbitration is expensive and the anticipation of it chills productive negotiations. Arbitration is not an option for most public employees and should continue to be restricted to essential personnel. Transit employees are not essential personnel in most cities and counties.

Witnesses: Don Heyrich, Dan Lindel and Don Hansen, Amalgamated Transit Union (in favor); Jon Rosen, Counsel, Amalgamated Transit Union (in favor); Larry Kenney, Washington State Labor Council (in favor); Kathleen Collins, Association of Washington Cities (opposed); Dick Goldsmith, Washington State Transit Association, (opposed); and Jan McGowen, Pierce County Transit (opposed).