

FOR IMMEDIATE RELEASE

PORT AUTHORITY BOARD ACCEPTS FACT FINDER'S REPORT

Pittsburgh, PA – The Port Authority Board of Directors today accepted the contract recommendations contained Ms. Jane Rigler's Fact Finding report regarding Port Authority's collective bargaining agreement with ATU Local 85 representing 2,465 bus drivers, rail operators, mechanics and clerical workers.

"The action taken today by the Port Authority Board clearly demonstrates the Board's dedication toward the continuation of public transit service in Allegheny County by setting a foundation that ensures the future sustainability of our transit system," said Port Authority Chief Executive Officer Steve Bland. "If also ratified by ATU Local 85, Ms. Rigler's recommendations would amount to the single most significant restructuring of the Port Authority's labor costs in its history, while maintaining competitive wages and benefits for our employees."

The primary recommendations in the fact finder's report include, among others:

- A 3% wage increase in each of the three years of the contract
- A three-year phasing out of utilization of unused sick time toward years of service
- Elimination of a \$500 a month pension supplement
- A phased-in increase of employee healthcare cost contribution to triple their current levels by year three of the contract
- Curtailment of the post-retirement healthcare eligibility system, increasing age and years of service required for eligibility

While the Fact Finder's report does not solve every issue that was on the table during negotiations, the recommendations do address Port Authority's two main goals for an affordable and fair collective bargaining agreement: to rein in healthcare and post-retirement benefits costs and to establish the basis on which the Authority can build a better and more efficient public transit system.

“A collective bargaining agreement that incorporates these recommendations would reduce Port Authority’s healthcare, pension and legacy costs by nearly \$88 million over the three years of the contract,” said Port Authority Board Member Joan Ellenbogen. “This report also significantly addresses the Authority’s post-retirement pension and healthcare costs beyond the term of the contract by encouraging employees to provide more years of service and to retire at an older age, which significantly reduces Port Authority’s future legacy costs.”

In her Fact Finding Report, Ms. Rigler reminded both parties that her report must be accepted or rejected “in toto,” and she further states: “Throughout the fact-finding process it has been made plain to the bargaining representatives of the Authority and the Union that their respective constituencies must be prepared to live with recommendations considerably less attractive than each would like.”

“Further dragging out negotiations would be costly and potentially unproductive for Port Authority, and most troubling, potentially catastrophic to the community we serve in the event of a strike by ATU Local 85,” said Port Authority Board Chairman Jack Brooks.

If ATU Local 85 also accepts the Fact Finder’s report later today, it would serve as the framework for a new collective bargaining agreement and enable Port Authority to concentrate more fully on its Connect ‘09 initiatives.

“We are hopeful that the union agrees that the Fact Finder’s Report represents a win-win situation for both management and union,” said Port Authority Board Member Richard Taylor. “Settling this contract now will enable Port Authority to place all of its focus on accomplishing the service efficiencies and cost saving that will result from our Transit Development Plan and Smart Card initiatives. We look forward to working with Local 85 and its members on these vital efforts, which will shape the future of public transit in our region.”

The Fact Finder’s Report is the culmination of a 45-day fact finding period, which began with the Pennsylvania Labor Relation Board’s appointment of Ms. Rigler as Fact Finder on July 15, 2008. Ms. Rigler issued her report to both parties on August 29th and the parties then had 15 days to accept or reject her report. That 15-day period expires on Saturday, September 12, 2008.

“On behalf of the Port Authority Board, I would like to thank Ms. Rigler for her careful and thoughtful consideration of the facts and for presenting a report that fairly balances the interest of our employees, the transit riders and the taxpayers,” said Mr. Brooks.