



SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT

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June 25, 2013

2013

Tom Radulovich
PRESIDENT

Joel Keller
VICE PRESIDENT

Grace Crunican
GENERAL MANAGER

The Honorable Jerry Brown
Governor, State of California
State Capitol Building
Sacramento, CA 95814

RE: BART Labor Contract Negotiations

DIRECTORS

Gail Murray
1ST DISTRICT

Joel Keller
2ND DISTRICT

Rebecca Saltzman
3RD DISTRICT

Robert Raburn
4TH DISTRICT

John McPartland
5TH DISTRICT

Thomas M. Blalock, P.E.
6TH DISTRICT

Zakhary Mallett
7TH DISTRICT

James Fang
8TH DISTRICT

Tom Radulovich
9TH DISTRICT

Dear Governor Brown:

Every traveler, resident, commuter and business owner in the region has a stake in the outcome of BART's labor negotiations, which have been underway since April 1. At stake are issues that critically affect the future of the District itself – the need to reinvest in the 40-year old system and its financial and operational sustainability.

Our General Manager, Grace Crunican, has been in regular conversation with Labor Secretary Marty Morgenstern about our progress. Last week, BART requested a State Mediator to help move the negotiations forward.

As you know, our labor agreements expire on June 30. We are committed to reaching a final settlement by that date. However, if an agreement is not reached, we ask that you do not grant a 60 day cooling-off period should union leaders request one. We are committed to negotiating in earnest up to the June 30 deadline, and to continue until we reach an agreement, as we did four years ago. However, should an impasse in negotiations prompt a strike, the impact on the Bay Area and the state will be lessened if it occurs during the summer, when schools are not in session and many residents are out on vacation. A 60-day cooling off period would shift the potential of a work stoppage from the summer months, when both ridership and freeway traffic levels are typically at their lowest, to September, which is historically one of our highest ridership months in the year.

Just as critically, the issues of pension and health care contributions, salary increases and work rules should be settled now and not postponed. An unnecessary delay of 60 days would only put off hard choices that will have to be made in order to reach an agreement.

At 40 years old, BART is at a critical point in its history. The system is aging and needs about \$6 billion over the next 10 years to maintain its on-time performance rate at 95%. The Board of Directors has taken prudent steps to set aside funding in each of the last two years to replace and expand our aging fleet of train cars and modernize the critical systems and maintenance shops necessary to maximize their performance.



Meanwhile, the cost of providing benefits to the workforce has nearly quadrupled over the past decade, far outpacing BART's ridership growth, revenue growth, and the rate of inflation. The State has required some cost sharing from its own employees recently to accomplish some of the same goals that dominate our labor talks. While you require an 8% contribution from employees to pension and a 20% contribution to health care, BART employees pay nothing for pension and 5% of health care premium costs.

We are committed to a fair agreement that will provide a living wage and preserve pension and health care benefits for our employees, while helping BART stave off dramatic fare increases and service reductions in the coming years. Recent polling indicates that our labor proposal is consistent with the views of the people who fund us – our riders and taxpayers. More than 70% of the Bay Area public believes that our employees should pay a portion of pension costs and partner in escalating health care costs.

We must prepare to provide 500,000 to one million daily trips in the decades ahead. A strong BART will help the Bay Area, and California, stay livable, economically strong, and environmentally sustainable.

Please allow us to work with the state mediator to reach a resolution this summer.

Thank you for your consideration.

Sincerely,

A handwritten signature in cursive script that reads "Tom Radulovich". The signature is written in black ink and is positioned above the typed name and title.

Tom Radulovich
President