

TRANSIT, LABOR, AND THE TRANSITION TO PUBLIC OWNERSHIP IN  
ATLANTA AND OAKLAND

by

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## **DEDICATION**

Dedicated to Julie and Eleanor.

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## LIST OF ABBREVIATIONS

1964 Urban Mass Transportation Act.....	1964 UMTA
Alameda-Contra Costa Transit .....	ACT
Amalgamated Transit Union.....	ATU
Amalgamated Transit Union Local Division 192.....	Local 192
Amalgamated Transit Union Local Division 732.....	Local 732
American Public Transportation Association .....	APTA
Atlanta Transit System.....	ATS
Bay Area Rapid Transit .....	BART
Metropolitan Atlanta Rapid Transportation Authority .....	MARTA
National Mass Transportation Assistance Act.....	NMTAA
San Francisco Bay Area.....	Bay Area
San Francisco Bay Area Metropolitan Transportation Commission .....	MTC
San Francisco Municipal Railway .....	Muni
United States Department of Labor .....	DOL
United States Department of Transportation .....	DOT
United States Urban Mass Transportation Administration.....	UMTA

## **ABSTRACT**

### **TRANSIT, LABOR, AND THE TRANSITION TO PUBLIC OWNERSHIP IN ATLANTA AND OAKLAND**

William Jordan Patty, Ph.D.

George Mason University, 2021

Dissertation Director: Dr. Zachary M. Schrag

This dissertation explores the transition of mass transit systems from private to public ownership that cities began exploring with more frequency in the 1950s, and then accelerated rapidly in the 1960s following the passage of the Urban Mass Transportation Act in 1964 (1964 UMTA). As the largest American transit union, the Amalgamated Transit Union (ATU) played an important role in that transition by securing collective bargaining rights in the 1964 UMTA as they looked to ensure that all of their members could transition to the public employment sector with job security.

Though the ATU discouraged strikes and sought solutions at the bargaining table, its local unions had not always followed that policy, particularly during the World War I era. During World War II, many ATU members, including some women, enjoyed better contracts as the federal war effort pumped money into the local economies of cities like Oakland and Atlanta. This structure of private transit companies, with stockholders

receiving dividends, fell apart quickly in the 1950s for a number of reasons, one of which was the demands of organized labor for higher wages to match the rapid rise in inflation, something cash-strapped transit systems like the Key System in Oakland could not afford. A transit district created under California state law, Alameda-Contra Costa Transit (ACT) purchased the Key System. Due to the involvement of the ATU local division, Local 192, the state law included provisions for the Key System union members to become public employees with their collective bargaining rights intact when ACT took over operations in 1960.

ATU viewed this transition to public ownership with collective bargaining rights as a critical element in state legislation. By this time, though, some states, such as Georgia, had implemented “right-to-work” and other anti-labor laws that complicated this strategy. As the legislation that would become the 1964 UMTA wound through Congress, ATU successfully included the preservation of nationwide collective bargaining rights under what would be called Section 13(c). When the Metropolitan Atlanta Rapid Transit Authority (MARTA) sought the support of ATU Local 732 for the 1968 funding referendum to purchase the private Atlanta Transit System, Local 732 refused to support it because MARTA had offered mixed signals that they would be honoring Section 13(c). After changes to the state transit legislation that explicitly stated the continuation of collective bargaining rights, Local 732 supported the passage of the funding referendum in 1971.

The collective bargaining protections that Local 192 and Local 732 enjoyed differentiated them from other public sector unions, but they shared a similarity in

regards to both interunion and intraunion fights typical of the 1960s and 1970s. A younger and more diverse workforce joined both Local 192 and Local 732. These new workers pushed both the transit management and their local officers to improve contracts, working conditions, and other matters that they believed the public transit systems could afford unlike the old private transit systems. In addition to managing these expectations in their own local divisions, the officers of Local 192 and Local 732 watched out for non-transit unions encroaching onto their turf, and Local 192 utilized Section 13(c) to fend off encroachment in order to secure priority employment at the new Bay Area Rapid Transit for ACT workers who might be displaced as a result of the competing rapid transit system.

By the 1970s, the majority of urban mass transit systems in the United States operated under public ownership, supported by a mixture of federal and state funds as well as passenger fare revenue. As the experience of Atlanta and Oakland will show, the transition from private to public initially delivered on promises made by transit supporters in both cities to turn around financially strapped private systems, but contracts between labor and management became difficult for transit management to justify as the economy soured in the 1970s. In an era of backlash against public employees, various groups believed that ATU local divisions benefited at the public expense, and this opposition would endanger ATU collective bargaining rights at both the state and federal levels.

## INTRODUCTION

In 2020 bus drivers experienced some of the worst aspects of the coronavirus pandemic with disruptions to their work that included no longer collecting fares as riders entered through the rear door, attempting to maintain mask mandates, and avoiding getting sick. Unfortunately, the latter was unavoidable as many workers contracted the virus and some died.<sup>1</sup> A similar scenario played out during the 1918 influenza pandemic when so many operators and conductors died that the Amalgamated Transit Union (ATU) increased dues to boost the death benefit funds. In a sense, bus drivers working on the frontline during the 2020 pandemic was just another day at the office in a hazardous occupation that had been that way ever since operators and conductors began their workday in the 19th century.

This dissertation examines workers in the ATU, the largest United States transit union, in two cities, Oakland, California, and Atlanta, Georgia, as they established their local divisions in the first quarter of the 20th century and pushed for wage increases, more benefits, and improved working conditions using a variety of methods in the

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<sup>1</sup> Luz Lazo, "Plastic Barriers Protected Bus Drivers from Assaults. Now They Shield Them from the Coronavirus.," *Washington Post*, December 30, 2020, [https://www.washingtonpost.com/local/trafficandcommuting/bus-driver-barriers-coronavirus/2020/12/29/7e4ce230-3e1a-11eb-8bc0-ae155bee4aff\\_story.html](https://www.washingtonpost.com/local/trafficandcommuting/bus-driver-barriers-coronavirus/2020/12/29/7e4ce230-3e1a-11eb-8bc0-ae155bee4aff_story.html); Jennifer Gonnerman, "A Transit Worker's Survival Story," *The New Yorker*, August 31, 2020, <https://www.newyorker.com/magazine/2020/08/31/a-transit-workers-survival-story>; Christina Goldbaum, "When a Bus Driver Told a Rider to Wear a Mask, 'He Knocked Me Out Cold,'" *The New York Times*, September 18, 2020, <https://www.nytimes.com/2020/09/18/nyregion/mta-bus-mask-covid.html>; Laura J. Nelson, "'We Are Essential, Too.' L.A. Metro Bus Drivers Protest for Coronavirus Hazard Pay," *Los Angeles Times*, July 11, 2020, sec. California, <https://www.latimes.com/california/story/2020-07-10/la-metro-bus-drivers-hazard-pay-coronavirus-covid19-transit-workers>.



following decades. The remainder of the dissertation examines the efforts of the union members at the local division level as well as at the ATU level to ensure the continuation of bargaining rights as the transit systems in both cities transitioned from private to public ownership.

Why Atlanta and Oakland? There are several key reasons to utilize these cities as case studies. An important one is the availability of a large corpus of primary source records. The dissertation largely relies on the records of the two local divisions, Local 192 of Oakland and Local 732 of Atlanta, which have not previously been studied in depth.

Another reason to study the two cities is the contrast between the shift to public ownership in the 1950s as happened in Oakland with Alameda-Contra Costa Transit (ACT) versus the shift to public ownership in the 1960s as happened in Atlanta with the Metropolitan Atlanta Rapid Transit Authority (MARTA). This decade of difference in the transition resulted in a different relationship between the new public transit agencies and the federal government, particularly in relation to the critically important Section 13(c) that protected collective bargaining rights found in the 1964 Urban Mass Transportation Act (1964 UMTA).<sup>2</sup> Both Local 192 and Local 732 wielded (or attempted to wield) the power of 13(c) in different ways in the post-transition period in the 1970s. Despite these differences, the two local divisions ended up in similar circumstances by

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<sup>2</sup> Section 13(c) was originally designated as 10(c) in the 1964 act, then redesignated 13(c) in the 1966 amendment. See “Urban Mass Transportation Act of 1964,” Pub. L. No. 88–366, 302 (1964), <https://www.govinfo.gov/content/pkg/STATUTE-78/pdf/STATUTE-78-Pg302-2.pdf>; “Urban Mass Transportation Act of 1964, Amendment,” Pub. L. No. 89–562, 715 (1966), <https://www.govinfo.gov/content/pkg/STATUTE-78/pdf/STATUTE-78-Pg302-2.pdf>.

1980 as the transit agencies attempted to roll back contract wins the two local divisions achieved in the 1970s.

Finally, the two cities are useful to study because of their association with the rapid growth of the “Sunbelt” region beginning in the mid-20th century. Although Oakland and the Bay Area geographically fall North of the “consensual” Sunbelt where Georgia is located, it is part of the “economic” Sunbelt. Both cities benefited from the World War II home front economic recovery from the Depression and from the economic expansion that followed. In order to efficiently move workers around these two metropolitan areas, mass transit played an important role as politicians and others looked to modernize in order to maintain their competitive edge.<sup>3</sup> Increasingly, it became apparent that modernization would require government financial support. In Oakland, Local 192 accelerated this process with a strike against the run-down private Key System Transit Lines in the early 1950s, and Local 732 conditioned their support for a public system only if they could be guaranteed collective bargaining rights.

The topic of mass transit and labor history in the United States after 1945 has not received a lot of scholarly attention with the exception of *In Transit: The Transport Workers Union in New York City, 1933-1966* by Joshua B. Freeman and *Running the Rails: Capital and Labor in the Philadelphia Transit Industry* by James Wolfinger as well as some unpublished works.<sup>4</sup> Wolfinger correctly notes that mass transit history

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<sup>3</sup> Carl Abbott, *The New Urban America: Growth and Politics in Sunbelt Cities* (Chapel Hill: University of North Carolina Press, 1987), 24–35.

<sup>4</sup> Joshua Benjamin Freeman, *In Transit: The Transport Workers Union in New York City, 1933-1966* (New York: Oxford University Press, 1989); James Wolfinger, *Running the Rails: Capital and Labor in the Philadelphia Transit Industry* (Ithaca: Cornell University Press, 2016); William Harris Durand, “History of the Union-Management Relations in the San Antonio Transit System, 1959-1976” (M.B.A., Austin,

typically “focused on two areas: technological advances that made urban transit systems faster and more efficient, or the impact public transportation had on the growth and development of cities.”<sup>5</sup> His book, indeed, accomplishes centering labor in transit history, though it focuses on a privately owned transit system and ends in the 1960s. The other issue with that existing labor transit scholarship is that the focus tends to be on a single transit system and the labor union. This dissertation will explore the role of Local 192 and Local 732 in the transition from public to private transit ownership that took place in the 1960s through the 1980s.

The most comprehensive study of the transit companies and industrial relations is *From Private to Public: Labor Relations in Urban Mass Transit* (1977) by Darold T. Barnum,<sup>6</sup> although it is largely based on information gathered prior to the 1970s and does not mention other labor unions or the social and political climate of the time. Barnum includes MARTA and ACT in the study, but the description of the two systems, along with many others, is spread out over the entire book with different systems compared to each other in different tables. This arrangement makes it difficult to contextualize the systems within the national picture.

Much of the work produced by labor scholars prior to the 1990s focused on the nineteenth century through the 1930s, but this changed as historians began to examine the labor movement in the context of civil rights, deindustrialization, and labor-management

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University of Texas, 1976); Ryan Daniel Wilhite, “Riding Red Ink: Public Ownership of Mass Transit in Indianapolis” (M.A., Bloomington, University of Indiana, 2011); William Jordan Patty, “Little Rock Public Transit in Postwar America, 1950-1972” (M.A., University of Arkansas, 2003).

<sup>5</sup> Wolfinger, *Running the Rails*, 5.

<sup>6</sup> Darold T. Barnum, *From Private to Public: Labor Relations in Urban Mass Transit* (Lubbock, Tex.: College of Business Administration, Texas Tech University, 1977).

relations.<sup>7</sup> The 1930s for a long time has been the focus of a lot of attention, particularly the Congress of Industrial Organizations (CIO) that split from the American Federation of Labor (AFL) in 1935 due to disagreements about the AFL's focus on craft unions rather than mass mobilization of industrial workers. Both union and non-union workers found themselves in an advantageous position as a result of the large scale production during World War II. These advantages though, would not last as business leaders lobbied for less union power following the war.<sup>8</sup>

Strikes in manufacturing sectors, such as automobile and steel, may have convinced transit unions that they too could secure the stable contracts and improved benefits of their fellow unions. Even though many unions reached favorable agreements with company owners, historians have disagreed over whether this was good or bad for the labor movement as a whole. Nelson Lichtenstein and Mike Davis both argued that these agreements led to complacency and only further influenced the leadership to expel radicals from the unions. However, the benefits of this labor peace helped establish the large middle class and an improvement in workplace conditions according to Derek Bok and John Dunlop, two experts on industrial relations. But the protections that Bok and Dunlop trumpet also tied the unions to the Democratic Party in order to prevent further erosion of the Wagner Act.<sup>9</sup>

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<sup>7</sup> Joshua B. Freeman, "Labor During the American Century: Work, Workers, and Unions Since 1945," in *A Companion to Post-1945 America* (Oxford: Blackwell Publishing Ltd, 2006), 192.

<sup>8</sup> Freeman, 193–94.

<sup>9</sup> Freeman, 195–96.

I believe that my dissertation will aid in filling in some of the missing story about AFL unions, which ATU belonged to since the late 19th century. As Freeman points out, much of the focus by historians has been overwhelmingly on the CIO, particularly their much more radical stance on labor issues than the AFL. However, looking at individual unions within the AFL (and later the AFL-CIO) could reveal some deviations from that narrative. For instance, some ATU local divisions (later call local unions) did not always follow the strike-averse stance of the ATU.<sup>10</sup> One book that includes ATU local divisions and their relationship with the international is *ATU 100 Years*<sup>11</sup>, published by the union to celebrate its 100th anniversary. It traces the chronology of the union and the major issues, but it is remarkably one-sided. Primarily a compilation of stories from the union newspaper *In Transit*, the focus is exclusively on the ATU.

The final areas I see my dissertation adding to the scholarship are in the rise of public employee unions in the 1960s and the increasing number of strikes in the early 1970s. As the AFL-CIO lost private sector membership in the 1960s as a result of deindustrialization, it began gaining new members as a result of organizing by public employee unions. The deindustrialization along with inflation in the early 1970s led to strikes by union members in multiple industries, and they also expressed dissatisfaction towards the union leadership on what they saw as less than satisfactory results from contract negotiations.<sup>12</sup> *Rebel Rank and File: Labor Militancy and Revolt from below*

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<sup>10</sup> Freeman, 197–98.

<sup>11</sup> Amalgamated Transit Union, *A History of the Amalgamated Transit Union* (Washington, D.C.: Amalgamated Transit Union, 1992), 195–96.

<sup>12</sup> Freeman, “Labor During the American Century,” 201–2.

during the Long 1970s<sup>13</sup>, an edited volume of essays, describes the changes in the labor movement in the late 1960s and into the 1970s, and other works focus on the same time period and the militancy of public employees in particular and militancy of workers in New York City.<sup>14</sup> The ATU fits into this framework because of how the membership essentially shifted from being in the private sector in the 1960s to the public sector in the 1970s. Although the ATU leadership promoted this shift as beneficial to the union membership, the public transit systems struggled in the 1970s as well, and workers walked off the job in numerous cities, including Atlanta and Oakland, even though as public employees they were expected to avoid such activities.

With regards to Atlanta, there are several analyses of the creation of MARTA as well as studies of Atlanta suburban growth and politics. An example of that is Clarence N. Stone's *Regime Politics: Governing Atlanta, 1946-1988*,<sup>15</sup> a comprehensive study of Atlanta politics from 1946 to 1988 that provides an overview of the political atmosphere and describes the importance of the white business elite in the formation of civic projects such as MARTA. The book also details the political importance of the black population in Atlanta, which played a role in the vote that authorized the takeover of the Atlanta

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<sup>13</sup> Aaron Brenner, Robert Brenner, and Cal Winslow, eds., *Rebel Rank and File: Labor Militancy and Revolt from below during the Long 1970s* (London : New York: Verso, 2010).

<sup>14</sup> Joseph A. McCartin, "'Fire the Hell out of Them': Sanitation Workers' Struggles and the Normalization of the Striker Replacement Strategy in the 1970s," *Labor* 2, no. 3 (2005): 67–92; Joseph A. McCartin, "An Embattled New Deal Legacy: Public Sector Unionism and the Struggle for a Progressive Order," in *Beyond the New Deal Order: U.S. Politics from the Great Depression to the Great Recession*, by Gary Gerstle, Nelson Lichtenstein, and Alice O'Connor (Philadelphia: University of Pennsylvania Press, 2019); Glenn Dyer, "Final Call: Rank-and-File Rebellion in New York City, 1965-1975" (Ph.D., New York, The City University of New York, 2018).

<sup>15</sup> Clarence N. Stone, *Regime Politics: Governing Atlanta, 1946-1988* (Lawrence, Kan.: University Press of Kansas, 1989).

Transit System (ATS) by MARTA. Yet it overlooks ATU and how it fits into urban history of Atlanta. Unfortunately, such neglect is all too common in the historiography. The history of transit planning and union activity in the postwar period often omits the ATU or if the ATU is discussed, it is without context with regards to the larger U.S. history.

On the ACT and the East Bay, there is a dearth of secondary sources. There are some articles, but they focus primarily on Bay Area Rapid Transit (BART) in the discussions on transit. There are works on postwar history of Oakland and the East Bay, such as Robert O. Self's *American Babylon: Race and the Struggle for Postwar Oakland*<sup>16</sup>, but that work focuses on suburban growth and politics more than on transit in particular. However, the book does have a lot on labor unions in general and their role in the suburban growth. There are several works on East Bay mass transit that illuminate different aspects or chronological periods.<sup>17</sup> Vernon J. Sapper's *Key System Streetcars: Transit, Real Estate and the Growth of the East Bay* describes the early years of the what would become the Key System, though it largely focuses on the development of the system and technology changes. Seymour Mark Adler's "The Political Economy of Transit in the San Francisco Bay Area, 1945-1963" highlights the public policy choices made with the creation of ACT and BART in the context of the postwar development and

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<sup>16</sup> Robert O. Self, *American Babylon: Race and the Struggle for Postwar Oakland* (Princeton, N.J: Princeton University Press, 2003).

<sup>17</sup> Vernon J. Sappers, *Key System Streetcars: Transit, Real Estate and the Growth of the East Bay* (Wilton, CA: Signature Press, 2007); Seymour Mark Adler, "The Political Economy of Transit in the San Francisco Bay Area, 1945-1963" (Ph.D., Berkeley, University of California, 1980); Katrinell Davis, *Hard Work Is Not Enough: Gender and Racial Inequality in an Urban Workspace* (Chapel Hill: The University of North Carolina Press, 2016).

competition among cities in the Bay Area. While this work takes into account the importance of Local 192 in the creation of ACT, the union is situated within the larger public policy debate rather than independently making its own strategic decisions. A sociological study, *Hard Work Is Not Enough: Gender and Racial Inequality in an Urban Workspace*, by Katrinel Davis, includes primary sources from the same Local 192 records as this dissertation, though the author focuses more on records that document discrimination against African American women from management, co-workers, and riders, and the chronological period extends beyond the period covered by this dissertation. All three of these works provided context for how to approach the Local 192 records to bring out a more complex story.

Although this dissertation will focus on the mid-to-late 20th century, it will begin with an important discussion of the development of both mass transit and the ATU in the late 19th century followed by a chapter on the divergent directions that the transit systems in each city took following major strikes in the late 1940s and early 1950s. Chapter One and Chapter Two include both Local 192 and Local 732 to highlight similarities of the local divisions and the transit systems that they worked for up until 1960. The remaining six chapters are divided equally between each city with Oakland followed by Atlanta since Oakland transitioned to public ownership first. The chapters are organized thus:

### **Chapter 1: Growth of Cities, Mass Transit, and Labor**

This chapter provides a brief introduction to the urban development of Atlanta and Oakland in the 19th and early 20th centuries and the role of mass transit in that development. Along with the development of mass transit, the organization of workers



by the ATU into Local 732 in Atlanta and Local 192 in Oakland impacted the operations of the mass transit systems in the 1910s as the transit companies found that they would face strikes if they did not meet the demands of workers for higher wages and better working conditions. This chapter will show that the transit companies attempted to develop more stable relationships with the locals by the 1920 and 1930s as the transit systems expanded as a result of financial restructuring and changes in equipment to meet the needs of growing cities. A common point for both transit systems was the acknowledgement by the National War Labor Board (NWLB) during World War I that private transit systems struggled to make enough revenue to meet contracts that would pay their workers a fare livable wage. The federal government mobilization during World War II essentially masked over continuing problems with the private mass transit industry while simultaneously providing good times for Local 732 and Local 192. By the 1940s, the transit systems experienced capacity ridership with World War II, and both Local 732 and Local 192 shared in that prosperity, although women and people of color could still not take advantage of all jobs available in those transit systems.

## **Chapter 2: Private Transit and Labor in the 1950s**

This chapter provides a brief introduction to the challenges faced by transit systems in the United States following World War II then look at how that situation evolved in Atlanta and Oakland. Both Atlanta and Oakland experienced transit worker strikes similar to other parts of the country, and citizens in both cities recognized the importance of reliable mass transit to handle population growth. Transit systems in Atlanta and Oakland diverged in their responses to the labor upheaval and changes in the urban environment.

The Atlanta transit system remained in private control while the Oakland transit system transitioned to public ownership. In Oakland, the experience with the Key System under the ownership of National City Lines soured the public and elected officials on relying on private ownership to improve and expand the system to handle the explosive growth in population and traffic in the Bay Area. In order to complete this transition to a public system, Alameda-Contra Costa Transit (ACT), Local 192 had to form a coalition with citizens' groups as well as local and state elected officials. In both cases, the local unions demonstrated their influence over the future of the transit systems. In Atlanta, a private local group stepped forward with a financial plan to operate the system which had been maintained by the Georgia Power Company. The new ownership group received permission by the state public service commission to pursue financial restructuring plans that would make cash available for operations they would otherwise have had to spend on equipment maintenance and taxes. Despite this success gaining financial relief, the new Atlanta Transit System (ATS) still had to navigate contract negotiations with Local 732 and the desegregation of public transit.

### **Chapter 3: Labor-Management Relations Under Public Ownership in Oakland**

Similar to the changes at local unions across the country, the Local 192 membership elected new leadership in the 1966 election that included African American and Spanish-surname candidates. Edward A. Cordeiro won a significant victory as the vice president for the operating department on a platform of workplace safety, unnecessary discipline of drivers by supervisors, and potential impact of the Bay Area Rapid Transit (BART) on ACT driver jobs. Despite his tendency for unprofessional confrontation with both Local

192 officers and ACT management, Cordeiro made a positive impact by pushing for driver safety as they faced an increase of robberies and assaults. Although wary of altering bus conveniences that could decrease ridership, ACT agreed to the changes after pressure by the union, the media, and the public.

#### **Chapter 4: The Implications of BART on ACT and Local 192**

Local 192 had viewed the introduction of BART into the mass transit mix in the Bay Area in the early 1960s with questions over whether the new agency would be beneficial to them or not. The relatively lucrative monopoly ACT had over transbay mass transit would potentially be eliminated once BART began operations; elimination of routes meant elimination of jobs for Local 192. The process to determine the appropriate number of BART jobs to replace potential losses dragged on for several years, and both union officials and BART officials bickered over the details, particularly whether or not the 13(c) protections would disproportionately benefit white workers over Black workers. A new ATU local arose out of the dispute leaving Local 192 representing ACT, and the work of ATU and Cordeiro led to those new ATU members receiving collective bargaining protections.

#### **Chapter 5: Local 732 Labor Militancy, the Limitations of the Strike, and the Tax Revolt in the 1970s**

ACT and Local 192 entered into the 1970s in a much different climate than they enjoyed in the 1960s. The increasingly poor financial picture, the demands of Local 192 for increasing wages, and the impact of BART meant that both sides navigated an unstable environment. Cordeiro led the push for more generous contracts, and ACT agreed to

arbitration to resolve disputes. When arbitration results continued to favor Local 192, ACT began to push back on Local 192 demands, particularly for cost-of-living increases. Local 192 turned to strikes in 1970 and 1974 to pressure ACT, and they won concessions by doing so. In addition to receiving praise from membership for leading Local 192 through those strikes, he also badgered ACT management to work on solutions on the continuing violence against bus drivers, a crusade with uneven results, and Local 192 also stepped in where they could on discrimination issues. Cordeiro's time came to an end when he ran afoul of financial obligations and the membership eventually forced him out of office. As new officers ascended to office during this upheaval, they found themselves in a different negotiation position as state lawmakers began to target public employees through legislation, and voters approved Proposition 13 in a statewide referendum. The combination of these actions meant that Local 192 no longer had a strong bargaining position with ACT because of severe restrictions on public funding for ACT.

## **Chapter 6: ATS, Local 732, and the MARTA Referendum**

By the early 1960s, the Atlanta Transit System (ATS) had settled into a pattern developed in the 1950s to maintain operations and meet labor contract demands by pursuing financial restructuring to create more liquidity. While this strategy maintained service and labor peace, the company began to run a deficit imperiling the company's solvency. As plans for the creation of a rapid transit system began to materialize and receive consideration from the Georgia General Assembly, ATS management developed their own plan that featured bus technology in hopes that they could be the recipient of federal

funds. In contrast to Local 192 in the 1950s, Local 732 viewed this creation of a public transit agency and their transition to public employment status with some unease. They could not receive verification that they would be able to move over to Metropolitan Atlanta Rapid Transit Authority (MARTA), a public transit system, with their collective bargaining rights intact from ATS, a private transit system. ATU had worked hard to ensure that transit workers could do so under Section 13(c) of the 1964 Urban Mass Transportation Act (1964 UMTA), and Local 732 had no intention of supporting a referendum if MARTA could not guarantee they would allow these rights to transfer. When voters finally approved the referendum in 1971 to allow MARTA to purchase ATS and build the rapid rail system, the revised MARTA state legislation included important labor provisions, and Local 732 played an important role in supporting the referendum.

## **Chapter 7: MARTA Begins Operations and Meeting Expectations of Local 732 and the Public**

The transition to public ownership was met with hopeful expectations by both MARTA management and Local 732 members following the successful effort to pass the referendum. This transition to public ownership included both MARTA workers and management adjusting to a new relationship. Along with success in attracting riders and upgrading equipment, MARTA and Local 732 experienced challenges in labor-management relations. MARTA expected the drivers to closely adhere to policies in order to maintain and grow that ridership in anticipation of the rapid rail system, and Local 732 expected MARTA to be responsive to their safety and fairly apply the rules. In addition to disputes over day-to-day working conditions, MARTA would find itself at

odds with Local 732 over contracts that governed wages and fringe benefits. What soon became clear was that the success MARTA experienced could be impacted by labor contracts. The Local 732 and MARTA began having disputes over the contract in 1972, which culminated in a six-day wildcat strike in 1973. A new leader, J. C. Reynolds, emerged as a voice of the Black membership during the strike, and he would go on to become president in the late 1970s. Beginning in the fall of 1974, ATU Local 732 reached out to MARTA clerical workers when they complained about not receiving the wage increases at the same level as men in other parts of the authority. Local 732 successfully navigated the process of setting up a vote and becoming the bargaining agent. Soon after winning representation for these employees, the negotiations for the new contract in 1975 would drag on until 1976. MARTA had to deal with restrictions on how much of the sales tax revenue they could use for operating costs while Jacobs and Local 732 pressed for a cost-of-living increase. ATU President Maroney believed that Local 732 demands for binding arbitration would not be worth the time and cost, and the clerical workers did not view Jacobs leadership as successful. While a strike did not occur, the process led to animosity between Local 732 and MARTA and Local 732 and ATU. MARTA management also confronted the changing demographics in the workforce with conflicting actions. On the one hand, they encouraged employees to move up the management ladder by providing management training. On the other hand, they also implemented discriminatory hiring policies encouraged by some of the MARTA board members who believed that they should be hiring more white drivers.

## **Chapter 8: Challenges for Public Transit and the Limits of Labor Rights in Atlanta**

By the mid-1970s, MARTA had successfully stabilized the bus system purchased from ATS and moved on to the construction of the rapid rail system. This required management to make some adjustments since this phase would require more outreach to the public on the enormous construction project as well as working with Local 732 to make sure that they maintained a high level of bus service so that they would have demand for the rapid rail system when it opened. As part of MARTA's commitment to maintain the bus system ridership, they sought to expand it to riders with accessibility needs and also meet laws and public pressure for accessible transit. In addition to challenges in equipping buses, they also had to work with Local 732 since drivers faced conflicts with running on time as well as meeting the needs of those riders. For MARTA to acquire equipment, they had to be successful in the application process for UMTA federal grants. Although the federal infusion of money definitely helped struggling transit systems, the continued inclusion of 13(c) in federal legislation presented a new challenge. The disputes over discipline procedures and contract negotiations would become more contentious during the 1970s as Local 732 attempted to use 13(c) as leverage. In addition to MARTA, Local 732 found themselves at odds over 13(c) with ATU. By the mid-1970s during the Ford Administration, the disputes over approving operating and capital grants by ATU locals such as Local 732 had resulted in complaints by transit system management nationwide as well as their allied groups. ATU had a staunch defender in the administration in the Department of Labor (DOL) with William Usery as Secretary, and he successfully blocked major changes to 13(c) much to the frustration of those allied groups and Department of Transportation Secretary William

Coleman. Though ATU had success at the federal level with gaining additional federal funding that included 13(c) protections, Local 732 and other labor unions faced a hostile environment in Atlanta both at the local and state level. Local 732 also found MARTA unwilling to meet their contract demands for the same financial reasons. Local 732 and MARTA engaged in a multi-year court battle over whether or not federal law could dictate arbitration awards between local unions and transit agencies. Local 732 finally received some vindication when a federal court ruled that MARTA had violated collective bargaining rights, but, by this time, Local 732 could no longer leverage 13(c) as they had done in the past.



## CHAPTER 1: GROWTH OF CITIES, MASS TRANSIT, AND LABOR

### 1.1.1 Introduction to Early Mass Transit History

In the second half of the 19th century, cities across the United States invested in mass transit. Baltimore and New York allowed horse drawn street railways in the early 1800s, and by the 1850s, several other cities on the east coast allowed transit development as well. After the Civil War, boosters in Southern and Western cities worked to catch up.<sup>18</sup>

In the South, businessmen from various trades cast aside disagreements to dedicate themselves to “city-building,” hoping to attract industry and end their economic dependence upon the North. The repair of old railroad lines and the building of new ones brought prosperity to cities, such as Atlanta and Dallas, with no major water port. Interior cities and towns began shipping much of the agricultural production out to seaports by rail attracting banks, shops, warehouses, and new residents. As they grew in population, once-walkable towns needed transit.<sup>19</sup>

Many transit companies in the South chose mules because they could operate in the warm climate better than horses. Regions outside of the South generally chose horses because they could receive more money for the horses after they finished their transit service. In either case, the animals had one thing in common: they produced manure.

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<sup>18</sup> Clay McShane, *Technology and Reform: Street Railways and the Growth of Milwaukee, 1887-1900*, (Madison: University of Wisconsin, 1974), 1–2; Don H Doyle, *New Men, New Cities, New South: Atlanta, Nashville, Charleston, Mobile, 1860-1910* (Chapel Hill: University of North Carolina Press, 1990), 15–16.

<sup>19</sup> Blaine A Brownell, *The City in Southern History: The Growth of Urban Civilization in the South* (Port Washington: Kennikat Pr., 1977), 56, 96, 98; Doyle, *New Men, New Cities, New South*, 6, 19.

The sale as fertilizer could bring in much needed cash, but the new urban landscape of the late 19th century did not have a natural way to absorb the animal waste.<sup>20</sup>

As inventors mastered electricity in lighting city streets and turned to improvements in street railways, Charles J. Van Depoele and Frank J. Sprague pioneered electric street railway car design, while Thomson-Houston developed the power system to actually operate the cars. Van Depoele used what came to be known as the “trolley pole” to power a car from an overhead line. This would be the method to electrify the Capital City Street Railway Company in Montgomery, Alabama in 1886.<sup>21</sup> However, Van Depoele’s design lacked some sort of system to absorb shock from the road. Frank J. Sprague in Richmond, Virginia, would address this problem several years later. The innovation that truly distinguished Sprague’s system was the placement of engines over both axles. This design accomplished two things: it eliminated the need for the engine to be placed on the platform of the car because each axle had its own engine, and the design also included springs to absorb shock in this area under the platform which reduced repairs. Sprague’s engine design would become the standard equipment for electric streetcars in the 1890s.<sup>22</sup>

The wider availability of electricity and advances in transit equipment by the 1880s allowed cities to greatly expand streetcar routes and to construct subways.

Although London began operation of the first subway in the 1860s, the trains used steam

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<sup>20</sup> Brian J Cudahy, *Cash, Tokens, and Transfers: A History of Urban Mass Transit in North America* (New York: Fordham Univ. Press, 2002), 16–21.

<sup>21</sup> William D Middleton, *The Time of the Trolley* (San Marino, Calif: Golden West Books, 1987), 64–65.

<sup>22</sup> McShane, *Technology and Reform*, 15; Middleton, *The Time of the Trolley*, 65, 67.

power and coal. Hugh B. Wilson brought the idea of a subway to New York, and, by 1870, a subway operated with pneumatic propulsion carried its first passengers. The pneumatic system avoided the problems with using steam power underground, though the company's franchise for the construction of an entire subway system stipulated that the system must be powered by steam. In the meantime, the steam elevated railroad opened as a legitimate mass transit option. By the time engineers developed electrical systems for subways in the 1880s, the city of Boston rather than New York constructed the first subway system in United States. Although trains used a section of the Tremont subway line in Boston, the design favored streetcars operating underground rather than a dedicated heavy rail system underground. New York opened the first heavy rail subway in 1904 that ran on a route from city hall fifteen miles to the north. The New York system also featured an express line that would prove to be a significant improvement for travel time over the elevated lines. Philadelphia opened a subway as well that used the "cut-and-cover" construction method used in Boston and New York, and the Philadelphia line operated heavy rail trains.<sup>23</sup>

Street railway construction increased annually until 1918 and ridership totals reached their highest point in 1923. The total ridership increase of one billion from 1917 to 1923 was far less than when ridership increased from two billion to five billion from 1890 to 1902. The main reason for that slower increase in streetcar ridership could be

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<sup>23</sup> John A. Miller, *Fares, Please! From Horse-Cars to Streamliners* (New York: D. Appleton-Century Company, 1941), 82–93.

attributed to the increase in subways in large cities and the increase in the use of trolley coaches and motor buses.<sup>24</sup>

After private jitney service—essentially vehicles driven by private drivers who picked up passengers similar to a taxi service—proved a viable alternative to street railways in Los Angeles in the 1910s, transit systems began considering using motor buses so as not to lose business. The transit company in Cleveland, Ohio, began supplementing street railways with motor buses in 1912, but these vehicles and others in operation across the country consisted of modified trucks rather than mass transit vehicles. This changed in 1920 when brothers Frank and William Fageol designed a bus from the ground up to be used specifically to carry passengers. The Fageol Safety Bus continued to be modified through the 1920s and 1930s to include a body resembling a streetcar and an engine mounted within the body of the vehicle rather than in the front under a hood. The number of motor buses operated in the United States increased from about sixty operated by ten transit systems in 1920 to 13,000 buses operated by 390 transit companies in 1930. Motor bus systems particularly appealed to transit companies in small towns that could not justify the expense of maintaining street railroads. By 1940, 170 cities shifted to all bus operations, the largest being San Antonio with a population of 200,000. Street railways continued to carry more passengers despite the number of buses at 30,000, more than the number of streetcars, though the concentration of streetcars in densely populated urban areas meant that more riders traveled on those.<sup>25</sup>

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<sup>24</sup> Miller, 116.

<sup>25</sup> Miller, 154–56, 162–63.

Starting in the 1910s, some transit companies deployed trolley buses which used overhead power but, unlike streetcars, did not operate on fixed track. Improvements in both pavement and rubber tires provided the trolley bus with a smooth ride similar to that of the streetcar. Trolley buses were easier to implement since the transit companies did not need to install rail tracks. Interest died down in the 1920s, but by 1930, Salt Lake City began using trolley buses and Chicago followed by installing a system to serve a section of town that grew after the installation of its street railway. Although the trolley buses disappeared as fewer private electric companies operated transit systems, many did continue in larger cities.<sup>26</sup>

### **1.1.2 Introduction to Early Amalgamated Transit Union History**

The first notable attempt by transit workers to organize a union occurred in New York City in 1861. Further attempts in the 1880s led to concessions by transit system owners, but this success did not lead to the establishment of a long-term organization. Delegates attending the American Federation of Labor (AFL) convention in Birmingham, Alabama, in 1891 discussed organizing street railway workers. The following year, delegates representing 2,400 transit workers gathered in Indianapolis, Indiana, to form the Amalgamated Association of Street Railway Employees of America (AASREA).<sup>27</sup>

The introduction of electricity into the transit system led to a much more fast-paced and dangerous work environment for the drivers and conductors on the new larger vehicles. New riders sought out the faster service which loaded at designated stops only,

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<sup>26</sup> Miller, 166–69, 177.

<sup>27</sup> Amalgamated Transit Union, *A History of the Amalgamated Transit Union*, 4–6, 8, 165.

unlike the horse cars. While the old horse car drivers had to learn how to handle the much faster equipment, the conductors found the crowds and faster pace a new danger, especially on the running boards if they happened to strike a tree branch or other obstruction. The transit system owners created tight schedules to maximize profits, and they also paid new workers less than the older workers from the horse car days. AASREA found these newer workers much more eager to push for higher wages and better working conditions, and AASREA found willing partners with progressive groups and the riding public.<sup>28</sup>

Renamed the Amalgamated Association of Street and Electric Railway Employees of America (AASEREA) to reflect a broader array of vehicles operated by members, the union had developed a two-prong strategy to win concessions from employers. Since governmental bodies regulated nearly all transit companies, the union organized members for political action in hopes of creating friendly regulatory environments. The union also encouraged locals to strike when necessary.<sup>29</sup> The AASEREA quickly established locals and soon began publishing its own newspaper. The organization also pushed for transit operator improvements to keep them safe from the elements such as vestibules on the fronts of streetcars for protection from the

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<sup>28</sup> Scott Molloy, "Trolley Wars," in *The Encyclopedia of Strikes in American History*, ed. Aaron Brenner, Benjamin Day, and Immanuel Ness (Routledge, 2009), 521–23.

<sup>29</sup> Emerson P Schmidt, *Industrial Relations in Urban Transportation*. (Minneapolis: University of Minnesota Press, 1937), 121, 130, 174–77; The organization's name changed multiple times over the years. The union adopted the name Amalgamated Association of Street Railway Employees of America in 1892. Over the years, the union changed the twice name to reflect changing technology with Amalgamated Association of Street and Electric Railway Employees of America followed by Amalgamated Association of Street, Electric Railway and Motor Coach Employees of America. They finally settled on Amalgamated Transit Union in 1964. See Amalgamated Transit Union, *A History of the Amalgamated Transit Union*, 8, 18, 88.

elements, stools for operators, and the elimination of treacherous running boards alongside trolleys that conductors had to navigate to collect fares.<sup>30</sup>

By the turn of the 20th century, the number of transit workers had rapidly increased as a result of the growth of transit systems nationwide. In 1905, the Bureau of Labor counted 140,000 workers in the industry making it the largest transit workforce in the world. These mostly young men, largely of Irish and German heritage, worked primarily in one of the transit systems found in the highly populated areas of the Northeast and industrial Midwest. African Americans worked for a few of the transit systems and largely in lower wage positions such as cleaners.<sup>31</sup>

The expensive infrastructure required to operate electric streetcar systems strained the budgets of the companies since they were expected to maintain five-cent fares. Some companies tried to squeeze more profit from fares by charging for transfers and establishing zones to account for riders traveling long distances. This struggle to maintain profits meant that companies looked to avoid paying workers more and skipped maintenance.<sup>32</sup>

The struggle between management and labor exploded in the first two decades of the 20th century with numerous and oftentimes violent transit system strikes across the country.<sup>33</sup> In addition to higher wages, workers also demanded an eight-hour day and improvements in working conditions. The strikes also tended to be combustible during

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<sup>30</sup> Amalgamated Transit Union, *A History of the Amalgamated Transit Union*, 8–13.

<sup>31</sup> Wolfinger, *Running the Rails*, 47–48.

<sup>32</sup> Wolfinger, 66–67.

<sup>33</sup> For more on this period of upheaval, see Scott Molloy, *Trolley Wars: Streetcar Workers on the Line* (Washington, D.C.: Smithsonian Institution Press, 1996).

this period because of the anti-union activities by the National Association of Manufacturers which encouraged open shops at all costs, as well as the fact that the transit systems reached into every part of the cities and residents, especially working-class, knew of transit workers' low wages and poor working conditions and often took their side during these strikes.<sup>34</sup>

In this atmosphere of the first two decades of the 20th century, both Local 192 in Oakland and Local 732 in Atlanta would be chartered by AASEREA.<sup>35</sup> Members of both locals pushed for recognition and better contracts, and both went on violent strikes during World War I. Although Local 192 went on strike again in 1934 (this had more to do with the longshoreman's strike in San Francisco), both Local 732 and Local 192 experienced relative labor peace with their respective transit systems which went through restructuring and improved equipment and expanded service. World War II led to a boom time in both cities, though the employment opportunities in the transit systems continued to be largely for white men. The early years of struggle during the first two decades of the 20th century led to a period of success for the AASEREA locals by 1940s.

### **1.2.1 Oakland and the East Bay Introduction**

In the Western United States, settlers moved into growing cities and towns as the United States annexed territory from Mexico through treaties. The San Francisco Bay Area in California experienced rapid growth with the discovery of gold and, soon after

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<sup>34</sup> Wolfinger, *Running the Rails*, 73–75.

<sup>35</sup> The international began calling locals "Local Unions" instead of "Local Divisions" in 1977. This dissertation will use the term "Local" when identifying a specific local followed by a number and local divisions when referring to more than one. See Amalgamated Transit Union, *The Amalgamated Transit Union (AFL-CIO/CLC): A Brief History*. (Washington, D.C.: Amalgamated Transit Union, 1985), 27.



that, statehood in 1850. Initially, the growth occurred primarily in San Francisco because of its proximity to the mouth of the San Francisco Bay where ships arrived with prospectors and other fortune seekers. Oakland soon attracted settlers as well because of its location closer to the mountains. The California state legislature approved the incorporation of Oakland on May 4, 1852. In the rush to settle the town, multiple legal disputes arose over land ownership. The arrival of the transcontinental railroad and the designation of Oakland as the terminus pushed the town to resolve the disputes by the titles essentially being laundered through the city clerk's office so that clean titles could be deeded.<sup>36</sup> As evidence of the importance of San Francisco to the settlement of Oakland, ferry service between Oakland and San Francisco began operation simultaneously with the early settlement of Oakland, and, by 1863, a steam railroad provided service from downtown to a ferry pier.<sup>37</sup>

### **1.2.2 Beginning of Key System Transit**

In 1903, Francis Marion “Borax” Smith financed the merger of the various East Bay streetcar lines and the construction of the transbay lines and a pier to operate a ferry system to compete with the Southern Pacific train and ferry service. The merger of the streetcar companies coincided with his activity in real estate development to take advantage of the population growth of Oakland as well as San Francisco.<sup>38</sup> By investing in a comprehensive mass transportation network, Smith ensured his real estate holdings

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<sup>36</sup> Beth Bagwell, *Oakland, the Story of a City* (Novato, CA: Presidio Press, 1982), 20–32.

<sup>37</sup> Bagwell, 41, 46–47.

<sup>38</sup> Sappers, *Key System Streetcars*, 75; Norman Kennedy, *The Alameda-Contra Costa Transit District: A Review of Ten Years of Public Ownership and Operation* (University of California, Berkeley: Institute of Transportation and Traffic Engineering, 1971), 2.

would be more desirable and the transit system would have a solid ridership base.<sup>39</sup> From 1893 to 1902, Smith orchestrated the acquisition of eight East Bay transit companies, a total of 75.4 miles. Smith and his business partners faced additional expenses after the acquisition because of the poor condition of some of the equipment and the fact that the street railway companies had not used the same type of track.<sup>40</sup>

Beginning in 1901, Smith began a final acquisition of transit companies to create a single company and began construction on the ferry pier. In 1903, the first train to the ferry pier rolled down from Berkeley for a 35-minute ferry trip to San Francisco, better than the 55-minute trip offered by Southern Pacific. Smith then began a project in 1903 to remove obsolete track, expand existing service, and complete a final acquisition that combined nearly all of the transbay and local service into the San Francisco-Oakland Terminal Railways Company in 1912.<sup>41</sup>

Along with the growth of Oakland, Richmond to the north also experienced a construction boom as the Atchison, Topeka & Santa Fe Railway built a terminal at a new port. Soon after that, Standard Oil Company commenced work on a new Richmond refinery in 1901.<sup>42</sup> To meet the transit demands of this growth, a new Richmond street railway opened outside of the Smith empire, but Smith had gained control of this system as well by 1912.<sup>43</sup> All told over 100,000 people—many of them refugees from the 1906 San Francisco earthquake—moved into the East Bay cities from 1900 to 1910. The East

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<sup>39</sup> Sappers, *Key System Streetcars*, 77.

<sup>40</sup> Sappers, 78.

<sup>41</sup> "Eight Miles Per Hour Is Town Speed," *Oakland Tribune*, May 1, 1952.

<sup>42</sup> Sappers, *Key System Streetcars*, 82.

<sup>43</sup> Sappers, 87.

Bay's growth appeared to be fulfilling Smith's dreams, but this new population of potential passengers could not dissolve the mountain of debt owed by the consolidated transit system.<sup>44</sup>

At the same time of this consolidation, Smith had also entered into a massive deal to own utilities, real estate, and transportation. This deal collapsed, and Smith declared bankruptcy in 1913, though Smith's attempted consolidation and restructuring of the transbay and streetcar lines into one company would have a lasting impact since it would essentially be the same system that would later be formally known as the Key System.<sup>45</sup> The attempt by Smith to grow his empire exacerbated the real reason for the failure of the early Key System, which was that it was simply a way to sell real estate rather than run as a functioning utility for the good of the public.<sup>46</sup>

### **1.2.3 AASEREA Local 192 and Strikes in 1919 and 1934**

In addition to structural issues with the transit operation, Smith also had to meet the demands of the transit union. Chartered on June 1, 1901, in Oakland as the first AASEREA local in California, AASEREA Local 192 represented the operators and conductors. In 1918, when the Key System introduced buses, AASEREA chartered another local, Local Division 818, to represent the maintenance department.<sup>47</sup> The

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<sup>44</sup> Sappers, 88.

<sup>45</sup> Sappers, 90–91; "Eight Miles Per Hour Is Town Speed."

<sup>46</sup> Adler, "The Political Economy of Transit in the San Francisco Bay Area, 1945-1963," 57–58.

<sup>47</sup> Amalgamated Transit Union, *A History of the Amalgamated Transit Union*, 164–65; By the 1950s, Local 818 had merged with Local 192, but the maintenance members retained their own elected officer. See F. V. Stambaugh, Pres. to Mr. Francis Dunn, Jr., [1954], Box 3 Folder 27, Amalgamated Transit Union, Local 192 Records, larc.ms.0327, Labor Archives and Research Center, San Francisco State University. [hereafter ATU 192 Records]; F. V. Stambaugh, President to Mr. M. O. Tobriner, April 30, 1952, Box 3 Folder 25, ATU 192 Records.

operators and conductors of Local 192 made up the majority of the workforce and disputed with management more often than Local 818 over wages during contract negotiations, viewing with distrust the Key System management claims about the poor financial condition of the company and continuing to demand higher wages and benefits.

Local 192 and the Key System reached their first agreement on February 29, 1908. This remained largely unchanged until 1917 when Local 192 won a wage increase as a result of arbitration. The National War Labor Board (NWLB) denied their request for an eight-hour day in November 1918, but the labor board did grant them another wage increase.<sup>48</sup> In order to balance the increase of wages with the financial pressures faced by transit companies, the NWLB pointed to the importance of local municipalities' granting fare increases "because of the immediate pressure for money receipts now to keep the street railroads running so that they may meet the local and national demand for service." Without the fare increase, the NWLB painted a dire picture of transportation systems because "[t]he credit of these companies in floating bonds is gone. Their ability to borrow on short notes is limited. In the face of added expenses which this and other awards of needed and fair compensation to their employees will involve, such credit will completely disappear."<sup>49</sup> The NWLB sought to avoid strikes that would impede the war effort but they also did not want their decisions to financially cripple transit systems.<sup>50</sup>

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<sup>48</sup> "Carmen Win Wage Increase But Not 8-Hour Day," *Oakland Tribune*, January 13, 1920.

<sup>49</sup> American Electric Railway Association War Board, Bulletin No. 26, August 1, 1918, Box 1 Folder 1, David Williams collection, L1977-02, Southern Labor Archives. Special Collections and Archives, Georgia State University, Atlanta [hereafter David Williams Collection].

<sup>50</sup> For more on this tension between the NWLB decisions in favor of labor and balancing that with the financial condition of transit companies, see chapter five in Valerie Jean Conner, *The National War Labor Board: Stability, Social Justice, and the Voluntary State in World War I* (Chapel Hill: University of North Carolina Press, 1983); For a more recent examination of the NWLB, see Joseph Anthony McCartin, *Labor's*

The transbay service of the Key System received permission from the State Railroad Commission to raise fares from 11 cents to 15 cents. The fare increase benefited in part because the commission had to take into consideration the increase given to Southern Pacific for their transbay service. In August 1918, the commission allowed the streetcar system to increase fares from five cents to six cents. The commission considered the increase in cost of labor and equipment. They also noted that the financial outlook of the system could have been even worse had it not been for the ridership increase. In addition, the streetcar system brought in more revenue than the transbay system. The commission recognized that the ultimate solution would be for a reorganization of the Key System because the rate increase would not be a permanent solution, but the commission did not have authority to order such a move.<sup>51</sup>

By early 1919, Local 192 pointed to the one-cent fare increase granted to the Key System as justification for the wage increase.<sup>52</sup> In addition, Local 192 argued that they had essentially been subsidizing the company by not receiving raises to meet the rise in inflation. The result of two past negotiations that ended up in arbitration resulted in some wage increases, but by the time they had received the pay, they essentially lost money because they had to resort to credit in the meantime. The Local 192 president, L. F. Laytham, also insisted that the eight-hour day was a reasonable request for “a working day that will comport with the ideals of American manhood.” The Key System general

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*Great War: The Struggle for Industrial Democracy and the Origins of Modern American Labor Relations, 1912-1921* (Chapel Hill: University of North Carolina Press, 1997); For a contemporary look at the NWLB, see Richard B. Gregg, “The National War Labor Board,” *Harvard Law Review* 33, no. 1 (1919): 39–63, <https://doi.org/10.2307/1328084>.

<sup>51</sup> “Key Route Fare Raised,” *Electric Railway Journal*, August 30, 1919.

<sup>52</sup> “Traction Co.’s Wage Dispute Is Enlivened,” *Oakland Tribune*, February 18, 1919.

manager, W. R. Alberger, suggested that the union was putting itself at risk by striking instead of arbitration, and that they had “hooted from the stage” Allen Burt, an AASEREA representative, who encouraged the union not to strike. Both Local 192 and Burt denied that the Local 192 membership hooted at him, and Burt denied that he characterized the membership as putting itself in danger of losing its charter.<sup>53</sup>

The company balked at the Local 192 demands, a strike ensued on October 1, 1919, and the company brought in strikebreakers. Striking workers and sympathizers attacked and damaged the streetcars and trains, and police discovered strikebreakers had armed themselves. Over the next several days, the chaos of the strike led to an accident between a transbay train and a jitney, and transit system electrical workers and ferry operators threatened to join the strike. Police began escorting streetcars on October 5 to prevent more rioting. Protestors tried to obstruct operations by placing boulders and manhole covers on the tracks. An estimated crowd of 15,000 gathered on routes in downtown Oakland and yelled at the strikebreakers. The rioting did not resume, but police did briefly detain John “Blackjack” Jerome, the organizer of the strikebreakers, for firing a rifle.<sup>54</sup>

Two days before the electrical workers planned a strike in sympathy, the California Railroad Commission intervened and worked with the two sides to agree to the arbitration. This intervention in the strike avoided a complete shutdown of the system. By October 11, the two sides agreed to arbitration and union members voted to end the

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<sup>53</sup> “City Council Offers to Act as Mediator in Traction Strike,” *Oakland Tribune*, October 1, 1919.

<sup>54</sup> Sappers, *Key System Streetcars*, 95; “Guarded Cars Run; Mediation Expected,” *Oakland Tribune*, October 6, 1919.

strike and return to work, and the strike ended without the company meeting the union's demands.<sup>55</sup>

Local 192 celebrated union solidarity during the 11-day strike and dismissed the strikebreakers hired by the Key System as “finks and while they were endeavoring to get in their dirty work our cars resembled rat cages, as they were screened.” Once the strike ended, Local 192 claimed that the cars had to be “fumigated.”<sup>56</sup> Local 192 did not win the eight-hour day by going on strike, but the workers returned to work under the previous agreement with more flexibility for negotiations under arbitration.<sup>57</sup>

The NWLB arbitration board decided once again to deny Local 192 an eight-hour day because of the cost to the company to hire additional workers to make up for the reduction in time for existing workers. They did grant a wage increase because the company “should in any case pay what may be called a living wage which will enable a man to support himself and family in a decent and reasonable way,” but that more consideration of the company's financial condition should become a factor “[w]hen it comes to going beyond the amount necessary for this purpose.” They further said in their ruling that “[t]here are no profits accruing to the company,” so “[t]here is, therefore, nothing in which the men can legitimately claim a share after they have been paid a fair living wage.”<sup>58</sup>

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<sup>55</sup> “Car Service Renewed on Old Status,” *Oakland Tribune*, October 11, 1919.

<sup>56</sup> “Eleven Days’ Suspension Wins Settlement,” *In Transit*, November 1919.

<sup>57</sup> “September and October Work of International Officers,” *Motorman and Conductor*, November 1919.

<sup>58</sup> “Carmen Win Wage Increase But Not 8-Hour Day.”

The workers received a smaller wage increase than they had demanded, and they would have to wait until 1926 for the eight-hour workday. With the union negotiations out of the way, the company focused on restructuring its debt. To do so, it dissolved the old San Francisco-Oakland Terminal Railways, and, in 1923, the newly created Key System Transit Company purchased the assets as well as new equipment. After this restructuring, the Key System experienced a short period of financial success.<sup>59</sup> In an attempt to generate friendly support for the Key System, an employee association, the Employees Association of Key System (EAKS), organized various events, including dances, vaudeville and minstrel shows, and sports teams, as well as published an employee newsletter called *Key Note*, though it's likely that the company created EAKS as a way to counteract union activities.<sup>60</sup>

The company and the union leadership appeared to have developed a more stable relationship, but this attempt to control union militancy had limited effects on the rank-and-file. During a massive four-day general strike in July 1934 by 100,000 Bay Area workers, Local 192 workers voted to join the strike in support of longshoremen in San Francisco after a violent encounter between labor and police.<sup>61</sup> Although the Key System had recently raised wages, Local 192 members joined the general strike because they did not like to be responsible for transporting strikebreakers.<sup>62</sup> At the meeting to vote whether or not to join the general strike, the membership caught the Local 192 leadership

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<sup>59</sup> Sappers, *Key System Streetcars*, 95; Kennedy, *The Alameda-Contra Costa Transit District*, 2.

<sup>60</sup> Sappers, *Key System Streetcars*, 98–99.

<sup>61</sup> Marilyn S. Johnson, *The Second Gold Rush: Oakland and the East Bay in World War II* (Berkeley: University of California Press, 1993), 22.

<sup>62</sup> "Official Minutes of the Central Labor Council," *East Bay Labor Journal*, July 13, 1934; "Official Minutes of the Central Labor Council," *East Bay Labor Journal*, May 25, 1934.



and Key System management off guard when they advocated a takeover of the Key System by workers and the public. This rank-and-file split with union management reflected the sentiment in other unions on strike.<sup>63</sup> In an effort to reframe the strike, the Local 192 president released a statement that the union went on strike in solidarity with the massive General Strike by unions in San Francisco, and that Local 192 members “have the most friendly relations towards their employers.” This coincided with the strike by the San Francisco Municipal Railway (Muni) workers, and this left East Bay commuters with only the Southern Pacific train service on the Bay Bridge that served a much smaller area than the Key System.<sup>64</sup>

The membership of the union showed they would not always follow the lead of AASEREA or their own Local 192 leadership. In 1919, they ignored the efforts of AASEREA to convince them not to strike. In 1934, they ignored their own Local 192 leadership and went on strike in support of San Francisco workers. In both cases, the impact crippled the East Bay because of the heavy reliance on the Key System for daily transportation. This tension between locals and the international would occur in other cities like Atlanta during this time period and in the future.

#### **1.2.4 Automobile Competition and Introduction of Buses**

A higher ridership and the sale of land contributed to Key System financial success in the 1920s, but this success masked problems both old and new. The old problems revolved around revenue simply not covering all of the costs, particularly costs

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<sup>63</sup> Bruce Nelson, *Workers on the Waterfront: Seamen, Longshoremen, and Unionism in the 1930s* (Urbana: University of Illinois Press, 1988), 137–38.

<sup>64</sup> “All S.F. Cars Stopped; Key Boats, Trains Out Tuesday,” *Oakland Tribune*, July 16, 1934.

related to local government franchise fees to operate the transit system and upgrades to the rail system. The new problem revolved around the increase in automobile ownership, especially in the low-density residential areas served by the Key System.

To counteract the drop in ridership due to the increase in automobile use and meet the financial obligations of the wage raise to 70-cents per hour and an eight-hour workday, the company requested and received a fare increase from six to seven cents in 1926 awarded by the California Railroad Commission.<sup>65</sup> In 1928, the new Key System president, Alfred J. Lundberg, sought to cut costs, and he abandoned some streetcar routes, mainly in Alameda, and replaced them with buses. The Key System utilized motorbuses beginning in 1918, but this bus replacement under Lundberg was the first time the company completely swapped streetcars for buses, though Lundberg insisted this method would not be used on major routes. While the buses could cut costs by avoiding track maintenance, Lundberg understood that the local routes of the Key System lost money while the transbay ferry service revenue supported the rest of the system. He searched for other ways to save money, including reducing streetcar operation from two workers to one worker.<sup>66</sup> As in San Francisco, labor and their political allies fought the reduction of streetcar workers. The AASEREA sought out friendly politicians at the local government level and convinced those municipalities to resist the proposed reduction in streetcar workers because of safety concerns and to prevent a large-scale loss

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<sup>65</sup> Sappers, *Key System Streetcars*, 101.

<sup>66</sup> "Eight Miles Per Hour Is Town Speed"; Sappers, *Key System Streetcars*, 102–3; F. V. Stambaugh, President to Mr. M. O. Tobriner, April 30, 1952, Box 3 Folder 25, ATU 192 Records. This shift in transportation revenue from East Bay streetcars to commuter trains may have been due to the Oakland population growth that consisted of commuters to San Francisco. In addition higher rates of car ownership likely reduced the reliance on East Bay streetcars for East Bay trips.

of jobs. The Oakland City Council, the lone holdout, finally allowed for one-person operation, and all transit routes operated with a sole operator by 1932.<sup>67</sup>

Once the Key System shifted to one-person streetcar operations in 1932, the company sought to cut costs further on streetcar lines by not replacing streetcars and tracks. When they deteriorated too much, the company simply replaced them with buses, and this policy led to a greater mileage of bus routes than streetcar routes by 1937. By 1942, the company had twice as many buses as streetcars, though on the routes where streetcars continued to operate, they continued to account for a slightly greater share of the revenue, such as in 1940 when streetcars earned 29.18 percent compared to 27.41 earned by buses.<sup>68</sup> As more members drove buses in Oakland and elsewhere, the AASEREA renamed itself the Amalgamated Association of Street, Electric Railway and Motor Coach Employees of America (AASERMCEA).

Despite these adjustments, the ridership levels continued to decline below the heights of the mid-1920s when 77.3 million passengers rode on the system. This number declined to 59.1 in 1930 and 38.8 million in 1934, due in part to both the Depression and increased automobile ownership. The company did experience a slight increase in 1935 with 42.5 million riders, and 48.5 million rode in 1940 immediately prior to the major increase during the wartime boom when ridership peaked at 100.4 million in 1945.<sup>69</sup> This increase in ridership was due in part to the success of Oakland, as well as East Bay cities such as Richmond, in the 1930s. By 1940, Oakland claimed the largest

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<sup>67</sup> Adler, "The Political Economy of Transit in the San Francisco Bay Area, 1945-1963," 58.

<sup>68</sup> Sappers, *Key System Streetcars*, 105.

<sup>69</sup> Sappers, 109.

concentration of industrial, commercial, and transportation resources in the East Bay. These resources attracted a population of around 300,000, and the influx of people provided the Key System with a continuous ridership pool despite the increase in automobile ownership.<sup>70</sup>

During the Depression, the Key System Transit Company went through foreclosure and then restructuring. By 1942, all of the transit services operated under the Key System once again.<sup>71</sup> The bus operations constituted a major piece of this restructuring, which had grown considerably since the 1920s. The bus routes began largely to establish transit routes to new residential developments where streetcar lines did not exist. The use of buses increased in the 1920s, and, in the 1930s, they began to replace streetcar lines to adjust how the transit system operated in a more automobile-centric urban area.

### **1.2.5 World War II, Employment, and Postwar Ownership Transition**

Although the local streetcar lines faced replacement with buses, the Key System continued to invest in the transbay rail service. The opening of the Bay Bridge in 1939 presented the company with an opportunity to expand that service with a dedicated train line on the lower level of the bridge. Rather than moving forward with the purchase of new Presidents' Conference Committee (PCC) streetcars and trolley buses for the local lines, the company focused resources on upgrading the transbay rail line, and, in 1941,

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<sup>70</sup> Johnson, *The Second Gold Rush*, 25.

<sup>71</sup> Sappers, *Key System Streetcars*, 104–5.

the Key System finalized plans for taking over the Southern Pacific interurban lines.<sup>72</sup>

During World War II, gasoline and rubber restrictions reduced bus usage, and streetcars had to be put back into service to replace buses, especially on routes to the busy shipyards.<sup>73</sup>

The fortunes of the Key System brightened somewhat during World War II because of the need to transport workers between home and the factories, and the federal government subsidized the system through wartime funding which mitigated the population influx that overburdened the transit system. The federal government funneled a vast amount of financial resources into wartime manufacturing. To ensure that workers reached the factories and shipyards, they funded additional streetcar, train, and bus routes for workers, such as the shipyard railway built by the Maritime Commission and opened in 1942. Ridership averaged 11,000 per day on the 16-mile line that ran from West Oakland Moore yards to Richmond Kaiser yards. Like streetcar lines before, these new wartime lines spurred new housing developments in Oakland as well as Richmond, Berkeley, El Cerrito, and Albany.<sup>74</sup> The apparent success of the Key System during World War II could be tied in large part to government financial assistance because, without this support, the Key System would have struggled to provide adequate service for wartime needs.

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<sup>72</sup> Sappers, 113; "Berkeley S.P. Lines to Get Continuance," *Oakland Tribune*, May 14, 1941; The transit industry supported the PCC car to modernize the streetcar design with a single car that could be manufactured for operations across the United States. See The P.C.C. Car, [1937], Box 1, St. Louis Car Company Records, University Archives, Washington University in St. Louis.

<sup>73</sup> Sappers, *Key System Streetcars*, 114.

<sup>74</sup> Johnson, *The Second Gold Rush*, 99, 145.

This service expansion in the East Bay mirrored the situation elsewhere in the country during the war, and the Key System scrambled to fill operator positions. In a speech to the American Transit Association, Otto S. Beyer, the Director of Transport Personnel in the Office of Defense Transportation, estimated that 30,000 new positions in the transit industry would need to be filled to keep up with the additional business generated by the war, half of those in the operating departments. In addition to women, he also suggested that companies should consider hiring Black employees as drivers and mechanics, which some had already done. Up until that point, most Black men had been hired into unskilled positions only.<sup>75</sup> The Key System followed the advice on recruiting women, but not African American men or women.<sup>76</sup>

This presented a dilemma for Local 192 because they wanted to increase membership, but AASERMCEA had not allowed women to join in the past. AASERMCEA heard from local unions that they wanted clear guidance from the International about how to accept women into the union as companies began to hire them to meet the labor shortage. The AASERMCEA General Executive Board (GEB) unanimously decided that women operators and conductors could become AASERMCEA members. They pointed out that women in other positions had already been eligible for membership. Also, that this situation was different than World War I when AASERMCEA did not allow women to join as operators and conductors, essentially preventing companies from hiring them. The GEB stated that they “are to be

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<sup>75</sup> “This War and Our Work,” *The Motorman, Conductor and Motor Coach Operator*, October 1942.

<sup>76</sup> Sappers, *Key System Streetcars*, 115.

employed at the same rate of wages provided in the contracts for male employees and to come under the same regulations and conditions...and it is clearly understood that there is to be no discrimination in any way, either in their employment or in their work or working conditions.” The GEB also specifically stated that women would be part of the seniority system as well.<sup>77</sup>

On September 20, 1942, 16 white women began work as bus drivers at pay equal to that of men. The Key System had already been employing white women as fare collectors, but the drivers actually joined the union as well. According to the *Motorman, Conductor, and Motor Coach Operator*, these women broke a major employment barrier as the first ones to drive transit system buses in the country.<sup>78</sup> During the war, most women were hired as streetcar operators, perhaps because they were less trouble to operate than buses, which had a manual transmission and a double clutch. Despite the easier operation, streetcars were often crowded and standing room only, particularly those going through downtown Oakland. One time, a drunk passenger assaulted driver a passenger, and Reba Gauer recounted that she released the streetcar brake handle and hit him on the back of the head. According to Gauer, this potentially violent work environment contributed to many women choosing to retire from driving after starting families, though women, like Gauer, worked while pregnant and continued to work after having children.<sup>79</sup>

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<sup>77</sup> “Women’s Status,” *The Motorman, Conductor and Motor Coach Operator*, October 1942.

<sup>78</sup> “Equal Pay For Women Driving Oakland Buses,” *The Motorman, Conductor and Motor Coach Operator*, October 1942.

<sup>79</sup> Reba L. Gauer and Laura McCreery, *Straight Run: Thirty-Nine Years Driving a Bus for the Alameda-Contra Costa Transit District* (Berkeley: Regional Oral History Office, The Bancroft Library, University of California, 2003), 6, 8, 10, 18–19.

Local 192 had reason to be optimistic about the future with the success in wartime employment, but the Key System would be unable to maintain that financial success, even with equipment cost-reductions. Wartime restrictions had prevented abandonment of rail lines in favor of other transportation. This restriction was lifted in 1945, and the Key System added 14 miles of bus service and eliminated 56 miles of streetcar track.<sup>80</sup>

The process to replace the streetcars with buses accelerated after the war, primarily due to the acquisition of a majority of the company stock by National City Lines (NCL). NCL showed interest in acquiring the Key System as early as 1941 and made an attempt to purchase enough stock for a controlling interest. Lundberg orchestrated a move to prevent this takeover, but he ended up allowing the sale in 1946. Shortly after purchasing the Key System, NCL made it clear that the operation would be all-bus, excluding the transbay trains. This followed what the company did in many other cities because it was subsidized by Standard Oil, Firestone Rubber, and General Motors. NCL saw this as an efficient way to operate a modern transit system without the burden of streetcar maintenance. In the case of the Key System, NCL appeared to have accelerated a process that had been occurring already for many years. On May 14, 1946, NCL gained shareholder control of the Key System (with operations beginning as Key System Transit Lines in March 1947), and the company ended streetcar service on November 28, 1948. Although the president of the new Key System Transit Lines

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<sup>80</sup> Oakland City Planning Commission, *The Transit Problem in the East Bay: A Preliminary Report to the Cities of Albany - Alameda - Berkeley - Emeryville - El Cerrito - Hayward - Oakland - Piedmont - Richmond - San Leandro - San Pablo and the Counties of Alameda and Contra Costa* (Oakland: The Commission, 1950), 21.



indicated the operation would also include trolley coaches, the company shipped the trolley coaches south to the NCL Los Angeles company and cancelled the remaining order. There was some community opposition to local streetcar abandonment, but not enough to convince the California Public Utilities Commission (PUC) to reject the plan.<sup>81</sup>

This plan followed a pattern that the owners of NCL, the Fitzgerald Brothers, generally implemented across the country. They reasoned that they could take advantage of the rise in ridership during World War II by modernizing transit fleets and replacing all streetcars with buses to drastically reduce maintenance costs thereby enjoying healthy ridership, profit, and reduced costs. The plan outlined by Lundberg to use electric trolleys in addition to buses obviously presented a problem for their plan, and the new management of the Key System quickly removed the electric trolleys from the plan.<sup>82</sup> However, this change in technology could not overcome declining ridership and costly maintenance. The Key System soon began approaching the CPUC for fare increases, and citizens groups, already upset with the decision to not use trolley coaches, expressed outrage at this attempt by the Key System to raise fares.<sup>83</sup>

The changes in ownership groups, sources of funding, and technology reflected the impact of a constant boom and bust cycle on the Key System. This inability to maintain a financially viable transit system also meant that they ended up in contract disputes with Local 192, though federal funding for transportation during the war paused these disputes. This animosity between Local 192 and management continued under the

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<sup>81</sup> Sappers, *Key System Streetcars*, 114–27.

<sup>82</sup> Adler, “The Political Economy of Transit in the San Francisco Bay Area, 1945-1963,” 61–62.

<sup>83</sup> Adler, 62.

NCL-backed Key System Transit Lines in the postwar years, and labor joined political leaders, business owners, and riders to transition to a publicly owned system. In addition, the Key System found itself at odds over unresolved employment discrimination.

### **1.3.1 Atlanta Introduction**

Located just south of the Piedmont, Atlanta grew in Antebellum America primarily because of its central position in the greater Southeast. The forced relocation of Indigenous Peoples opened the Southeast to white settlers and the expansion of slavery followed. This advantageous position for transportation led to growth in that industry as well as associated commercial activities. The destruction of the city during the Civil War led to a rebuilding effort that focused again on the railroads. By the turn of the 20th century, Atlanta had expanded as a center of railroad transportation and, as a result, commercial and manufacturing sectors thrived because of this access to the railroads. This period of time was also marked by a noticeable increase in the African American population which, although faced with segregation, developed strong community institutions, particularly higher education. Despite this success, the black community faced unrelenting rumors about the intentions of black men, both middle class and working-class. On September 22, 1906, the white-owned newspapers published unfounded accounts of black men assaulting white women, and groups of white men attacked blacks and black-owned businesses. When the violence finally ended on September 24, possibly around three dozen blacks had been killed as well as two whites,

although one of those deaths was due to a heart attack. Whites imposed restrictions on suffrage and tighter control over segregated seating on Atlanta streetcars.<sup>84</sup>

By 1920, Atlanta rivaled New Orleans as the most populous city in the South growing from 89,872 in 1900 to 154,839 in 1910 to 200,616 in 1920. This growth also included a mass transit network. Like many cities, horses powered the first mass transit system in Atlanta in 1871, and that was followed by the first electric streetcar in 1889. Two transit systems dominated the service, the Atlanta Consolidated Street Railway Company, which had bought up nearly all of the companies in 1891, and the Atlanta Rapid Transit Company. In 1901, the Atlanta Rapid Transit Company bought its competitor merging everything into the Georgia Power Company (GPCO). GPCO introduced the first routes using gasoline buses in 1925, and a modernization program began in 1936 that would result in a large network of trolley buses. Shoppers specials, bus routes to shopping districts during the day, also began in 1936.<sup>85</sup>

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<sup>84</sup> Andy Ambrose, "Atlanta," in *New Georgia Encyclopedia*, accessed July 23, 2019, <https://www.georgiaencyclopedia.org/articles/counties-cities-neighborhoods/atlanta>; For more on this expansion of slavery in the Antebellum period, see Adam Rothman, *Slave Country: American Expansion and the Origins of the Deep South* (Cambridge, Mass: Harvard University Press, 2005); Gregory Mixon and Clifford Kuhn, "Atlanta Race Riot of 1906," in *New Georgia Encyclopedia*, accessed February 10, 2020, <https://www.georgiaencyclopedia.org/articles/history-archaeology/atlanta-race-riot-1906>; Ronald H. Bayor, *Race and the Shaping of Twentieth-Century Atlanta* (Chapel Hill: University of North Carolina Press, 1996), 188.

<sup>85</sup> "Transportation Developments in Atlanta," *Electric Railway Journal* [clipping], May 6, 1922, Box 161 Folder 10, American Public Transportation Association Records, C0051, Special Collections and Archives, George Mason University Libraries [hereafter APTA Records]; "How Mass Transportation is Conducted in Atlanta," *Mass Transportation* [clipping], June 1941. Box 161 Folder 10, APTA Records; Jean Martin, *Mule to MARTA.: Volume 2. 1902-1950*. (Atlanta, Ga.: Atlanta Historical Society, 1977), 1–2; "How the Bus is Used in Atlanta," *Mass Transportation* [clipping], June 1936, Box 161 Folder 10, APTA Records.

### **1.3.2 AASEREA Local 732 and Strikes**

AASEREA established a local over a dozen years later in Atlanta than in Oakland, and the process would be much more violent as well as much more intertwined with the intervention of the National War Labor Board (NWLB). The Amalgamated Transit Union began a push to organize the GPCO employees in 1916, and they chartered Local 732 on September 23, 1916.<sup>86</sup> AASEREA did not have an officer on the ground in Atlanta. Instead, William Pollard, a business agent with the Brotherhood of Electrical Workers, and H. O. Teat, the president of the Brotherhood of Firemen and Enginemen, handled organization activities. When GPCO management found out, they immediately fired the workers they believed had joined. Eventually, Edward McMorrow, an officer from AASEREA, arrived on the scene, but he did not have success with reinstating the workers reinstated in their jobs.<sup>87</sup>

The 1916 Atlanta transit strike by motormen and conductors essentially began as an offshoot of a strike by the electrical workers. On August 5, GPCO fired several workers, and a group of union officials, which included Pollard, requested that GPCO rehire those men or the electrical workers would strike. Around 100 electrical workers went on strike on August 12, and GPCO hired strikebreakers. The company requested a restraining order in response to what they saw as aggressive behavior by the union against the strikebreakers.<sup>88</sup>

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<sup>86</sup> Amalgamated Transit Union, *A History of the Amalgamated Transit Union*, 165; "How Atlanta Advertises Unions," *The Motorman, Conductor and Motor Coach Operator*, September 1941.

<sup>87</sup> "Proceedings of Semi-Annual Meeting of the General Executive Board, Div. No. 732, Atlanta, Ga.," *Motorman and Conductor*, March 1917.

<sup>88</sup> "Injunction Sought to Prevent Coercion in Atlanta Strike," *Electric Railway Journal*, September 16, 1916.

After the electrical workers had been on a six-week strike, Local 732 threatened to strike over the failure of GPCO to recognize their union. GCPO president Preston S. Arkwright suggested that only a handful of operators would strike, but Pollard warned that many would do so because they feared for their jobs over speaking out. He pointed to some recent firings as examples. He denied that he had been brought in “as a paid labor agitator and brought to Atlanta to foment strife between the company and its employees.”<sup>89</sup>

The strike began in the afternoon on September 30, 1916, and the total number of workers on strike ranged from 60 to 200 workers depending on numbers presented by Pollard and Arkwright. Arkwright had arranged for strikebreakers, and they replaced motormen and conductors when they walked off the job. He later ordered all of the cars to return to the yards because he said that the police did not keep strike sympathizers from climbing onto trolleys and threatening the substitute workers. One strikebreaker picked up his controller handle when approached by a jeering crowd and reportedly told them to “[s]hut up. The first one of you that steps on this platform is going to get his skull caved in.” A judge did issue a temporary injunction on interference with the operation of the transit system and set a date to hear arguments to make it permanent.<sup>90</sup>

GPCO viewed the AASEREA strike as more of the result of a group of operators and conductors coerced by “agitators.” The company believed that AASEREA could not be held responsible for all of the violence, but they did think that “a lawless element

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<sup>89</sup> “Street Car Strike Matter of Hours, Pollard Declares,” *Atlanta Constitution*, September 29, 1916.

<sup>90</sup> “Great Crowds Witness Beginning of Trolley Strike; Cars Continue Running Despite ‘Walkout’ of Men,” *Atlanta Constitution*, October 1, 1916.

which in the main has no relation even to organized labor” as well as the approximately 100 electrical workers that had already been on strike. They clearly pointed to Pollard as being behind both strikes by the electrical workers and the transit workers. GPCO returned to regular service on October 3.<sup>91</sup>

On October 5, one streetcar ran over a stick of dynamite that caused damage to the streetcar but no injuries to passengers. Another streetcar nearly ran over a piece of dynamite, but it was spotted just in time. Other objects were also placed on the tracks to obstruct cars on other lines. Despite this, service operated on all but two lines. Strike organizers pointed to men that continued to leave the GPCO as a sign of strength of the strike and solidarity.<sup>92</sup>

As the strike continued, the violence escalated. On October 19, an operator was shot during an ambush. GPCO officials had been warned of the attack by the approximately 40 masked men, so security guards hired by GPCO were riding in the car instead of passengers. The attackers placed an obstacle on the tracks, then a security guard disembarked to remove it. He saw the men and told them to drop their weapons. Instead, they riddled the streetcar with bullets. The security guards returned fire using the streetcar and bushes for cover. GPCO officials thought that the police should have also been accompanying the streetcar, and they claimed that when the officers did arrive that they did not conduct a serious investigation.<sup>93</sup> Striking workers

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<sup>91</sup> “Attempt to Stampede Atlanta Employees,” *Electric Railway Journal*, October 7, 1916.

<sup>92</sup> “Dynamite Put on Tracks and Lives of Passengers Endangered by Explosion,” *Atlanta Constitution*, October 6, 1916.

<sup>93</sup> “Motorman Is Shot and Car Riddled in Night Assault,” *Atlanta Constitution*, October 20, 1916.

and their allies continued to use dynamite to disrupt the transit system. On October 23, explosives damaged three streetcars and an obstacle placed on the tracks caused a derailment. Again, the only damage was to the streetcars and none of the passengers suffered injuries.<sup>94</sup> Striking workers eventually returned to work with no recognition of Local 732 by GPCO. Pollard ended up on trial with the case ending in a mistrial because of a deadlocked jury in December 1916. He was accused of inciting violence during the strike by distributing a publication called “The Strikebreaker.”<sup>95</sup>

The finger-pointing at William Pollard by GPCO received some validity when a Fulton County grand jury indicted him in November for inciting the violence through literature he distributed. From October 5 to November 17, the indictment alleged that the literature contributed to the dynamiting of 31 streetcars. Pollard’s case ended in a mistrial in December, but his trial featured witnesses who claimed that Pollard’s words inspired them to dynamite streetcars.<sup>96</sup>

GPCO made an effort to meet wage demands with two raises in 1917 and a third in 1918. GPCO raised wages for operators and conductors on April 1, 1918, which matched the amount that they had raised wages in the entire year of 1917. The per hour wage ranged from 25 cents for first year workers to 32 cents for those workers with six years of experience.<sup>97</sup>

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<sup>94</sup> “Dynamite Is Used on Trolley Lines,” *Atlanta Constitution*, October 24, 1916.

<sup>95</sup> “Unable to Agree, Jury Is Dismissed in Pollard Case,” *Atlanta Constitution*, December 6, 1916.

<sup>96</sup> “Atlanta’s Reign of Terror,” *Electric Railway Journal*, December 16, 1916.

<sup>97</sup> “Wage Increase in Atlanta,” *Electric Railway Journal*, April 13, 1918.

The situation improved slightly in 1918 because of the NWLB. As of June 24, 1918, the GPCO allowed workers to join Local 732, but they did not recognize Local 732 as the bargaining organization for the workers. Arkwright argued that they had followed the instructions of the NWLB to allow workers to join Local 732 if they chose to, but that this also meant that the workers agreed not to strike which was also part of the NWLB instructions.<sup>98</sup> When GPCO announced that they would allow workers to join Local 732, approximately 90 percent of eligible workers did so.<sup>99</sup> AASEREA classified Local 732 as a local division that had been reorganized since it already had a charter.<sup>100</sup> In June 1918, Local 732 contacted the GPCO Transportation Superintendent S. E. Simmons to make a distinction between the union now and “the men who in the past attempted to dynamite us and who have heaped every insult upon us.” The existing “union is not for the purpose of intimidating or antagonizing the company, but for our own benefit and protection.” They requested his approval about operators and conductors joining a union, though they did not specifically mention AASEREA or Local 732.<sup>101</sup> In response, Simmons stated that they could join a union, but that “a very large number of our employees will not consent to join any organization where they are required to affiliate with the parties who used extreme violence and every means of insult to force them to join Local 732,” so they “will oppose any connection with Local #732.”<sup>102</sup>

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<sup>98</sup> “Street Cars Tied Up by Strike; Light and Power My Be Affected,” *Atlanta Constitution*, July 16, 1918; For more on the National War Labor Board see Gregg, “The National War Labor Board.”

<sup>99</sup> Memorandum In re Strike of Employees of Railway Department Georgia Railway and Power Company, 3 o’clock A.M., July 16, 1918. Box 1 Folder 1, David Williams Collection.

<sup>100</sup> “Divisions Re-Organized,” *Motorman and Conductor*, September 1918.

<sup>101</sup> [732 members] to Georgia Railway & Power Company, Mr. S. E. Simmons, Supt. Trans., June 22, 1918, Box 1 Folder 1, David Williams Collection.

<sup>102</sup> S. E. Simmons to Gentlemen, June 24, 1918, Box 1 Folder 1, David Williams Collection.



On July 12, 1918, Local 732 officials demanded that GPCO rehire 35 workers fired in 1918 for union activities and 33 workers fired in 1916 for union activities. Arkwright agreed to rehire those fired after April 8, 1918, for purely union organizing activities, but not “those few among them who were dismissed for other reasons or whose service were otherwise unsatisfactory.” He flat out said that he would not rehire the workers from 1916 due to the violence that occurred. Local 732 responded that they wanted arbitration to resolve these issues about rehiring workers, but Arkwright refused on the grounds that the policy of GPCO prior to April 8 had been as a non-union company, so they would not further discuss the matter.<sup>103</sup>

On July 16, 1918, workers again went on strike after the company refused to arbitrate over the fired workers who had not been rehired since the 1916 strike. Arkwright only committed to back pay to April 8, 1918. He refused to reinstate anyone prior to that date, in particular those that went on strike in 1916 because they had “joined in a conspiracy to tie up the street railway operations of Atlanta.” Arkwright stated that the transit system “was, and was well understood to be, a strictly non-union establishment” and that anyone accepting employment acknowledged this fact. Teat, a Local 732 officer, pointed out that nearly every employee was a member of Local 732, and that they would strike until they could arbitrate directly with GPCO.<sup>104</sup>

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<sup>103</sup> Memorandum In re Strike of Employees of Railway Department Georgia Railway and Power Company, 3 o'clock A.M., July 16, 1918, Box 1 Folder 1, David Williams Collection.

<sup>104</sup> “Street Cars Tied Up by Strike; Light and Power My Be Affected”; “July Work of International Officers,” *Motorman and Conductor*, August 1918.

The strike ended on July 19 when a NWLB conciliator arrived and negotiated an agreement for the workers to return and for the matter to be turned over to the NWLB, a development applauded by Local 732.<sup>105</sup> Arkwright characterized the agreement between Local 732 and GPCO with the NWLB as something they had already agreed to do.<sup>106</sup> Following the signing of the agreement, the Local 732 executive board members contacted Arkwright in an attempt to look forward, expressing a “desire to convey to you our sincere respect for you and fully appreciate your fairness in the signing of the agreement” and “hope the future will prove that all parties are and will be dominated by a united thought of harmony and good will to all.”<sup>107</sup>

Arkwright also struck a more conciliatory tone at a meeting between GPCO officials and the Local 732 executive committee. He “didn’t think there was sufficient cause for [the strike], but of course people differ about these things and I am glad it is all over and you are back. I think now we ought to agree among ourselves to get along in a friendly manner, just like we always did.” Although this characterization did not match the reality of their relationship, Arkwright agreed to answer their questions about unresolved issues, specifically the workers GPCO had not rehired.<sup>108</sup>

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<sup>105</sup> Memorandum In re Strike of Employees of Railway Department Georgia Railway and Power Company, 3 o’clock A.M., July 16, 1918, Box 1 Folder 1, David Williams Collection; “July Work of International Officers”; “Strikes and Lockouts,” *Motorman and Conductor*, July 1918; “Unceasing Effort Rewarded,” *Motorman and Conductor*, August 1918.

<sup>106</sup> President [Preston Arkwright] to Mr. M.W. Alexander, Managing Director, August 1, 1918, Box 1 Folder 1, David Williams Collection.

<sup>107</sup> W. J. Bishop [and other 732 executive members] to Mr. P. S. Arkwright, Esq., July 22, 1918, Box 1 Folder 1, David Williams Collection.

<sup>108</sup> Memorandum of conference on labor matter at the office of P. S. Arkwright, July 22, 1918, Box 1 Folder 1, David Williams Collection.

GPCO turned to taking their case to the public by advertising in newspapers a justification for a six-cent fare and two-cent transfer. They pointed to fare increases in other cities that had been granted to cover higher costs such as those experienced by GPCO, especially in urban areas like Atlanta with systems that had expanded without fare increases.<sup>109</sup> Additionally, the transit system also experienced disruptions due to the influenza pandemic, and the impact on AASEREA streetcar operators nationwide led AASEREA to assess an additional one dollar to the entire membership for a year to cover death claims due to the pandemic. According to AASEREA, “[t]he result of the epidemic upon our membership was very serious.”<sup>110</sup>

Following the NWLB decision to increase the wages of the workers in December 1918, Arkwright declared that this would be financially damaging to the company if they could not also increase fares. Arkwright pointed out that the board actually said as much in their ruling that the company should be granted permission to raise fares to cover the cost of the contract. The NWLB did not order men fired in 1916 to be rehired since that occurred before the creation of the board. They did order men fired in 1918 to be rehired with back pay and full seniority. The NWLB continued their stance that workers could join the union, but that GPCO did not have to formally recognize it. With regards to negotiating with Local 732, the NWLB essentially sided with GPCO and ruled that they

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<sup>109</sup> “Stockholders Tell Atlanta’s Story,” *Electric Railway Journal*, July 13, 1918.

<sup>110</sup> “Another Georgia Petition Entered,” *Electric Railway Journal*, November 16, 1918; “The Epidemic of Spanish Influenza,” *Motorman and Conductor*, March 1919.

only had to meet with union members who were employees. Arkwright pointed to the board's support for a fare increase for GPCO to afford the wage increase.<sup>111</sup>

Local 732 made a significant achievement by January 1919 with a formal agreement between the union and GPCO on wages and working conditions. The agreement only covered operators, conductors, and maintenance workers. Workers eligible to join other unions could decide to join Local 732 as well if those other unions did not organize the workers. However, the agreement specifically stated that the GPCO would be open shop so that workers "shall have the right to join or not join the Association." Perhaps most surprisingly, GPCO allowed the 33 workers from 1916 and the eight workers from 1918 to return to work "with their seniority rights and their ratings that they would have been entitled to had they continued in the service of the company." GPCO scrapped the prohibition on wearing union buttons during work hours. The operators and conductors received a top wage rate of 40 cents per hour. Local 732 also negotiated for a nine-hour workday for workers other than operators and conductors, though they did establish minimum per hour wages and maximum working hours per day. A point of future negotiations would be "providing proper facilities for the employees to relieve the call of nature." The one-year contract also contained a pledge by Local 732 not to strike and GPCO not to lock-out workers.<sup>112</sup> AASEREA cited the personal involvement of president William D. Mahon as one of the reasons for success. He worked with Atkinson and Arkwright specifically on formally

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<sup>111</sup> "Atlanta Carmen Are Disappointed," *Atlanta Constitution*, December 7, 1918; "Atlanta Wages Increased," *Electric Railway Journal*, December 14, 1918.

<sup>112</sup> "Atlanta, Ga., Agreement," *Motorman and Conductor*, January 1919.

establishing Local 732 as the bargaining unit and also ensuring that those workers from 1916 and 1918 would be able to return to work, and the Local 732 membership worked on the specific working conditions and wage increases.<sup>113</sup>

The effort to bring cases nationwide before the NWLB strained the resources of the AASEREA, both personnel and financial. AASEREA dispatched officers and representatives to consult with locals, and the AASEREA attorney represented many of the cases in Washington, D.C., though some locals decided to send their own attorneys. Although AASEREA found the process to be relatively smooth, the sheer volume of cases, 132 locals in dispute with 145 companies, caused the delay in board rendering decisions that frustrated the membership. By March 1919, AASEREA had spent over \$13,000 to bring cases before the board, and the success at receiving favorable decisions meant that was money well spent as locals across the country gained wage increases and other achievements.<sup>114</sup>

These NWLB decisions also brought additional financial burdens to the transit systems. Across the country, transit systems considered a variety of solutions, including fare increases or selling the assets so municipalities could establish a public system. GPCO focused on raising fares warning that “Municipal Socialism is a Failure All Over the World” in an advertisement in the *Atlanta Constitution*. In April 1919, the Georgia Railroad Commission ruled that GPCO could raise fares from five to six cents.<sup>115</sup>

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<sup>113</sup> “January Work of International Officers,” *Motorman and Conductor*, February 1919.

<sup>114</sup> “War Board Cases,” *Motorman and Conductor*, March 1919.

<sup>115</sup> “More Facts About Electric Railways,” *Atlanta Constitution*, July 16, 1919; “State Rail Commission Grants Six-Cent Fares on Atlanta Street Cars,” *Atlanta Constitution*, April 3, 1919.

Local 732 looked to build on their success of the 1919 contract in 1920, but then the arbitrator returned an award of 6 cents per hour for the highest wage rather than 20 cents per hour. Unhappy with the arbitrator's decision, Local 732 members went on strike on March 10. AASEREA GEB member John H. Reardon had already been in town to assist with the arbitration, and he participated along with the Atlanta mayor and Local 732 officials to convince the members to end the strike because the AASEREA did not support their action. The arbitration agreement had been reached, and Local 732 had to agree to it according to the labor contract.<sup>116</sup>

Local 732 members voted to go on strike because the award did not bring their wages up enough to what they considered a living wage. The arbitration decision in 1920 was based in part on "evidence[...]that the business of the company is not, at present, a financial success." In justifying the wage increase, the Local 732 arbitrator did not dispute the financial condition of the company, but argued that the wages were simply not enough when compared with wages in other occupations and "is not in any degree commensurate with the prevalent cost of the absolute necessities of life."

AASEREA did not agree with Local 732 going on strike, and they threatened to revoke the Local 732 charter. Atkinson was pleased with this swift action by AASEREA, and expressed "hope that the men will profit by this experience and never again suffer themselves to be misled by local radical leaders and politicians." For AASEREA, this action by Local 732 went against "the laws of the union which recognized the principle of arbitration and the solemnity of an executed contract." Initially, the Local 732

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<sup>116</sup> "Strikes and Lockouts, Atlanta, Ga.," *Motorman and Conductor*, April 1920.

members did not seem all that concerned with the threat by AASEREA to revoke their charter, but the Local 732 attorney, Madison Bell, who had been on the arbitration board, argued that they would be causing harm to the public, and this appeared to persuade the members to call off the strike.<sup>117</sup>

Local 732 reported to *Motorman and Conductor* that they had members quit GPCO as a result of the failure to receive a larger wage boost from the arbitration. Reardon and Local 732 officers tried to explain the AASEREA policy of respecting the decision of the arbitration process even when locals do not get what they wanted.<sup>118</sup> The 1920 strike ended after three days, primarily due to the AASEREA refusing to recognize the strike. In an apparent attempt to improve behavior of the members, Local 732 issued the pamphlet “Fares, Hooch, Craps and the Unemployed” that encouraged “all members of the division to give strict attention to duty.” On their side, the company introduced benefits including pensions, dental plans, and safety bonus awards.<sup>119</sup>

Despite this tumult, Local 732 looked forward to hosting the 1921 AASEREA convention in Atlanta, “one of the biggest conventions this city has experienced and the first of its kind to be held here.”<sup>120</sup> Jason L. Kay, the Mayor of Atlanta, opened the convention with praise for the cooperation between Local 732 and GPCO after such an acrimonious history. Arkwright soon followed him with a speech that won several breaks

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<sup>117</sup> “Normal Car Schedules Promised to Atlanta Starting This Morning,” *Atlanta Constitution*, March 13, 1920.

<sup>118</sup> “Giving Thought to Next Convention,” *Motorman and Conductor*, August 1920.

<sup>119</sup> “Transportation Developments in Atlanta,” *Electric Railway Journal* [clipping], May 6, 1922, Box 161 Folder 10, APTA Records.

<sup>120</sup> “Giving Thought to Next Convention.”

for applause. He argued that labor and management should work to improve their relationship to ensure the health of the mass transit industry. He indicated that the two sides had “buried the hatchet; we have changed our views, just like you, just like everybody else, and are workers together.” This new relationship between them “refutes an idea prevalent in some quarters that the union and company are necessarily antagonistic. It emphasizes the example of co-operation and mutual regard between management and men.” He went on to praise Mahon and someone who “is fair and square.” He finished by praising their hard work appreciated by the community because they understood the sacrifices transit workers made every day to contribute to providing the community with the ability to get where they need to go.<sup>121</sup>

Arkwright’s participation in the AASEREA convention illustrated the significant change in labor-management relations from the days of dynamite on tracks and gunfights. Although Local 732 finally achieved recognition as a result of the NWLB, they found that AASEREA would step in to prevent strikes if they believed the local was in violation of arbitration agreements. This assurance by AASEREA put Arkwright at ease since the intervention of the federal government with recognizing the union meant that Arkwright could no longer dismiss the existence of the union.

### **1.3.3 GPCO, Jitneys, and the Introduction of Motor and Trolley Coaches**

To financially support the contracts with Local 732, GPCO needed to make sure that they not only maintained ridership but also looked for ways to increase it. One way

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<sup>121</sup> “Official Report of the Proceedings of the 17th Convention,” *Motorman and Conductor*, October 1921; “Transportation Developments in Atlanta,” *Electric Railway Journal* [clipping], May 6, 1922, Box 161 Folder 10, APTA Records.



to accomplish a ridership increase relatively quickly without spending money on costly service expansions would be to eliminate the competition found in private jitney service. The public need for service other than streetcars led GPCO to invest in motor buses to supplement streetcars, and then trolley coaches to move more efficiently with increasing automobile traffic. As more members drove buses in Atlanta and elsewhere, the AASEREA renamed itself the Amalgamated Association of Street, Electric Railway and Motor Coach Employees of America (AASERMCEA).

The relationship with the union somewhat settled by the early 1920s, GPCO turned their attention to the jitney industry that had become a nuisance to their business. The jitney industry had existed since 1915 and took advantage of the strikes to increase their business. However, they struggled to receive recognition from the city as a legitimate transportation service, and GPCO claimed that there was a danger of race-mixing in the jitneys since they did not have segregated seating like streetcars. The Black community also believed that, despite the segregated seating, the streetcars offered more reliable mobility than the jitney service in which individual operators could refuse service. The GPCO also pointed out that the jitney service could run them out of the mass transit business. The city took in revenue from the GPCO that could not be rivaled from the jitney operations. Signaling a new era for GPCO and labor, the Atlanta Trade Federation agreed and publicly called for the end of jitney service. In 1925, an ordinance passed that effectively prohibited jitneys from competing with streetcars.<sup>122</sup>

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<sup>122</sup> Julian C. Chambliss, "A Question of Progress and Welfare: The Jitney Bus Phenomenon in Atlanta, 1915-1925," *The Georgia Historical Quarterly* 92, no. 4 (2008): 496, 498, 501, 503-4; "Great Crowds Witness Beginning of Trolley Strike; Cars Continue Running Despite 'Walkout' of Men."

In addition to the daily humiliation of segregated seating, Black riders also encountered problems with limited service to their neighborhoods. To overcome this discrimination, the Colored Jitney Bus Association commenced operations in 1922 to provide service to Black neighborhoods parallel to service offered by GPCO streetcars. As with the jitneys owned by whites, the GPCO sought assistance from the Atlanta City Council to regulate the Black jitney service out of existence by placing restrictions on the number of seats, and, by 1925, GPCO had succeeded. By the 1940s, Black neighborhoods still had less frequent service due, in part, to the unwillingness of GPCO to transport Black passengers across neighborhood borders between Black and white neighborhoods.<sup>123</sup>

GPCO introduced bus service for the first time in 1925. The buses functioned as feeder service to streetcar terminals in the suburbs and brand-new bus service where streetcar lines had not existed. In 1936, GPCO replaced a bus for a streetcar line.<sup>124</sup> This was part of a 10-year process begun in 1921 of modernization that included replacing old streetcars with new ones. There were also efforts made to reduce costs by adjusting schedules and implementing one-man operation of streetcars.<sup>125</sup>

The feeder bus system, the Atlanta Coach Company, however, proved to be a liability during the Depression because of the low ridership to and from the terminal streetcar stops. To counteract this, the Atlanta Coach Company changed some feeder

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<sup>123</sup> Bayor, *Race and the Shaping of Twentieth-Century Atlanta*, 188–89.

<sup>124</sup> “How the Bus is Used in Atlanta,” Mass Transportation [clipping], June 1936, Box 161 Folder 10, APTA Records.

<sup>125</sup> “Net Revenue Increased 400 Per Cent in Five Years is Atlanta’s Accomplishment,” Electric Railway Journal [clipping], November 1930, Box 161 Folder 10, APTA Records.

lines into through routes in June 1935, and even more were converted in subsequent years, including the first substitution of a bus for a streetcar in January 1936.<sup>126</sup>

As a new sign of cooperation during the Depression, drivers agreed to reduce the top wage rate from 65 cents per hour to 60 cents per hour. They agreed to this reduction in 1931 and 1932, then the company gradually increased it by two cents in 1933 and back to 65 cents in 1935. This concession by Local 732 allowed the trolley system to successfully manage its finances, in part because of the maintenance backlog that had been completed in the 1920s which meant that the system did not have to spend as much in that part of the business.<sup>127</sup>

One effect of the Depression was to make the operators of both streetcars and buses subject to robbery, though the former more than the latter due to the likelihood of streetcar operators holding more cash than bus drivers. The number of streetcar operators robbed from 1930 to 1932 totaled 34, then jumped to 49 in 1933. By 1935, the robbery number had dropped to 19 for unspecified reasons, though perhaps due to a combination of police enforcement and the greater availability of jobs with the introduction of New Deal programs.<sup>128</sup>

A modernization program in the 1930s introduced trolley buses in 1937. The company still planned to use streetcars on routes with high ridership because of their large capacity. At the same time, the company wanted to begin using motor buses in

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<sup>126</sup> Martin, *Mule to MARTA*, 178.

<sup>127</sup> Martin, 178–79.

<sup>128</sup> Martin, 178.

outlying areas with low ridership where streetcars operated.<sup>129</sup> W. R. Pollard, GPCO Manager of Transportation, trumpeted the trolley bus as an ideal replacement for streetcars because of the lower operating costs. He pointed to the College Park route that had been the first one to be converted as evidence of the potential for trolley buses to increase revenue because of the quiet, smooth ride compared to streetcars. Pollard viewed the trolley bus as a key part of the planned modernization program over the next 10 years. He did admit that they had run into some problems with the new trolley bus lines in the Buckhead area because of the more elaborate overhead infrastructure required for the operation of trolley buses as well as the larger overhead dual trolley poles that extended from the top of trolley buses. He admitted some problems with the brakes on the College Park route, but that they corrected the problem by replacing those brakes with more durable ones.<sup>130</sup> Despite the problems, one of the most innovative features of the trolley bus system was the implementation of express routes between Buckhead and Atlanta in the 1940s. Trolley buses, unlike the streetcars, could navigate around local buses to create this express system.<sup>131</sup>

#### **1.3.4 Atlanta During War World II**

By June 1941, Atlanta had become a major transportation hub with 15 railroad lines and nine major airlines serving the city. In addition, the city received extensive service from passenger buses and freight trucks, and a major manufacturing sector

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<sup>129</sup> "Trolley Bus Service Started," [clipping], July 3, 1937, Box 161 Folder 13, APTA Records.

<sup>130</sup> "The Place of the Trackless Trolley in Atlanta's Modernization Program," Speech by W. R. Pollard, Mgr. of Transportation, Georgia Power Company, Atlanta, Ga., April 30, 1940, Box 161 Folder 13, APTA Records.

<sup>131</sup> "Atlanta Expands Trolley Bus Express Service," Bus Transportation [clipping], February 1947, Box 161 Folder 13, APTA Records.

produced over a thousand different products. The wartime growth led to restrictions on commuting to relieve traffic congestion beginning in July 1942. Population in the metropolitan area grew from 442,000 in 1940 to 510,000 in 1944. In addition to the service provided by the GPCO 17 streetcar routes, five bus routes, 14 feeder bus routes, and three trolley bus routes, two other companies, the Stone Mountain railway and the Marietta interurban railway, also provided long distance service. Streetcars handled the most riders and grew from 56 million passengers per year in 1941 to 90 million passengers in 1943. In 1941, motor buses carried more passengers (17.5 million) than trolley buses in 1941(13.5 million), but by 1943, trolley buses carried more passengers (26 million) than motor buses (24 million), probably because more trolley buses were in operation.<sup>132</sup>

Despite this use of mass transit, traffic still clogged Atlanta's downtown, so the traffic committee of the Chamber of Commerce released a plan in June 1942 to stagger the hours when certain groups, like school children and office workers, should travel to their respective daytime activities. This allowed the mass transportation system to adequately handle the ridership without increasing the number of vehicles which would have just caused more clogged streets. This wartime traffic crunch meant that GPCO could not carry out its modernization program that it had first announced in 1937. In addition to being unable to take lines out of service for conversion, the company lacked materials and labor to replace nearly all of the streetcars with an all trolley bus and motor bus system. To stress the importance of using caution on the wear and tear of the tires,

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<sup>132</sup> "Dynamo City-Atlanta," Bus Transportation [clipping], May 1944, Box 161 Folder 10, APTA Records.

one superintendent set up a worn tire on display with an explanation of what happened to encourage more awareness of what not to do. GPCO took streetcars abandoned by other systems so that they could overhaul them and put into service to meet their needs. The Atlanta area had many busy military related facilities including the Atlanta Municipal Airport, Army Air Base, the Marietta bomber plant, the supply depot for the Fourth Corps Area, the Lawson General Hospital, the Naval Training Base, and the Fort McPherson army garrison depot.<sup>133</sup>

Local 732 shared in this prosperity in the 1940s. By 1941, Local 732 members made more than double per hour what they had made in 1918. In addition, members worked fewer hours and received 10 days of paid vacation. The Local 732 President, James F. Folsom, pointed to the benefits of the collective bargaining agreement and “one of the most important provisions of our contract is the prohibition of strikes and lock-outs, during the period of the contract.” He also pointed to the benefit of arbitration for disagreements which meant that the public continued to have transit services during arbitration hearings. These higher wages, fringe benefits, and working conditions meant that GPCO attracted quality employees who remained in their jobs for years. Folsom also furthered pointed out that although “the trade union movement has been harmed by small radical elements who have gained control of local organizations, and have sought to obstruct the national defense effort for their own advantage,” Local 732 members “are squarely behind President Roosevelt and the national defense effort” and “are all native

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<sup>133</sup> “Dynamo City-Atlanta,” Bus Transportation [clipping], May 1944; “How Mass Transportation is Conducted in Atlanta,” Mass Transportation [clipping], June 1941; “Atlanta Company Installs 20 Buses,” [clipping], June 21, 1941, Box 161 Folder 10, APTA Records.

Americans and native Georgians ready to defend our American institutions and our democratic way of life.”<sup>134</sup>

Due to race discrimination in employment, not everyone could take advantage of these jobs. In 1944, around 25 white women worked for GPCO. A *Bus Transport* article attributed the small number of women employees to the idea that “the pool of women from which industry can draw in Atlanta is small. Remember it is a southern city in which probably 40 percent of the population are negroes,” an acknowledgement that the GPCO practiced race discrimination in employment. Even though white women could seek employment with GPCO, they were excluded from working as bus drivers, although they did work in the mechanical department and in operations as pre-board conductors.<sup>135</sup>

As early as May 1944, GPCO began to plan for a major \$8 million modernization program to convert the system to 453 trolley buses and 130 motor buses by 1949. The final 50 trolley buses arrived in the spring of 1949.<sup>136</sup> What began as a \$5 million modernization plan in 1945 to convert 20 streetcar lines and one bus line to trolley buses had become an \$8 million program by 1949. GPCO borrowed \$2.6 million for the equipment purchase.<sup>137</sup>

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<sup>134</sup> “How Atlanta Advertises Unions.”

<sup>135</sup> “Dynamo City-Atlanta,” *Bus Transportation* [clipping], May 1944, Box 161 Folder 10, APTA Records.

<sup>136</sup> “Georgia Power Co. Expects to Complete Modernization,” [clipping], March 1949, Box 161 Folder 12, APTA Records.

<sup>137</sup> “Trackless Trolleys Replace Two Car Lines in Atlanta,” *Passenger Transport* [clipping], February 11, 1949; “Nine Trolley Coach Lines Operating in Atlanta,” *Passenger Transport* [clipping], July 23, 1948; “Equipment Jewel,” *Bus Transportation* [clipping], February 1947, Box 161 Folder 13, APTA Records.

By the end of World War II, the mass transit system had expanded along with the city and surrounding metropolitan area. This was due to the success of Atlanta as a major transportation and commercial center in the South, rivaled only by New Orleans. After years of struggle during the World War I era, Local 732 made progress on recognition by GPCO and benefited from the city's growth by experiencing higher wages and better benefits. This showed the importance of the mass transit system to the vitality and growth of the city that GPCO needed to maintain labor peace and avoid the crippling strikes of the 1910s. This labor peace would quickly come to an end in postwar Atlanta with multiple strikes by Local 732 and GPCO under pressure to sell to another private company.

Oakland had a more chaotic ownership group, a more challenging geographic operating area, and two different rail systems and ferry service. Oakland had its own commercial center and simultaneously served as a suburban community of San Francisco, a connection that tied Local 192 into a larger Bay Area labor movement. This environment of labor activism led to the creation of Local 192 years before Local 732, though they still found themselves in conflict with management during World War I. The NWLB did not have to get involved in the recognition of Local 192, but they did get involved in 1919 strike resolution and pointed out the need for the Key System to have increased revenue to meet the contract demands. A common point for both transit systems was the acknowledgement by the NWLB that private transit systems struggled to make enough revenue to meet contracts that would pay their workers a fair livable wage. The federal government mobilization during World War II essentially masked over



continuing problems with the private mass transit industry while simultaneously providing good, stable jobs for Local 732 and Local 192 workers.

### **Conclusion**

Even in the era before urban transit systems became public, the provision of urban mass transit was deeply shaped by state policies, especially in the crucial periods of the World Wars, during which those policies helped unions sink deeper roots and expanded their influence. As these urban systems underwent the big changes from trolleys to buses, the presence of unions was significant. Their presence would help nudge urban mass transit in the direction of public ownership in the postwar era, although in uneven ways, as the next chapter will show.

## CHAPTER 2: PRIVATE TRANSIT AND LABOR IN THE 1950S

### Introduction

How could an urban bus company expect to operate at a profit, regularly raise pay (in an era when labor expected wages to keep up with rising inflation), and pay franchise fees to municipalities when fewer people were riding the bus year after year? This was a question faced throughout the 1950s by companies in cities across the United States such as the Key System in Oakland, California, and the Georgia Power Company (GPCO), and its successor the Atlanta Transit System (ATS), in Atlanta, Georgia. The automobile was stealing their customers, and radio and television programming provided Americans entertainment without their having to leave the house at night.<sup>138</sup> The abandonment of restrictions on rubber and gasoline in post-World War II America had increased the production of automobiles, which had caused a drop in their price. The rise in wages paid to workers across the board made automobiles all the more affordable but also meant transit companies were paying more for labor and seeing less profits. The federal government funded improvements for highways throughout the United States, many of them in urban areas, that made car travel more convenient within cities.<sup>139</sup> At the same time, federal highway projects and home ownership programs—as well as the same

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<sup>138</sup> Clifford E. Clark, Jr., “Ranch-House Suburbia: Ideals and Realities,” in *Recasting America: Culture and Politics in the Age of the Cold War*, ed. Lary May (Chicago: University of Chicago Press, 1989), 172.

<sup>139</sup> David W. Jones, *Urban Transit Policy: An Economic and Political History* (Englewood Cliffs, N.J.: Prentice-Hall, 1985), 65, 75; A well-known conspiracy theory advocated by Bradford Snell blames General Motors and others for the decline of the streetcar systems in the United States and the rise of the automobile. For an exchange on this issue, see Van Wilkins, “The Conspiracy Revisited,” *New Electric Railway Journal* 7 (Summer 1995): 19–22; Bradford Snell, “The Conspiracy Explained,” *New Electric Railway Journal* 8 (Autumn 1995): 26–29.

prosperity that encouraged automobile purchases—promoted the growth of suburbs, which in many cases were beyond the reach of city transit systems. The systems would have to expand or cede an even greater portion of their ridership. This drastic change turned out to be a death sentence for urban transit systems across the country. Some 194 companies ceased operations between 1954 and 1963. Some communities watched their transit systems completely vanish.<sup>140</sup>

Labor costs presented a particular dilemma for transit because increased productivity could offset rising wages to a lesser degree than in manufacturing. Transit could not drop below one operator per vehicle. Transit fares increased nationwide 114 percent between 1940 and 1954. But fare increases encouraged more auto purchases and carpools, leading to even greater declines in ridership and further drops in revenue. This prevented transit firms from raising wages as much as other unionized sectors. By the mid-1950s, wages consumed 60 cents of every dollar of the transit industry's revenue, a higher proportion than in the manufacturing sector.<sup>141</sup>

When transit companies resisted paying higher wages, Amalgamated Transit Union (AASERMCEA eventually renamed ATU in 1964) workers went on strike in Atlanta, Oakland, and elsewhere. From the late 1940s through the early 1950s, transit workers walked off the job mainly in large metropolitan areas such as Atlanta, Oakland,

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<sup>140</sup> Mark I. Gefland, *A Nation of Cities: The Federal Government and Urban America, 1933-1965* (New York: Oxford University Press, 1975), 276–77; Clark, Jr., "Ranch-House Suburbia: Ideals and Realities," 171–72; Kenneth T. Jackson, *Crabgrass Frontier: The Suburbanization of the United States* (New York: Oxford University Press, 1985), 203–4, 206–7, 241; Charles A. Lave, ed., *Urban Transit: The Private Challenge to Public Transportation* (Cambridge, Mass.: Ballinger Publishing Co., 1985), 3, 44–47.

<sup>141</sup> *Business Week*, July 23, 1955, 120; *Historical Statistics of the United States, Colonial Times to 1970, Pt. II* (Washington, D.C.: Government Printing Office, 1975), 666.

Detroit, New York, Boston, Baltimore, and Miami. By the mid-1950s, however, transit workers went on strike more frequently in smaller cities.<sup>142</sup>

The attempts by National City Lines (NCL) properties to restrict wage increases led to some of the strike activity in the 1950s. Begun in the 1920s in the Midwest, NCL sought out struggling transit systems in smaller cities and converted the electric rail systems to buses. They sold stock in the company in order to raise more capital, eventually attracting the likes of General Motors and Firestone. They managed to buy 52 transit systems and also interest in larger systems on both coasts, including the Key System. However, even with this capital, the properties ran into problems faced by non-NCL companies such as the GPCO. In Oakland, the Local 192, politicians, and the public despised the Key System as operating a transit system for profit rather than the public good.<sup>143</sup> Properties associated with NCL that experienced strikes in the 1950s also included Los Angeles, California; South Bend and Terra Haute in Indiana; and Saginaw, Pontiac, and Kalamazoo, all in Michigan. The ATU locals in smaller cities found themselves at a disadvantage since they quickly depleted their strike funds, and the small size of the transit systems did not give them a lot of leverage.<sup>144</sup> Strikes could have the unintended consequence of pushing the transit system to actually completely pull out

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<sup>142</sup> July 23, 1955, 120; *Business Week*, July 23, 1955, 90.

<sup>143</sup> Wolfinger, *Running the Rails*, 197–99.

<sup>144</sup> F. V. Stambaugh, President to Transportation Workers Union, August 5, 1955, Box 3 Folder 8, ATU 192 Records; W. M. Casetleberry to Mr. J. W. Payne, Fin-Sec'y, January 28, 1955, Box 3 Folder 8, ATU 192 Records; Bernard C. Lasec to Mr. Fred V. Stambaugh, Pres. Div. 192, December 10, 1959, Box 4 Folder 6, ATU 192 Records; Executive Board Div. 1097 to Dear Sir and Brothers, January 4, 1960, Box 4 Folder 6, ATU 192 Records; Yvonne Cushman to Dear Sirs and Brothers, [January 1960], Box 4 Folder 6, ATU 192 Records; Peter Downs to Dear Sirs and Brothers, [January 1960], Box 4 Folder 6, ATU 192 Records.

altogether, a situation that occurred in Dearborn, Michigan, as a result of the strike by Local 1265.<sup>145</sup>

Unlike in the past, there would be no major wars or other federal boost for labor in the mass transit industry. During World War I, the National War Labor Board boosted labor union strength and World War II provided a financial boost to mass transit that benefited labor. But the nationwide turn to the automobile caused havoc with the financial underpinnings of mass transit, and the federal government focused on building highways, allowing mass transit systems, including local and interurban and long-distance, to languish. In those local systems, ATU faced a complicated ownership landscape with NCL in many cities and Atlanta's system still owned by an electricity company, a legacy situation from the early days of mass transit operations.

The landscape of mass transit system operations changed following the end of World War II in cities such as Atlanta and Oakland. The transit systems no longer benefited from the high ridership numbers which led to a decrease in revenue. At the same time, the membership of Local 192 and Local 732 faced higher cost-of-living due to higher prices in housing, food, and other basic necessities. Rather than accepting the companies' explanation of why they could not offer higher wages during contract negotiations, the local divisions went on strike. The strikes contributed to the sale of both the Key System and the GPCO transit system, and the local divisions readjusted to these new realities. Local 192 inserted itself into the debate over a transition to public ownership to ensure that transit workers would continue to have collective bargaining

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<sup>145</sup> Howard V. Dolan to Dear Sir and Brother, November 10, 1961, Box 4 Folder 6, ATU 192 Records.

rights. For Local 732, the new Atlanta Transit Company (followed shortly by the Atlanta Transit System) remained under private control, along with new regulatory relief by the state public service commission, so that operations could expand and the company could meet its financial obligations. This meant that Local 732 could continue to push for higher wages without resorting to strikes. Though the transit system in Atlanta remained in private hands, the result was similar to the goal in Oakland. In both cities, local officials and the riding public wanted a transit system that could meet the needs of a growing urban area and avoid strikes by ATU local divisions by having the financial resources to raise wages.

### **2.1 Oakland**

In the case of Oakland, Local 192 found partners in a coalition formed with citizens' groups as well as local and state elected officials to create the Alameda-Contra Costa County Transit District (ACTD). The experience with the Key System under the ownership of National City Lines soured the public and elected officials on relying on private ownership to improve and expand the system to handle the explosive growth in population and traffic in the Bay Area. Local 192 pushed for labor-friendly provisions in the ACTD legislation and worked further to ensure that the bond to fund the new Alameda-Contra Costa Transit (ACT) issue passed. Local 192 believed that, under the public system, they would have much better success with negotiations, and officials believed this well-funded system would prevent strikes by meeting those contract demands.

### 2.1.1 Failure of the Key System and the Movement to Public Ownership

Even with the replacement of the streetcars with buses in the late 1940s, the Key System faced increasing costs and lower ridership levels that left the company with fewer financial resources for maintaining the equipment and paying the wages demanded by workers. By 1950, the Key System consisted of five transbay rail lines, nine transbay bus routes, and 55 local bus routes.<sup>146</sup> The annual ridership peaked in 1945 at 110 million and then steadily declined, while costs escalated because of the tough balance between feeder lines and main lines (feeder lines lose money but are necessary to get riders to main lines).<sup>147</sup> The Key System encountered financial difficulties in the late 1940s much like the situation faced by transit systems, particularly private systems, nationwide.<sup>148</sup> The public began to turn against the Key System in the immediate years following World War II as the company simultaneously decreased service and increased fares.<sup>149</sup>

Another blow to the credibility of the Key System occurred when details emerged about the companies behind NCL, the connection between them, and the abandonment of streetcars and conversion to entirely gasoline buses. In the spring of 1947, a federal grand jury indicted NCL, General Motors, Phillips Petroleum, Mack, and Firestone Tire and Rubber for “conspiring to secure control of a substantial part of the nation’s transportation companies; and monopolizing the sale in interstate commerce of motor buses, petroleum products, tires and tubes.” Although they were only found guilty of the

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<sup>146</sup> Oakland City Planning Commission, *The Transit Problem in the East Bay*, 7.

<sup>147</sup> Oakland City Planning Commission, 15.

<sup>148</sup> Oakland City Planning Commission, 18.

<sup>149</sup> Kennedy, *The Alameda-Contra Costa Transit District*, 2.

latter charge of monopoly, many critics in the East Bay and across the country believed that proved their point that NCL interest resided in scrapping streetcars to provide a revenue source for the bus, gasoline, and tire companies rather than providing mass transit that the community wanted.<sup>150</sup> The Fitzgerald Brothers needed to come up with a reliable source of capital to operate transit systems so, instead of subsidization by real estate or electric utilities, the auto, gas, and tire industries subsidized the NCL.

The African American community also had low regard for the Key System because of years of resistance by the company as well as Local 192 to hire Black workers for driver positions. Due to discrimination by the Key System and Local 192 during the 1940s, the Alameda County chapter of the National Association for the Advancement of Colored People (NAACP) and the Shipyard Workers Commission against Discrimination sued the transit company before the Fair Employment Practices Commission (FEPC). C. L. Dellums, the president of the NAACP Alameda County chapter as well as a leader in the Brotherhood of Sleeping Car Porters, and other activists viewed the lawsuit as an important step in opening up employment among other industries that practiced discriminatory hiring practices.<sup>151</sup> In addition, Dellums argued that the Key System

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<sup>150</sup> Adler, "The Political Economy of Transit in the San Francisco Bay Area, 1945-1963," 67; "United States v. National City Lines, 334 U.S. 573 (1948)," accessed July 19, 2021, <https://caselaw.findlaw.com/us-supreme-court/334/573.html>; In this article, Demoro discusses the role of NCL in cancelling the trolley coach plans and abandoning the remaining streetcar lines. NCL cited costs, but he suggests that their intention all along was to only run a bus system because of the financial support NCL revived from various bus, oil, and tire industries. He does admit that the previous ownership had been moving towards using more buses for years. Also, the abandonment of the rail lines on the Bay Bridge probably would have gone forward as well. See Harre W. Demoro, "A Documented Account of the Conversion from Rail Service to Motor Bus by the Key System," *National Railway Bulletin* 44, no. 6 (1979): 4-27, 38-42.

<sup>151</sup> Self, *American Babylon*, 47; C. L. Dellums, President to Mr. Harry Kingman, Regional Director, November 22, 1944, Carton 10, Folder 12, Dr. Robert L. Allen Papers, BANC MSS 2017/193, The Bancroft Library, University of California, Berkeley [hereafter Allen (Robert L.) Papers].



should not be able to blame poor service on a manpower shortage, and he encouraged frustrated riders to contact the Key System directly to push for hiring Black drivers, which transit systems in cities in both California and nationwide had done.<sup>152</sup>

FEPC hearings opened in March 1945, and the commission ruled that both the ATU and the Key System denied qualified Black applicants the opportunity to compete for jobs. The Key System appeared to be willing to change their hiring practices, but the company delayed.<sup>153</sup> The tactics by the Key System and the ATU were not unusual during this time period as this scenario occurred in cities across the country as public commitment to non-discrimination did not reflect what actually happened, which was more often than not a series of stalling techniques.<sup>154</sup> In April 1945, the U.S. Attorney responsible for the case, A. Bruce Hunt suspected that the Key System would “stall until after the shipyard layoffs and the end of the manpower shortage.”<sup>155</sup> Congress abolished the FEPC in 1946.<sup>156</sup>

The Urban League and the NAACP, however, continued to press for more minority hiring. They ridiculed claims by the Key System made to the California Public Utilities Commission (CPUC) that they had to cut routes because they could not find enough drivers; those claims struck those organizations and others in the Black

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<sup>152</sup> You Can Help! [Flyer], January 1, 1945, Carton 10 Folder 12, Allen (Robert L.) Papers; The desegregation of transit employment was an important precursor to the desegregation of seating. In New York City, under the leadership of Adam Clayton Powell, Jr., the United Bus Strike Committee ended employment discrimination for drivers and mechanics. See Dominic J. Capeci, “From Harlem to Montgomery: The Bus Boycotts and Leadership of Adam Clayton Powell, Jr., and Martin Luther King, Jr.,” *The Historian* 41, no. 4 (1979): 721–37.

<sup>153</sup> Self, *American Babylon*, 54–55.

<sup>154</sup> Self, 56.

<sup>155</sup> A. Bruce Hunt to “C. L.” [Dellums], April 23, 1945, Carton 10 Folder 12, Allen (Robert L.) Papers.

<sup>156</sup> Self, *American Babylon*, 55.

community as patently ridiculous.<sup>157</sup> Readers of the *Oakland Tribune* pointed to the capable Black labor pool available for the driver positions. San Francisco hired Black drivers, and African Americans were “in Korea, in fact, wherever the United States has a fighting man. They fight for the right to work and live as all other Americans, even to drive buses.” As another reader put it, “the Key System plans to perpetrate still another indignity on the all suffering public. Namely, the curtailment of service, and just after a fare boost that should be conducive to good service.” The Key System should “give all a chance to apply for the positions.”<sup>158</sup> By November 26, the CPUC released its findings, and stated that the Key System must “recruit and employ sufficient manpower to operate all schedules necessary to give adequate service to the public.” Based on research into ridership numbers, the CPUC did allow the Key System to proceed with most of their service changes which largely impacted East Bay local lines.<sup>159</sup>

As a result of pressure on the CPUC by the Urban League, the NAACP, and activists, the Key System hired more African Americans. Ausbon McCullough, a Black maintenance Key System employee hired in 1947, moved to the operating department and began driving a bus in December 15, 1951.<sup>160</sup> In addition to the continued work of the Urban League and the NAACP, the cause was also aided by the fact that the former

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<sup>157</sup> Delores Nason McBroome, *Parallel Communities: African-Americans in California's East Bay, 1850-1963*, Studies in African American History and Culture (New York: Garland Pub, 1993), 134.

<sup>158</sup> “No Negroes Hired,” *Oakland Tribune*, November 23, 1951; “Plenty of Drivers,” *Oakland Tribune*, November 9, 1951; “Plenty of Manpower,” *Oakland Tribune*, November 3, 1951.

<sup>159</sup> “Key Denied Cuts on Six Bus Lines,” *Oakland Tribune*, November 26, 1951.

<sup>160</sup> Davis, *Hard Work Is Not Enough*, 46; United States. Congress, *Congressional Record*, vol. 121, part 22 ([Washington, D.C.] : U.S. Government Printing Office, 1975), 28731, <https://www.govinfo.gov/app/details/GPO-CRECB-1975-pt22/summary>; “McCullough Retires, First Black Driver,” *Transit Times*, August 1975, <https://www.actransit.org/transit-times-newsletters>.

Local 192 president was no longer there. According to Dellums, the Local 192 president, E. H. Henson, defied ATU policy of non-discrimination during the 1940s, so the election of a new president in 1950, Fred Vernon Stambaugh, likely contributed to this event as well.<sup>161</sup> By October 1958, there were 32 Black members, all men.<sup>162</sup>

At the same time as the new president Stambaugh aided in ending the discrimination policy, he faced immediate pressure to resolve the issue of Local 192 member wages being wiped out by price increases. This would be the first of many challenges for Stambaugh during his 14 years as president. He led Local 192 through pivotal events in the 1950s and early 1960s including a strike and the transition to public ownership. The same Key System financial situation that restricted the ability to expand and provide reliable service touched off those intertwined events because the company could not meet the demands of Local 192 for increases in wages and benefits. From the perspective of Local 192, the rising cost-of-living justified their demands for wage increases. The rise in prices in the late 1940s and into the 1950s created problems for Local 192 because the wages agreed to during previous contract negotiations quickly looked insufficient.<sup>163</sup>

In particular, the rising housing costs in the Bay Area put pressure on Local 192 to continue to push for higher wages during contract negotiations. In October 1951, the

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<sup>161</sup> C. L. Dellums and Joyce Henderson, *International President of The Brotherhood of Sleeping Car Porters and Civil Rights Leader* (Berkeley: Regional Oral History Office, Bancroft Library, University of California, Earl Warren Oral History Project, 1970), 101–5.

<sup>162</sup> F. V. Stambaugh, President to Alameda-Contra Costa Transit District, October 14, 1958, Box 4 Folder 5, ATU 192 Records.

<sup>163</sup> F. V. Stambaugh, President to Mr. G. L. Stanley, January 18, 1951, Box 3 Folder 23, ATU 192 Records; E.H. Henson, President to Mr. F.W. Teasdel, President, October 11, 1950, Box 23 Folder 23, ATU 192 Records.

Central Labor Council of Alameda County (CLCAC) requested that union members send in information about rent increases and evictions. The removal of rent controls after World War II resulted in much higher rents which stretched the budgets of many union families that did not see a corresponding increase in wages. The CLCAC hoped that they could make the case to their U.S. Congressmen for the re-classification of the area as a “critical defense housing area” that would bring back rent controls.<sup>164</sup>

As a result of this economic climate, Local 192 demanded more from the Key System in the immediate postwar period. The inability of the Key System and the union to resolve their disputes, and the refusal of the Key System to go into arbitration, led to strikes in 1947 and 1953.<sup>165</sup> The 16-day strike in June 1947 occurred shortly after the takeover by NCL, but the 76-day strike in 1953 would be the most damaging to the Key System.<sup>166</sup>

In June 1947, Local 192 members voted to strike after the Key System refused to go into arbitration to settle the wage increase demands by both Local 192 and Local 818,

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<sup>164</sup> The letter does not specifically mention the Korean War, but this attempt to re-classify the area for defense housing likely had to do with the war. See Robert S. Ash to All Affiliated Unions, October 9, 1951, Box 3 Folder 25, ATU 192 Records; The pending removal of the Codornices Village in Berkeley and Albany built under the Defense Housing and Community Facilities and Services Act (Lanham Act) exemplified this housing shortage. This federal housing project housed many veterans as well as students at the University of California. By 1951, they would not accept any new tenants, and then the existing tenants would have to move out by July 1952 after which the buildings would be demolished. The tenants formed the Codornices Tenant Committee to try and hold off on the demolition of the housing until other affordable housing could be constructed for the 1,861 residents. The committee pointed out the dire housing shortage for families of all ethnicities, particularly African Americans and Asian Americans, according to the Housing Vacancy Survey published by the City of Berkeley in July 1951. See F. V. Stambaugh to Codornices Tenants Committee, August 24, 1951, Box 3 Folder 25, ATU 192 Records; Mrs. Tommie Gregory to Carmen’s Union, Division 192, August 19, 1951, Box 3 Folder 25, ATU 192 Records; “Public Housing Timeline, 1933–1993,” *Journal of the American Planning Association* 78, no. 4 (September 1, 2012): 359–359, <https://doi.org/10.1080/01944363.2012.738167>.

<sup>165</sup> Adler, “The Political Economy of Transit in the San Francisco Bay Area, 1945–1963,” 146.

<sup>166</sup> “Transit Strike Ends at Bay Cities,” *Los Angeles Times*, June 28, 1947.

the bus maintenance department local division. The Key System did suggest arbitration over wages, but they wanted to start below what Local 192 asked for, which meant that the Key System could at the most pay \$1.36 per hour rather than \$1.56. ATU international officer Henry Mann, in Oakland to assist with negotiations, called on the Key System to go into arbitration on more than a dozen other issues, but the Key System refused to do this. The Local 818 president committed to joining Local 192 in a strike which would result in nearly 3,000 Key System employees walking off the job on June 11, 1947. Other ATU locals had already been on strike in Sacramento, Stockton, and San Jose.<sup>167</sup>

During the strike, the Key System proposed an increase of 12 cents per hour that both of the locals voted against because it would have effectively been reduced to four cents when the Key System implemented other proposed changes such as eliminating overtime. A second offer of an increase of 10-cents per hour to \$1.30 per hour without the apparent strings attached appealed to union leadership, but they noted that another NCL property in Los Angeles paid their workers \$1.35 per hour, in addition to those workers having to work fewer total hours to account for an eight-hour day.<sup>168</sup> Both of the locals eventually settled on a raise of 11-cents per hour, but this contract also included a pension plan for all employees. This meant that the starting rate for drivers would be \$1.31 per hour and for mechanics \$1.61 per hour. Although the membership did not

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<sup>167</sup> "Arbiter Banned by Key; Strike Starts," *East Bay Labor Journal*, June 13, 1947; "Key System Union Votes to Strike," *East Bay Labor Journal*, June 6, 1947.

<sup>168</sup> "Key System Policy Very Strange One, Says Strike Chief," *East Bay Labor Journal*, June 27, 1947.

overwhelmingly support the new contract, Local 192 successfully negotiated during the next contract negotiations so that drivers made \$1.68 per hour by 1953.<sup>169</sup>

Stambaugh had some confidence going into the 1953 negotiations that he could again negotiate a favorable contract with the Key System management.<sup>170</sup> However, a two-year dispute with the Automotive Machinists Local 1546 to represent the workers in the Key System mechanical department meant that Stambaugh had to delay contract negotiations because of the potential for the mechanical department to be represented by another union. Due to this decision pending before the National Labor Relations Board (NLRB), the Key System extended the contract past May 31, 1953.<sup>171</sup> By June 1953, the NLRB had dismissed the case, and Stambaugh notified the Key System on June 15 that they could proceed with contract negotiations.<sup>172</sup>

Local 192 sought to have wages on par with San Francisco Municipal Railway (Muni) workers, members of the Transport Workers Union (TWU) Local 250A, when entering into contract negotiations. Muni worker wages were set by city charter that pinned their wages to the two highest systems in the country, one of those being New York City.<sup>173</sup> Since the drivers made up the bulk of the employees of both Muni and the

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<sup>169</sup> "Key System Union Back with Higher Pay after 16 Days," *East Bay Labor Journal*, July 4, 1947; Bay Area Wage Schedule, September 1, 1953, Box 16 Folder1, ATU 192 Records.

<sup>170</sup> Sam B. Berrong to F. V. Stambaugh, February 12, 1952, Box 3 Folder 1 ATU 192 Records; "1500 Carmen Get Split Pay Raise," *East Bay Labor Journal*, February 22, 1952.

<sup>171</sup> F. V. Stambaugh to Mr. L.R. White, June 1, 1953, Box 3 Folder 1, ATU 192 Records; Sam B. Berrong to F. V. Stambaugh, December 14, 1951, Box 3 Folder 1, ATU 192 Records; 192 won the representation fight, and this appears to be when 818 merged with 192. F. V. Stambaugh, Pres. to Mr. Francis Dunn, Jr., [1954], ATU 192 Records.

<sup>172</sup> F. V. Stambaugh, President to Mr. G. L. Stanley, June 15, 1953, Box 3 Folder 23, ATU 192 Records.

<sup>173</sup> Position of AC Transit District on the Current Wage Dispute, June 1, 1967, Box 16 Folder 6, ATU 192 Records.

Key System, Local 192 frequently cited the wages rate for drivers. By 1953, Key System Lines drivers made \$1.68 per hour, less than the \$1.71 per hour Bay Area Average and less than the \$1.89 per hour made by Muni drivers.<sup>174</sup> Local 192 argued that the Key System could pay for a raise without raising fares, and they dismissed Key System complaints about costs while turning a profit, such as the net income of \$638,467 reported by the Key System in 1952.<sup>175</sup> Additionally, they pointed to the generous dividends paid by National City Lines as proof.<sup>176</sup>

After three weeks of negotiations, they had not been able to reach what they considered to be a fair agreement with the Key System, and Stambaugh requested that the CLCAC on July 3 sanction a strike by Local 192 against the Key System. The Local 192 membership voted 1,131 to 72 to go on strike.<sup>177</sup> On July 24, 1953, Stambaugh notified the Key System of the termination of the contract, and Local 192 went on strike.<sup>178</sup> Realizing the impact that a strike would have on the community, Stambaugh preemptively sent out a letter to all of the East Bay local officials whose constituents would be affected. He noted that Local 192 had tried to work out an agreement with the Key System for three weeks to no avail.<sup>179</sup>

In a speech before the AFL convention in San Francisco in August 1953, Stambaugh reiterated the problems that resulted in the strike due to the large wage

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<sup>174</sup> Bay Area Wage Schedule, September 1, 1953, Box 16 Folder1, ATU 192 Records.

<sup>175</sup> "Key System Reports Net Profit," *Oakland Tribune*, March 29, 1952.

<sup>176</sup> W. M. Sherlock to Mr. F. V. Stambaugh, August 26, 1953, Box 16 Folder 1, ATU 192 Records.

<sup>177</sup> F. V. Stambaugh, President to Alameda Central Labor Council, July 3, 1953, Box 16 Folder 1, ATU 192 Records; Strike Vote of Carmen's Union, Division 192, June 26, 1953, Box 16 Folder 1, ATU 192 Records.

<sup>178</sup> F. V. Stambaugh to Key System Transit Lines, July 20, 1953, Box 3 Folder 23, ATU 192 Records.

<sup>179</sup> F. V. Stambaugh, President to [Bay Area Mayors and City Managers], July 8, 1953, Box 3 Folder 1, ATU 192 Records.

disparity between Key System and Muni. In addition to drivers making less, mechanics at the highest wage rate earned \$1.95 per hour which was 36 cents per hour less than wages paid by similar companies. Stambaugh pointed to another reason that they did not accept the Key System's recent proposal, which was that they didn't want the wage increases to be completely funded from fare increases since this would impact riders.<sup>180</sup> At the end of August 1953, the Key System proposed a wage increase, partially based on the Public Utilities Commission allowing a fare increase. They also laid out their argument against arbitration which they referred to as "a dangerous practice." By going to arbitration, "you put your fate in the hands of an outsider who is not familiar with our problems, and is not responsible for any decision he may make."<sup>181</sup>

With the Key System and Local 192 unable to work out a solution, East Bay officials attempted different strategies to end the strike. One of the steps the Oakland mayor took was to appoint a Citizens Transit Emergency Committee to assist in ending the strike.<sup>182</sup> East Bay city attorneys considered filing a suit to end the strike, but they didn't believe they could interfere with a private company and order them to resume service. Fred Dubovsky, a local attorney, decided to take matters into his own hands, and he filed a lawsuit to force the Key System back into operations. He based the lawsuit on a New York case from 1895, and the California courts allowed it to proceed based on that case. According to the Oakland city attorney, the city developed a plan with Dubovsky,

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<sup>180</sup> Speech to the A.F.L. State Federation in San Francisco, August 12, 1953, Box 16 Folder 1, ATU 192 Records.

<sup>181</sup> G. L. Stanley to Dear Friends, August 25, 1953, Box 16 Folder 1, ATU 192 Records.

<sup>182</sup> J. L. Childers and Norman Ogilvie to Vern Stambaugh, August 27, 1953, Box 3 Folder 1, ATU 192 Records.



along with the support of the union, to take over the Key System in receivership, and then reopen the transit system for operations. Once the Key System ownership figured out that the judge would most likely agree to the deal, the Key System met with the union to settle the strike.<sup>183</sup> The union membership voted on October 6, 1953, 759 to 201 to accept the 20 month contract and the 18-cent per hour wage increase, a compromise between the 15 cents offered by the Key System and the 20 cents demanded by Local 192.<sup>184</sup> Following the strike, the Oakland city manager sent a letter to Stambaugh expressing his relief that the strike ended, and his thanks to Stambaugh for working to end the strike. He noted that both he and the mayor also worked to end the strike, and he hoped that the Key System and Local 192 would have a better working relationship moving forward.<sup>185</sup>

The strike had a lasting impact on the bottom line for the Key System. The passenger numbers did not return to pre-strike levels to such a degree that it hindered basic operations. In February 1954, the Key System ordered workers not to report to work beginning on March 1, 1954, at the Emeryville transbay train maintenance facility because, they claimed, there continued to be a residual loss of revenue in January and February because of the 1953 strike, and in 1957 the Key System sold the facility.<sup>186</sup>

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<sup>183</sup> Robert E. Nisbet and Laura McCreery, *From Private to Publicly Owned Transit in the Bay Area: Reflections of the Attorney, Lobbyist, and General Manager of the Alameda-Contra Costa Transit District, 1950s to 1980s* (Berkeley: Regional Oral History Office, The Bancroft Library, University of California, 2003), 28–30.

<sup>184</sup> “Key Starts Buses Rolling Tomorrow,” *Oakland Tribune*, October 7, 1953; “Key Parley Goes On---In Low Gear,” *Oakland Tribune*, October 1, 1953.

<sup>185</sup> J. F. Hassler to F. V. Stambaugh, October 15, 1953, Box 3 Folder 1, ATU 192 Records.

<sup>186</sup> Notice To All Employees - Emeryville Shops, February 24, 1954, Box 3 Folder 26, ATU 192 Records; L. Beeckman to the Executive Board and Members of Division 192, April 29, 1958, Box 4 Folder 5, ATU 192

This financial situation also meant that the Key System did not have the resources to hire more employees and expand service for the growing East Bay.<sup>187</sup>

### **2.1.2 Transit Districts and the California Legislature**

Although the 1953 strike did not in and of itself lead to the calls for a publicly owned transit system, the strike did add to the growing list of reasons why the Key System appeared unable to manage the responsibility of serving the growing population of the East Bay. Officials from many of the cities met in 1954, including Oakland, Berkeley, Piedmont, Alameda, and Richmond. If another strike happened and if the Key System continued its fast decline, how could the counties legally take over the system? They all thought that, legally, the plan to take over the Key System during the strike would have faced challenges, so they sought another path to a public transit system. This preliminary meeting began a process that would culminate in the passage of the Alameda-Contra Costa Transit District Law in 1955.<sup>188</sup>

Boosters for a new East Bay transit system faced opposition by Republicans in both local and state politics who favored private enterprise.<sup>189</sup> They preferred the Key System to run it despite the problems with consistent funding.<sup>190</sup> Republicans favored reducing municipal fees to lessen the burden on the Key System, though some Republicans, such as state senator Arthur H. Breed Jr., viewed a public system as more

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Records; De Leuw, Cather & Company and Alameda-Contra Costa Transit District (Calif.), *Report on an Initial Transit Plan* (San Francisco: De Leuw, Cather & Co., 1957), 7.

<sup>187</sup> F. V. Stambaugh, President to Mr. Elmer F. Thomson, February 3, 1954, Box 3 Folder 27, ATU 192 Records.

<sup>188</sup> Nisbet and McCreery, *From Private to Publicly Owned Transit in the Bay Area*, 31–32.

<sup>189</sup> Nisbet and McCreery, 14.

<sup>190</sup> Nisbet and McCreery, 16.

likely.<sup>191</sup> The Key System viewed the legislation as a way to guarantee a hefty price from the new transit district, so the ownership approached Breed and stated their opposition unless the legislation included a buyout for the Key System. Breed explained that if they managed to get such an amendment on the bill, he would kill it and also expose the Key System for making such a demand because that meant they could name “any price if the law said that they have to do business with you.” Breed further promised that after killing the bill, “I’ll just rip your hide off. Make no mistake about it. That’s no threat; that’s a promise.” The exchange ended any Key System plans to block the legislation.<sup>192</sup>

In 1955, the California State Legislature passed legislation that permitted the creation of the Alameda-Contra Costa Transit District (ACTD), and the voters in the two counties approved it in a special election in 1956. Unlike a transit authority, the transit district board possessed a wide selection of powers. The board had authority to hire the general manager, make financial decisions about revenue and expenditures, and, perhaps most importantly, the district could decide on property tax rates to fund the transit system, a unique legal authority found in few, if any, legal compacts of other transit systems nationwide.<sup>193</sup>

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<sup>191</sup> Nisbet and McCreery, 18.

<sup>192</sup> Arthur H. Breed and Morris Gabrielle S., *Arthur H. Breed, Jr.: Alameda County and the California Legislature, 1935-1958: An Interview* (Berkeley: Regional Oral History Office, Bancroft Library, University of California, Earl Warren Oral History Project, 1977), 25–26.

<sup>193</sup> Kennedy, *The Alameda-Contra Costa Transit District*, 2–3.

### 2.1.3 Stambaugh and the ACTD Legislation

Local 192 had been politically active in the East Bay, such as lobbying state legislators to vote against a right-to-work law and against a law to prevent strikes against public utilities. The passage of the legislation to allow for the creation the ACTD in 1955 and then two votes that followed, one to create the ACTD in 1956 and the other to fund a public transit system, in 1959 would require much more work on the part of Local 192 president Stambaugh.<sup>194</sup> This work included many trips to Sacramento, the California state capital, and constant communication with both Local 192 and ATU. In fact, this process required so much of Stambaugh's time that he strongly suggested that ATU develop a nationwide strategy that could be employed in other states considering similar legislation.<sup>195</sup> Stambaugh's concern highlighted that various financial problems of mass transit systems nationwide required a coordinated response by ATU, and that the ATU's attention should be at the state level in addition to the local level with regards to influencing policy.

By May 1955, Stambaugh reported to the Local 192 membership that due to the intervention by the union, the bill had what he considered to be pro-labor language and nothing detrimental to labor in the bill.<sup>196</sup> For instance, he lobbied to remove compulsory arbitration and a "no strike" clause from ACTD legislation Senate Bill 987 once it

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<sup>194</sup> F. V. Stambaugh, President to Industrial Relations Committee, May 8, 1953, Box 3 Folder 26, ATU 192 Records; F. V. Stambaugh, President to Transportation Committee, February 26, 1954, Box 3 Folder 26, ATU 192 Records.

<sup>195</sup> F. V. Stambaugh, President, to Mr. J. M. Elliott, Int. President, August 9, 1961, Box 4 Folder 4, ATU 192 Records.

<sup>196</sup> F. V. Stambaugh, President to Dear Sir and Brother, May 12, 1955, Box 3 Folder 27, ATU 192 Records.

reached the Assembly.<sup>197</sup> Perhaps a blueprint for what would happen elsewhere in the country in the 1960s and beyond with transit in other states, the legislation specifically required the recognition of the union by a public California agency, a groundbreaking move in California.<sup>198</sup> Rather than transitioning the workers into a civil service system, the legislation provided for the union workforce to move into the same positions in the new transit district and preserve the collective bargaining system that Local 192 had with the Key System.<sup>199</sup>

Not only did Stambaugh keep track of events in Sacramento relating to the ACTD legislation, but he also had to deal with tough contract negotiations with the Key System and what he considered their hostile demands for removing many labor protections and also a 30-cent per hour decrease in wages. The ATU Local 1277 in Los Angeles had recently experienced difficult negotiations with the NCL ownership there, so Stambaugh was aware that NCL had no intentions of rolling over to the demands of Local 192.<sup>200</sup> He believed that the April 1955 negotiations introduced a new phase of hard negotiations

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<sup>197</sup> F. V. Stambaugh, President to Mr. Allen Noel, Int. Vice-Pres., April 18, 1955, Box 3 Folder 27, ATU 192 Records; California State Assembly Office of the Clerk, "Statutes of California Passed at the 1955 Regular Session of the Legislature," 1960–62, accessed July 7, 2018, [http://clerk.assembly.ca.gov/sites/clerk.assembly.ca.gov/files/archive/Statutes/1955/55Vol1\\_55Chapters.pdf](http://clerk.assembly.ca.gov/sites/clerk.assembly.ca.gov/files/archive/Statutes/1955/55Vol1_55Chapters.pdf).

<sup>198</sup> Adler, "The Political Economy of Transit in the San Francisco Bay Area, 1945-1963," 153; Nisbet and McCreery, *From Private to Publicly Owned Transit in the Bay Area*, 34–35.

<sup>199</sup> Adler, "The Political Economy of Transit in the San Francisco Bay Area, 1945-1963," 152.

<sup>200</sup> F. V. Stambaugh, President to Mr. Henry Mann, April 21, 1955, Box 3 Folder 27, ATU 192 Records; F. V. Stambaugh, President to Mr. Fred Watson, April 28, 1955, Box 3 Folder 27, ATU 192 Records; By 1958, ATU Local 1277 would be under the Los Angeles Metropolitan Transit Authority as a result of state legislation that allowed the purchase of private transit systems and for the new authority to bargain with public employees. See "Where the Victory, and Whose?," *Los Angeles Times*, January 7, 1958; Carol A. Ventrillo, "Collective Bargaining in California's Public Sector," in *Collective Bargaining in the Public Sector: The Experience of Eight States*, ed. Joyce M. Najita and James L. Stern (Armonk, N.Y.: M.E. Sharpe, 2001), 137.

with Key System that had not existed in the past, even referring to the terms the Key System insisted on as being enough to take Local 192 back to “slavery days.”<sup>201</sup> Perhaps by the mid-1950s, NCL properties began taking a more aggressive stance during negotiations because they had nothing to lose at that point. They could not continue to give concessions to ATU local divisions in California and nationwide since the company faced similar financial constraints with regards to rising costs and declining revenue. Also, they may have calculated that if ATU divisions went on strike, this would hasten a public takeover, either through state seizure laws or legislation that authorized a takeover such as ACTD, and they might be able to name their price.

Stambaugh viewed these increasingly difficult contract negotiations with the Key System as motivation to push through the transit district legislation while ensuring the legislation would benefit labor. When considering what Stambaugh saw as an attempt to weaken union provisions in the contract negotiations with Key System, this explains his dogged pursuit of making sure that did not happen when, or if, a public agency bought the Key System. Local 192 looked forward to the public ownership so that they would not have to be on defense over so many issues each time they negotiated a new contract.<sup>202</sup>

In the end, the Transit District Law of 1955 included labor provisions for collective bargaining instead of shifting all of the unionized workers into civil service positions. This was not ideal for conservative Republicans involved in the process, but

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<sup>201</sup> F. V. Stambaugh, President to Mr. Allen A. Noel, April 21, 1955, Box 3 Folder 27, ATU 192 Records.

<sup>202</sup> F. V. Stambaugh, President to Mr. Allen Noel, Int. Vice-Pres., April 18, 1955, Box 3 Folder 27, ATU 192 Records.

others on the project convinced them that allowing collective bargaining would aid in preventing another strike. Few examples of unionized transit public employees existed in mid-size metropolitan areas like the East Bay, so those working on the Transit District Law had to seek out examples, such as in San Francisco.<sup>203</sup> There was a general consensus that, in order to move the legislation through the state legislature, pass the bond, and successfully negotiate with the union, the collective bargaining provision would be an important feature for the public system to maintain good labor-management relations and avoid strikes.<sup>204</sup> Stambaugh aided in the inclusion of favorable labor policies as he sought to put Local 192 in a better position than with the Key System.

#### **2.1.4 ACTD Creation and Purchase of the Key System**

Although the California Legislature approved the creation of the Alameda-Contra Costa Transit District in 1955, another five years would pass before Alameda-Contra Costa Transit (ACT) formally began operating a public transit system.<sup>205</sup> SB 987 allowed for a district to be formed in state wherever voters approved it. Members of the elected district board then could oversee the acquisition of everything necessary to run a transit system. To pay for it, the board members would have to submit a bond proposal to the voters and pass it with two-thirds of the vote. Although there was a 20 percent cap of the assessed value of property for the sale of bonds, the tax rate for a property tax was

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<sup>203</sup> Nisbet and McCreery, *From Private to Publicly Owned Transit in the Bay Area*, 33.

<sup>204</sup> Nisbet and McCreery, 38.

<sup>205</sup> Kennedy, *The Alameda-Contra Costa Transit District*, 1.

unlimited. The transit district was also not subject to rate, service, and eminent domain oversight by the CPUC.<sup>206</sup>

As with the legislation at the state level, Stambaugh played a key role in the East Bay during the campaigns for both the 1956 ACTD vote and the bond vote, which required a second vote in 1959 after the first one failed in 1958.<sup>207</sup> The fact that, in general, the East Bay residents in 1956 supported Proposition A to create the ACTD made Stambaugh's job somewhat easier. The Alameda County Central Labor Council (ACCLC) aided in the public relations campaign by arguing that the ACTD would lessen the likelihood of strikes with a public transit system. An editorial in the *Oakland Tribune* largely echoed that sentiment that the real desired outcome would be the creation of a public agency to run the mass transit system, and, without such an action, then the East Bay would be unable to handle the continued growth.<sup>208</sup> This enthusiasm for the ACTD was not shared throughout the East Bay. Opponents filed lawsuits over the results of the 1956 election that created the ACTD and argued that the mixture of absentee ballots meant that some of the cities could have not had the two-thirds vote meant to be in the district. In 1958, the judge agreed, and Richmond, San Pablo, and some other unincorporated areas did not join the district.<sup>209</sup> This challenge to the creation of the

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<sup>206</sup> Adler, "The Political Economy of Transit in the San Francisco Bay Area, 1945-1963," 151-52.

<sup>207</sup> F. V. Stambaugh, President to All Members of Division 192, December 5, 1952, Box 3 Folder 27, ATU 192 Records; F. V. Stambaugh, Pres. to Mr. Francis Dunn, Jr., [1954], Box 3 Folder 27, ATU 192 Records.

<sup>208</sup> "Transit Prop. 'A' Backed by Labor," Clipping, [1956], Box 18 Folder 14, ATU 192 Records; "Proposition 'A' Offers First Step In Adequate Public Transportation," *Oakland Tribune* Clipping, [1956], Box 18 Folder 14, ATU 192 Records; "Two-County Transit Plan Victorious," *Oakland Tribune* Clipping, November 7, 1956, Box 18 Folder 14, ATU 192 Records.

<sup>209</sup> Nisbet and McCreery, *From Private to Publicly Owned Transit in the Bay Area*, 36; "Suit Against District Nearer to Decision," *Transit Times*, June 1958, <https://www.actransit.org/transit-times-newsletters>;



ACTD foreshadowed the groups that would emerge to campaign against the 1958 and 1959 bond elections.

The vote to authorize the bond to provide ACTD with actual funding would not be as easy to accomplish as the 1956 vote to create ACTD. The bond vote required two attempts in November 1958 and October 1959, and the supporters confronted opposition to the plan.<sup>210</sup> The supporters and opposition largely argued over whether or not the new transit system could finance itself without additional tax revenue. A series of reports by De Leuw, Cather & Company formed the basis for a key argument for the supporters, which was that by expanding service with new buses, the increase in ridership would provide enough revenue so that the ACT would not have to raise property taxes beyond the current rate. The reports essentially provided justification for a purchase price for the usable assets of the Key System.

According to De Leuw, the improvement in service would bring in more revenue from an increase in ridership, so much so “that the transit system will be self-supporting.” This would be a combination of bringing in riders in the existing service area and also through serving 100,000 residents in areas the Key System had never served, though “all of the estimated net income could disappear and the District would then be faced with a policy decision as between moderate tax levies, increases in fares, or cutbacks in

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“Citizens’ Committee Urges Western Contra Costa to Join Transit District,” *Transit Times*, March 1960, <https://www.actransit.org/transit-times-newsletters>.

<sup>210</sup> Kennedy, *The Alameda-Contra Costa Transit District*, 4.

service.” The report pointed to the success of other private to public conversions “as efficient as and more progressive than private management of a transit utility.”<sup>211</sup>

The De Leuw reports played an influential role in shaping opinion in favor of the bond issue. An *Oakland Tribune* editorial mentioned the De Leuw study that repeated that the system would pay for itself. They agreed with the De Leuw findings that an improved system would attract so many riders that the fares would provide more than enough funding to make the system self-supporting.<sup>212</sup>

Organized labor—as represented by the Alameda County Central Labor Council—backed the De Leuw position. A full-page advertisement by Citizens Committee for Better East Bay Transit in the *East Bay Labor* Journal, published by the Central Labor Council, argued that the vital municipal service of reliable mass transit system was similar to that of a fire department, police department, or water utility. The advertisement also borrowed the language from the De Leuw reports that there would be no tax increases and fares would cover costs. Also, the advertisement specifically mentioned preventing future strikes as a reason to support the ACT because of arbitration provisions in addition to aiding in combating traffic congestion and having a transit system more responsive to local needs because it is locally controlled. The *Transit Times*

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<sup>211</sup> De Leuw, Cather & Company and Alameda-Contra Costa Transit District (Calif.), *Public Transit Plan for Alameda-Contra Costa Transit District* (San Francisco: De Leuw, Cather & Co., 1958), x–xi.

<sup>212</sup> “Eastbay Transit Bond Issue Offers Sound Solution of Urgent Problem,” Editorial Reprinted from *Oakland Tribune*, August 29, 1959, Box 18 Folder 14, ATU 192 Records.

newsletter, published by the ACTD, also brought up the benefits of an arbitration provision.<sup>213</sup>

The tie between labor and the Citizens Committee for Better East Bay Transit could not have been more obvious since Robert S. Ash, the secretary of the ACCLC, served as the vice chairman of the Citizens Committee for Better East Bay Transit. The description of the Proposition A bond vote once again described it as a way to have a completely self-funding transit system with no additional taxes, a plan developed by” [c]ompetent engineering consultants.”<sup>214</sup>

The ACT board appreciated labor support. Local 192 and ACT experienced a good relationship with the ACT Board President Robert K. Barber visiting a union meeting and his praise for Local 192 support for passage of the bond issue. Barber pointed out that the new transit system would be better for the riding public as well as the workers.<sup>215</sup>

But not all union members agreed. To the surprise of Stambaugh, the Central Labor Committee of Contra Costa County (CLCCCC) had been working to minimize property taxes paid by Contra Costa County residents. Stambaugh wrote to Hugh Caudel, the Secretary-Treasurer, to complain that he thought the CLCCCC misled Local 192 about their involvement in working against the taxing of a portion of Contra Costa County to pay for ACT. Stambaugh made two arguments in favor of ACT: that it made

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<sup>213</sup> “Vote for Better East Bay Transit Service Oct. 20th,” East Bay Labor Journal, October 16, 1959, Box 18 Folder 14, ATU 192 Records; “Transbay, Special Fares Raised to Help Offset Unfunded Deficit,” *Transit Times*, June 1974, <https://www.actransit.org/transit-times-newsletters>.

<sup>214</sup> “Labor Urges Yes Vote on Better Transit October 20,” East Bay Labor Journal, October 16, 1959, Box 18 Folder 14, ATU 192 Records.

<sup>215</sup> Robert K. Barber to Mr. F. V. Stambaugh, President, October 3, 1958, Box 4 Folder 5, ATU 192 Records.

more sense for taxpayers to fund ACT rather than the Key System because the ACT would offer lower fares, and the taxes paid would not be too outrageous especially since the improved service by ACT would boost ridership and bring in much more revenue than the Key System.<sup>216</sup> What Stambaugh did not realize was that this sentiment expressed by the CLCCCC illustrated a burgeoning shift in California politics towards a suburban agenda of conservative politics that included restrictions on taxes.<sup>217</sup>

That opposition helped defeat the bond referendum in November 1958. While 60 percent of the voters in Alameda County voted for the bond, nearly the same proportion voted against it in Contra Costa County. Since the state transit district legislation required that two-thirds of the voters approve of the bond issue, Contra Costa County's defection blocked the creation of the district.<sup>218</sup>

The ACTD board approved a plan to change the law during the 1959 state legislative session. Specifically, they wanted to make the path to withdrawing from the district easier and to decrease the requirement for approving the bond issue from two-thirds to a simple majority.<sup>219</sup> In a second effort at passing the bond, the legislature permitted jurisdictions to opt out of the transit district.<sup>220</sup> AB 752 amended the ACTD

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<sup>216</sup> F. V. Stambaugh, President to Mr. Hugh Caudel, Sec'y-Treas., February 21, 1958, Box 4 Folder 5, ATU 192 Records; Hugh Caudel, Sec'y-Treas. to All Local Unions, February 7, 1958, Box 4 Folder 5, ATU 192 Records.

<sup>217</sup> See Robert O. Self, "Prelude to the Tax Revolt: The Politics of the 'Tax Dollar' in Postwar California," in *The New Suburban History*, ed. Kevin Michael Kruse and Thomas J. Sugrue (Chicago: University of Chicago Press, 2006).

<sup>218</sup> Adler, "The Political Economy of Transit in the San Francisco Bay Area, 1945-1963," 271.

<sup>219</sup> Adler, 271.

<sup>220</sup> Additional amendments passed in 1961 as AB 1872. F. V. Stambaugh to Mr. A. Antonio, October 17, 1961, Box 3 Folder 1, ATU 192 Records.

bill, and the governor signed the bill on April 10, 1959.<sup>221</sup> AB 752 allowed for jurisdictions to leave a transit district, and the bill allowed the remaining jurisdictions to set up a Special Transit Service District that would then be able to vote on the bond. This action meant that the referendum had a greater chance of success without those Contra Costa County votes.<sup>222</sup> In May 1959, the legislative changes went into effect.

The Association for the Best in Rapid Transit and the Citizens Transit Committee, two of the most prominent anti-ACT groups, argued that the that system would not meet high ridership numbers, and that the system will not be “rapid” and just consist of buses like it currently did. Taxes would undoubtedly go up, and the price tag for the old buses was too much. Additionally, they argued that the East Bay would end up with a “Muni Mess like San Francisco with poor service [and] heavily subsidized.” On taxes, they liked that the Key System paid taxes instead of taxes going to pay for a transit system, and that they had little faith the public system would lead to less labor strife.<sup>223</sup>

As part of his efforts to persuade voters, Stambaugh served on the Citizens Committee for Better East Bay Transit.<sup>224</sup> In an effort to counter those opposed to the bond, Stambaugh sent out letters to labor groups in Alameda County to encourage them to vote for the Proposition A transit bond issue on October 20, 1959. He relied on the 1959 De Leuw report that stated that it “will not require additional taxes from the

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<sup>221</sup> F. V. Stambaugh to multiple elected officials, April 13, 1959, Box 3 Folder 1, ATU 192 Records.

<sup>222</sup> “Board Votes to Form Initial Operation Zone, Authorizes New Transit Study,” *Transit Times*, May 1959, <https://www.actransit.org/transit-times-newsletters>.

<sup>223</sup> Vote No on Transit Bonds on Oct. 20, [1959], Box 18 Folder 14, ATU 192 Records; Argument Against Transit Bonds, [1959], Box 18 Folder 14, ATU 192 Records.

<sup>224</sup> A. H. Moffitt, Jr. to Dear Friend, October 15, 1959, Box 18 Folder 14, ATU 192 Records; Sherwood Swan to Mr. F. V. Stambaugh, September 24, 1959, Box 18 Folder 14, ATU 192 Records.

property owners” because it “can be self-supporting.” He also noted the endorsement of the bond issue by the ACCLC.<sup>225</sup>

Such arguments persuaded some, but not all, Contra Costa County voters, and the bond issue for the special transit service district passed in October 1959 without a large part of Contra Costa County.<sup>226</sup> Faced with the loss of their mass transit service, Contra Costa County residents of Richmond, San Pablo, and residents in nearby unincorporated areas voted to rejoin the district while Walnut Creek and Concord remained unaffiliated with ACTD.<sup>227</sup>

In 1960, after some negotiation, the ACTD purchased the Key System for \$7.5 million as well as the assumption of over a million dollars in unfunded pension obligations. ACTD bought the entire fleet including the old gasoline buses that they did not initially want, but ACTD officials figured they could use the old buses until the new ones arrived.<sup>228</sup> The price included 570 buses, equipment to maintain the buses, and three maintenance and storage yards.<sup>229</sup> The ACTD finally moved forward with the acquisition after overcoming legal hurdles from anti-ACTD activists.<sup>230</sup>

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<sup>225</sup> F. V. Stambaugh, President to All Members of Organized Labor in Alameda County, October 6, 1959, Box 3 Folder 29, ATU 192 Records.

<sup>226</sup> Adler, “The Political Economy of Transit in the San Francisco Bay Area, 1945-1963,” 271.

<sup>227</sup> Nisbet and McCreery, *From Private to Publicly Owned Transit in the Bay Area*, 36–37; “Western Contra Costa in District by 2-1 Margin,” *Transit Times*, June 1960, <https://www.actransit.org/transit-times-newsletters>.

<sup>228</sup> Nisbet and McCreery, *From Private to Publicly Owned Transit in the Bay Area*, 59; “District and Key System Reach Price Agreement; Long Court Fight Avoided,” *Transit Times*, May 1960, <https://www.actransit.org/transit-times-newsletters>.

<sup>229</sup> “Transit Directors Approve Purchase Of Key System; Agreement Is Signed,” *Transit Times*, June 1960, <https://www.actransit.org/transit-times-newsletters>.

<sup>230</sup> A pair of East Bay citizens, represented by an attorney that had been active in the anti-ACTD Committee for Transit Action, filed a lawsuit over the legitimacy of the \$16.5 million bond approved by voters in November 1959. They argued ACTD did not have the legal authority to hold the bond election and then sell those bonds and also that ACTD engaged in a misleading public relations campaign. In March

As a continuation of working with ACT, Stambaugh understood the importance of having in place a good relationship with ACT General Manager J. R. Worthington, with whom he successfully negotiated the first contract between Local 192 and ACT.

Worthington stressed the importance of reaching a contract agreement prior to ACT taking over transit operations from the Key System on October 1, 1960.<sup>231</sup> After coming through many hard years with the Key System, the union sought to make up for the lean years by negotiating for contracts that met rising cost-of-living because they knew that there was a steady stream of public funds that ACT management could potentially tap to meet union demands.<sup>232</sup> By October 1960, Local 192 and ACT agreed on a two-year contract. Local 192 successfully negotiated for more generous pension benefits.

Essentially, Local 192 members would no longer be paying into their pensions, and ACT would cover the full cost of the pension contributions.<sup>233</sup> The ATU praised Stambaugh

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1960, a judge in Alameda County dismissed the lawsuit, but then the plaintiffs appealed, so that meant that ACTD could not sell the bonds in June even though they had come to an agreement on the sale price with the Key System. In August, the state appeals court upheld the March decision followed by the State Supreme Court declining to hear an appeal, and ACTD quickly moved to sell the bonds so that they could complete the purchase of the Key System, buy new buses, and begin operations in October. See Stanley E. Behneman and Herbert B. Kincaid v. Alameda-Contra Costa Transit District, et al, July 15, 1960, Box 3 Folder 29, ATU 192 Records; "Court Overrules Transit Bond Protest," *Transit Times*, April 1960, <https://www.actransit.org/transit-times-newsletters>; "Transit Directors Approve Purchase Of Key System; Agreement Is Signed"; "Court Upholds Validity of Transit Bonds," *Transit Times*, August 1960, <https://www.actransit.org/transit-times-newsletters>; "High Court Upholds Transit Bonds; District to Replace Key System Oct. 1," *Transit Times*, September 1960, <https://www.actransit.org/transit-times-newsletters>.

<sup>231</sup> J. R. Worthington to F. V. Stambaugh, President, July 26, 1960, Box 3 Folder 29, ATU 192 Records; "Two-Year Transit Labor Contract Signed," *Transit Times*, November 1960, <https://www.actransit.org/transit-times-newsletters>.

<sup>232</sup> Donald S Larson and Laura McCreery, *On Schedule: Recollections of a Planning and Scheduling Manager at the Alameda-Contra Costa Transit District* (Berkeley: Regional Oral History Office, the Bancroft Library, University of California, 2003), 19–20.

<sup>233</sup> J. R. Worthington to Members of Board of Directors, October 20, 1960, Box 3 Folder 29, ATU 192 Records.

because of his work to put in labor provisions into a bill that initially just seized the Key System with no collective bargaining language. An article in *The Motorman, Conductor and Motor Coach Operator* pointed out the increase in wages, better fringe benefits, and the improvement in working conditions which Local 192 members voted 771 to 42 to accept.<sup>234</sup>

The Key System emerged from War World II in terrible shape. Management deferred repairs for years prior to the war, and the heavy use during the war made the situation much worse. The poor state of the infrastructure and the increase in automobile use led to a consensus on replacing local streetcar tracks with buses. The Key System, in the eyes of the public, saw its profit as the most important concern rather than serving the public. This change in view towards the Key System accelerated efforts to develop a public transit option that would be more accountable to the public it served.

Stambaugh steered the union through the multi-month strike in 1953, and the union came out of that viewed in a favorable way by the public, business leaders, and politicians. As the movement for a transition to public ownership moved forward, Stambaugh leveraged that public good will to insert the union's priorities into the transit district legislation. Stambaugh, Local 192, and other Easy Bay unions then worked to pass the bond vote over the objections of citizens' groups and even other union members, an important achievement for ATU. Local 192, with Stambaugh leading the way, saw an opportunity to influence the development of this new public system that would benefit

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<sup>234</sup> "Oakland Agreement Brings Solid Gains," *The Motorman, Conductor and Motor Coach Operator*, December 1960.



workers by providing a financially secure employer that could meet their demands for higher wages and maintain labor peace.

## **2.2 Atlanta**

In the years following the end of World War II, Local 732 disputed the contract offers by GPCO because they did not meet the needs of the membership in the high inflation period of the late 1940s. Local 732 and their president Jessie Walton pressured GPCO to raise wages to meet their demands, and, when the company failed to do so, they went on strike multiple times. By the time GPCO sold the transit system to the new Atlanta Transit Company (ATC), government officials and the local media blamed Local 732 as much as GPCO for the multiple strikes and inconvenience. The investments made by GPCO had resulted in an attractive system for investors rather than another takeover opportunity for NCL as in Oakland, though NCL most likely no longer had the capital it once had to purchase the transit system from GPCO. Instead, a group of local investors put together capital for ATC and then lobbied for the Georgia Public Service Commission (PSC) to reduce the financial burden and preserve more of the revenue. ATC received that permission for some restructuring to maintain financial solvency in order to improve service and meet Local 732 contract demands because government officials recognized the need for state intervention to maintain the vital mass transit service for the Atlanta region. In contrast to Oakland, the outcome of Local 732 strikes in the late 1940s and early 1950s was that Local 732 remained working for a private company, though the regulatory concessions made to ATC and its successor sought to achieve a similar goal of stability to the Oakland public transit.

### 2.2.1 Postwar Strikes and the Sale of the Transit System

Following the end of World War II, the Atlanta mass transit system largely relied on streetcars and trolley buses. The profits that the company enjoyed during the war years gradually eroded as the cost of taxes, labor, and electricity increased.<sup>235</sup> The ridership declined 29 percent in five years from 132 million in 1946 to 87 million in 1951 at the same time that the population in Atlanta grew. By 1952, ridership dropped to 80 million for the year.<sup>236</sup>

In an effort to reduce equipment costs, GPCO decided to completely scrap the streetcar system. The General Council of the City of Atlanta passed an ordinance on April 15, 1946, that the Mayor approved two days later that permitted the GPCO to replace streetcars with trolley buses and motor buses.<sup>237</sup> The final GPCO streetcar line ceased operations on April 10, 1949.<sup>238</sup>

This decision to remove the streetcars may have had something to do with GPCO's desire to maintain a transit system that would be attractive for sale. The transit system struggled with profitability like other systems in the country, but GPCO had maintained the system at a high level which meant that new ownership would not have to

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<sup>235</sup> 1945 Gross Income Adjusted to Reflect New Wage Rates, Higher Power Cost and 1946 Tax Rates, April 9, 1946, Box 274 Folder 3, Atlanta Transit System Records, L1973-43, Southern Labor Archives. Special Collections and Archives, Georgia State University, Atlanta [hereafter ATS Records].

<sup>236</sup> "Current Trends in Local Transit Regulation," Annual Convention of the National Association of Railroad and Utilities Commissioners, November 12, 1952, Box 161 Folder 10, APTA Records.

<sup>237</sup> H. W. Wright to Mr. Guy C. Hecker, Executive Manager, April 22, 1946, Box 161 Folder 12, APTA Records.

<sup>238</sup> A. W. Benito to Mrs. Koby, May 25, 1949, Box 161 Folder 12, APTA Records.

spend a huge amount of money for overhaul.<sup>239</sup> In addition, GPCO had been under pressure to divest. Though the GPCO was no longer under the ownership of the Commonwealth and Southern System due to the Public Utilities Holding Companies Act of 1935, its status as part of the Southern Company System was still not in compliance because the transit system was not strictly an electric utility.<sup>240</sup>

GPCO also tried to cut costs by cutting wages, but Local 732 instead won a significantly better contract. The largest transit union in the South with approximately 1,400 members, Local 732 asserted a more aggressive posture in negotiations with GPCO with the removal of collective bargaining restrictions imposed during World War II.<sup>241</sup> In April of 1946, the union filed notice with the U.S. Department of Labor that they intended to strike. This action caught company officials off guard since they did not have fore knowledge about this dispute.<sup>242</sup> The 1946 strike—the first in 25 years—lasted six days and resulted in gains for Local 732 with a wage increase of 17-cents per hour to \$1.07 and a new pension fund. The local also secured an eight-hour work day.<sup>243</sup>

The president of Local 732, Jesse L. Walton, led this push for more generous wages and work conditions. In addition to his position as the Local 732 president, Walton was active in local and state politics. In 1948, he won a seat in the Georgia

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<sup>239</sup> May, James W., Jr., "Atlanta Transit Strike, 1949-1950, Prelude to Sale," in *Essays in Southern Labor History: Selected Papers*, ed. Gary M. Fink and Merl Elwyn Reed (Westport, Conn.: Greenwood Press, 1977), 208.

<sup>240</sup> "Current Trends in Local Transit Regulation," Annual Convention of the National Association of Railroad and Utilities Commissioners, November 12, 1952, Box 161 Folder 10, APTA Records.

<sup>241</sup> May, James W., Jr., "Atlanta Transit Strike, 1949-1950, Prelude to Sale," 208.

<sup>242</sup> C. B. McManus, Assistant to the President to Secretary of Labor, April 22, 1946, Box 274 Folder 1, ATS Records

<sup>243</sup> May, James W., Jr., "Atlanta Transit Strike, 1949-1950, Prelude to Sale," 208–9.

General Assembly that had traditionally received a lot of labor support. He also became involved in an Atlanta mayoral election showdown in 1949 between William Hartsfield and Charlie Brown. Hartsfield went after Walton for his perceived role as the assistant campaign manager for Brown and claimed that Walton and Brown wanted to establish a new political machine by engineering a merger of Atlanta and Fulton County. Brown denied Walton's involvement in his campaign, and claimed that Hartsfield came to Walton on "bended knee" because he desired Walton's support.<sup>244</sup> Hartsfield won.

Despite these other political activities, Walton remained committed to his Local 732 leadership position and continued bargaining for higher wages. Again in 1947, labor and management could not agree on a new contract. During contract negotiations, Walton argued that "the cost of living has gone sky high and is more than what it was last year and it looks like it is going to continue to do that." He pointed to the impact on the livelihood of workers, and that the work and demands were more strenuous which necessitated a raise. The union acknowledged the increased operating costs for the company, but still insisted that the workers could not get by without the raise. Walton said, "We know our problems and you know your problems. There has got to be a happy medium somewhere."<sup>245</sup>

GPCO recommended to Local 732 arbitration to resolve the differences over labor's wage request. Despite the fact that the arbitration board had a chairman selected

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<sup>244</sup> "Fight for People, Claims Mayor in Campaign Talk," *Atlanta Constitution*, August 16, 1949; League of Women Voters of Atlanta, "Pre-Election Information State Democratic Primary, September 12," *Atlanta Constitution*, September 4, 1956; "Lawmakers Meet [Photograph Caption]," *Atlanta Constitution*, September 28, 1948; "Union Leader Walton Enters Assembly Race," *Atlanta Constitution*, July 26, 1948; "Brown Denies Jesse Walton Managership," *Atlanta Constitution*, August 20, 1949.

<sup>245</sup> Preliminary Labor Conference, March 17, 1947, Box 274 Folder 4, ATS Records

by GPCO, the board decision gave Local 732 a base wage of \$1.24 per hour, making them the highest paid transit workers in the South. In addition to this increase, Local 732 also gained another 7-cent raise the next year as a result of negotiations, and GPCO requested a fare increase from the PSC, the first since 1928. With these increased labor costs in conjunction with declines in ridership, GPCO sought to tie wage increases to what the company could afford in this new environment. Furthermore, GPCO felt pressure to show that they were not operating the transit system at the expense of the rest of the company.<sup>246</sup>

During negotiations in 1949, GPCO president Clifford B. McManus made it clear that management would no longer give in to Local 732 demands. Walton argued that the union's position was reasonable considering the inflation due to Atlanta's growth and that they should have wages based on nationwide rather than regional standards since the wage disparity no longer existed as it had in the past between the South and other parts of the country. Walton asked for a 19-cent wage increase along with numerous changes to the fringe benefits package for pensions and disability, changes to working conditions, and more generous sick leave and vacation time. GPCO balked at all of these demands, insisting that wages had gone up higher than inflation, but ATU International Counsel Bernard Cushman, in town to assist the local, encouraged Local 732 to remain aggressive. When Walton suggested arbitration to resolve these issues, McManus declined because he wanted to resolve the working conditions first, the pension system second, and then allow an arbitration board to resolve the wages. Walton suggested

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<sup>246</sup> May, James W., Jr., "Atlanta Transit Strike, 1949-1950, Prelude to Sale," 209-10.

continuing negotiations for 60 days with anything unresolved submitted to arbitration. McManus deemed this unacceptable, and Local 732 workers went on strike on May 1, 1949.<sup>247</sup>

Hartsfield, who had won his mayoral race after attacking Local 732, joined the *Atlanta Constitution* and the *Atlanta Journal* in condemning the strike. The *Atlanta Journal* proposed a citizens' committee on the strike with representatives from the Chamber of Commerce and the Atlanta Federal of Trades, and Walton and McManus gave their backing to this move. The strike caught the business community off guard, and they pleaded for a resolution because of the financial impact of the strike on their businesses.<sup>248</sup> GPCO unleashed an anti-union public relations campaign to portray the company as standing up for the public against the outrageous demands of the union.<sup>249</sup>

Walton pointed to the unwillingness of GPCO to arbitrate and that they should be viewed as the party responsible for the strike since they refused to arbitrate. This attempt to reframe the debate did not succeed, and the *Atlanta Journal* described the Local 732 abandonment of the citizens' committee as a sign of interference by the outside agitators of ATU. In the view of the *Atlanta Journal* editor Wright Bryan, this interference by ATU could even be seen as attempting to lengthen the strike and force a sale of the transit system to a public agency, though there appeared to be no evidence of such activity.<sup>250</sup>

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<sup>247</sup> May, James W., Jr., 210–11.

<sup>248</sup> May, James W., Jr., 211–12.

<sup>249</sup> May, James W., Jr., 213–14.

<sup>250</sup> May, James W., Jr., 214.

The political and public pressure to resolve the strike led Walton and the Local 732 officers to begin meeting with McManus and Fulton County officials, and Local 732 agreed to a modest wage increase of four cents per hour with a commitment by management to further study the pension funding. On May 19, the transit system returned to operation. This contract included some changes to working conditions, but those amounted to such small changes that McManus proclaimed the new contract to be nearly identical to what they had offered Local 732 in the first place. Local 732 ended up with none of the fringe benefits that they demanded, and the discussions held over the next two months did not yield any further concessions by GPCO.<sup>251</sup>

Two meetings on June 3 and June 8 illustrated the position of GPCO as in control of the situation. On June 3, Walton made a number of demands for increases in fringe benefits that he believed, based on the May 19 memorandum of agreement they signed with GPCO, that both sides had agreed to. The representatives from GPCO denied they had agreed to anything, and that GPCO “was in less favorable position to offer any further increase or improvements[...]because of the strike.” Despite this statement, they still told Walton they would discuss his demands and get back to him, and they formally rejected them at the June 8 meeting. Multiple meetings followed, and Local 732 finally agreed to the modest wage increase and not much else on August 24 for a one-year contract to last until April 30, 1950.<sup>252</sup> Comparing the outcomes of the 1946 and 1949 strikes showed the diminishing returns of this strategy. Local 732 won a better contract

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<sup>251</sup> May, James W., Jr., 215.

<sup>252</sup> Memorandum, [June 1949], Box 275 Folder 10, ATS Records; May, James W., Jr., “Atlanta Transit Strike, 1949-1950, Prelude to Sale,” 215–16.

after the 1946 strike, but the 1949 strike outcome showed that this strategy had its limits as management showed that they would refuse to meet demands even in the face of enraging the public. In addition, Local 732 did not have the support of the local press as they had in the 1946 strike as GPCO ratcheted up an anti-union campaign.<sup>253</sup>

Following the 1949 strike, GPCO reduced the number of trolley bus runs by 4.7 percent. GPCO attributed this reduction in 32 trolley runs on all 16 routes to lingering effects from the strike as well as seasonal factors such as the absence of school children riders in the summer. Typically, the seasonal adjustment only required a two percent reduction, but paid fares dropped 7.5 percent from before the strike. There still remained issues that the two sides had to resolve that they agreed to discuss after the strike ended.<sup>254</sup>

The losses from 1947 through 1949 and the continued decline of ridership led the management to doubt that profit would ever be possible. They felt as though they had cut as many routes as possible and fare increases would drive more riders away. At an April 6, 1950, negotiation meeting between labor and management, McManus said he doubted a fare increase would “improve our situation, because every time you raise the fare your riding falls off, and you never get it back.”<sup>255</sup>

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<sup>253</sup> Events at the regional and national level likely played a role in the change in support for union activities. The US Congress passed the Taft-Hartley Act that made labor union organizing more difficult. The pressure to pass this came in part from white segregationists alarmed by “Operation Dixie” when the Congress of Industrial Organizations (CIO) attempted mass organizing of white and Black workers in the South. See Gregory M. Miller, “Taft-Hartley Act,” in *St. James Encyclopedia of Labor History Worldwide*, ed. Neil Schlager, vol. 2 (Detroit, MI: St. James Press, 2004), 292–95.

<sup>254</sup> “GP to Drop 32 Trolley Runs Monday,” *Atlanta Constitution* [clipping], June 1, 1949, Box 161 Folder 12, APTA Records.

<sup>255</sup> 1950 Labor Negotiations, Third Conference, April 6, 1950, Box 275 Folder 13, ATS Records



The contract expired in April 1950, and negotiations once again broke down over a 12-cent per hour wage increase and pension reforms. Over 92 percent of the Local 732 members voted to strike. ATU President John Elliott, in town to assist with negotiations, pushed for a union-run jitney service, but Hartsfield refused to allow that kind of operation on behalf of either the union or GPCO.<sup>256</sup>

Hartsfield and the same group of Atlanta public officials and business community leaders from 1949 once again criticized Local 732 and ATU, but this time the group sought to find a buyer for the system.<sup>257</sup> GPCO was anxious to sell the company. The strike and the lack of profit made the operation very difficult. The failure of the first prospective buyer, former GPCO president W. E. Mitchell, led to a back and forth between Walton, Elliott, and McManus over who to blame. Walton stated that the Mitchell Group delayed making a decision “as part of a plot to ‘starve the union into submission.’” Walton also complained about an editorial in the *Atlanta Constitution* that he viewed as an unfair portrayal of events and just another effort to bash the union. The editorial suggested that Walton had dismissed efforts by W. E. Mitchell to arbitrate. Elliott said that Mitchell was the one dragging out the strike by refusing to meet and pointed to the Mitchell Group demand for the same wage increase of eight cents per hour.<sup>258</sup> GPCO had stated that they would not sell unless the new group had reached a contract settlement with Local 732, and this played into the favor of Local 732 since it

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<sup>256</sup> May, James W., Jr., “Atlanta Transit Strike, 1949-1950, Prelude to Sale,” 216.

<sup>257</sup> May, James W., Jr., 216.

<sup>258</sup> Bill Diehl, “Angry Accusations Hamper Bus Truce,” *Atlanta Constitution*, June 19, 1950; “Union Monopoly, Too, Must Be Curbed,” *Atlanta Constitution*, June 19, 1950; Bill Diehl, “Trolley Walkout Break Near,” *Atlanta Constitution*, June 29, 1950.

gave them some leverage over striking a deal in their favor. At the very beginning of the negotiation to sell, GPCO had made this stipulation about the new company reaching a contract agreement with the union so that the new transit system would be able to immediately begin operations.<sup>259</sup>

Finally, a group of investors stepped forward to purchase the transit system from GPCO and incorporate what would be called the Atlanta Transit Company (ATC). The group, headed by Leland Anderson, the President of the Columbus (Georgia) Transportation Company, consisted mostly of members of the banking industry as well as John Gerson, a manager in the GPCO transportation department. The group paid \$1.3 million, assumed \$3 million in debt even though the value on paper was \$8.9 million, and pledged to not raise fares.<sup>260</sup> The group apparently did so in the belief that they could use the \$12 million value by the GPCO as a way to use depreciation to purchase new equipment. As it turned out, the PSC would eventually reject this depreciation, though the ATC ownership group would continue to pursue financial relief plans that would pass muster with the PSC.<sup>261</sup>

Local 732 ended up with an 11-cent per hour increase as part of a three-year contract with ATC. The boost to 11 cents would happen incrementally each year of the

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<sup>259</sup> Diehl, "Trolley Walkout Break Near."

<sup>260</sup> "Trolley Men Okay 11-Ct. Step Raise," *Atlanta Constitution*, June 22, 1950; "Current Trends in Local Transit Regulation," Annual Convention of the National Association of Railroad and Utilities Commissioners, November 12, 1952, Box 161 Folder 10, APTA Records.

<sup>261</sup> Albert Riley, "'Sale and Lease Back' of Buses Credited With Saving the System," *Atlanta Constitution*, August 3, 1956.

contract. Local 732 praised ATU president Elliott for his work during the 35-day strike and presented him with a pen and pencil set with the date June 1950.<sup>262</sup>

Walton did not survive the strike unscathed as he lost re-election to his state representative seat in 1950 in part due to negative public sentiment about his role in the strike. However, this did not dissuade Walton from continuing union activities, and he moved on to the Suburban Coach Company (SCC) which served outlying communities.<sup>263</sup> In 1951, Walton led the strike by Local 732 workers against the SCC. The SCC head accused Walton of making unreasonable demands with the expectation that they would have to sell to new owners who would in turn make a more favorable deal with Local 732, which Walton denied. Still, the strike led SCC owners to sell the company to ATC. The ATC bought 44 buses and other equipment of the SCC for around \$200,000 and renamed it the Metropolitan Transit Company (MTC), which then made a deal with Local 732.<sup>264</sup> In a twist, Walton then abruptly resigned as president of Local 732 and became the president of MTC. Rumors swirled that Walton had orchestrated the strike, then convinced ATC that he could work well with the drivers, but he denied it.<sup>265</sup> These moves by Walton raised suspicions in Local 732 as well as in the

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<sup>262</sup> "Trolley Men Okay 11-Ct. Step Raise."

<sup>263</sup> "Towns, Alverson Clinch Victories; Fulton County Vote Reaches 74,859," *Atlanta Constitution*, September 10, 1948; "Walton Concedes Defeat; Carpenter, Millican Leads Slim," *Atlanta Constitution*, June 29, 1950; M.L. St. John, "Brooks May Run Against Smith," *Atlanta Constitution*, May 28, 1954.

<sup>264</sup> John Gerson to Mr. Guy C. Hecker, Executive Manager, August 6, 1951, Box 161 Folder 12, APTA Records.

<sup>265</sup> "Walton Denies Transit Union Funds Misuse," *Atlanta Constitution*, February 11, 1954; "Transit Union Helm Is Given J.P. Thomas," *Atlanta Constitution*, August 8, 1951; "Thomas Assumes Union Duties," *Atlanta Constitution*, November 28, 1951; Marjory Smith, "Suburban's Sale Slates Strike End," *Atlanta Constitution*, July 27, 1951; "80 Suburban Bus Workers May Strike Wednesday," *Atlanta Constitution*, June 18, 1951; "'Settle or Sell Out,' Walton Tells Line," *Atlanta Constitution*, July 12, 1951; "Information Please [Letter to the Editor]," *Atlanta Constitution*, August 22, 1951; "Walton Made Manager of Transit Link,"

public. Local 732 brought charges against their treasurer for embezzlement, and he went to prison. In the following years, the union made similar charges against Walton, but a grand jury did not find enough evidence in 1954, then Local 732 tried again, but this apparently did not lead to anything.<sup>266</sup>

In addition to acquiring the additional transit company to create a more comprehensive service, the ATC also agreed on a new contract with Local 732 in 1951. The union requested that the contract be reopened so that they could negotiate a higher wage. The Local 732 leadership argued that they needed to request a wage increase because of the rise in the cost-of-living, pledged that they wanted to negotiate “on wages only,” and that a wage increase would recognize “the splendid work that the membership is doing trying to make this Company the best in the United States.”<sup>267</sup> The new three-year contract gave drivers a 12-cent increase to set top wages at \$1.17 per hour and then a 4-cent increase the second year with a clause to reopen wages prior to the third year.<sup>268</sup>

While the transit system in Atlanta remained under private ownership, Walton’s leadership of Local 732 resulted in the union receiving higher wages in the final years of GPCO and a three-year contract with ATC, something they had not achieved with GPCO.

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*Atlanta Constitution*, August 21, 1951; “Walton Out as Union Head, Blames Health; Cites Offer,” *Atlanta Constitution*, August 2, 1951; John Gerson to Mr. Guy C. Hecker, Executive Manager, August 6, 1951, Box 161 Folder 12, APTA Records.

<sup>266</sup> “Trolley Union Is Suing Walton for \$25,610,” *Atlanta Constitution*, January 27, 1954; “Jesse Walton Arrested as Car Is Chased,” *Atlanta Constitution*, January 31, 1956; “Expense Reports Not Filed by 6 in Fulton Races,” *Atlanta Constitution*, November 2, 1956; League of Women Voters of Atlanta, “Pre-Election Information State Democratic Primary, September 12.”

<sup>267</sup> J. L. Walton to Mr. Leland E. Anderson, President, May 7, 1951, Box 275 Folder 17, ATS Records

<sup>268</sup> John Gerson to Mr. Guy C. Hecker, Executive Manager, August 6, 1951, Box 161 Folder 12, APTA Records.

Overall, the efforts of Local 732 and Walton achieved mixed results with wage increases resulting from the 1946 and 1950 strikes, but unsatisfactory results from the 1949 strike as well as being beaten up in the press and by local officials and business leaders. Local 732 had some benefit from outside pressure by the US Securities and Exchange Commission (SEC) for GPCO to sell, and the GPCO desire to turn over a functioning transit system not saddled with a strike meant that Local 732 had a strong negotiation position. The involvement of Elliott signaled the importance for ATU to notch a win in this tumultuous period, and further labor actions by Local 732 led to another system, the MTC, becoming part of ATC. Although these actions did not lead to a transition to public ownership like in Oakland, it showed that aggressive labor negotiations could benefit workers, and they quickly pursued this strategy with the new company to build on their gains.

### **2.2.2 ATC Begins Operations**

Following the sale of the transit properties to the ATC by GPCO in 1950, the passenger numbers improved slightly but declined during the latter half of the 1950s. Statistics maintained by ATC showed that from 1951 to 1953 the passenger per vehicle hour decreased from 65.6 to 58.9. By 1954, even with decreasing the number of vehicles in operation, ATC found that the passengers carried had fallen well below the number of vehicles scheduled.<sup>269</sup> Competition from private automobile ownership in Atlanta had been going on since the 1920s and ATC inherited this problem.

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<sup>269</sup> Decrease in Work Load ~ Fewer Passengers Per Vehicle Hour~, [1958], Box 277 Folder 40, ATS Records; Decrease in Passengers Greater than Decrease in Maximum Vehicles Scheduled~, [1958], Box 277 Folder 40, ATS Records

To assist with stabilizing the new transit system, ATC asked to reconfigure their financial arrangement. The PSC allowed ATC to sell its trolley buses to the Transportation Equipment Company (TEC) and then lease back the equipment which essentially provided ATC with \$3 million in capital. The commission looked into the relationship between ATC and TEC, and determined “that it was an arms-length transaction.” From the perspective of the commission, this kept ATC solvent and also meant that ATC did not have to raise fares again.<sup>270</sup>

The Georgia General Assembly began considering steps beyond the sale to ATC because they recognized the importance to Atlanta but also the high costs. On November 16, 1953, the Senate Transit Study Committee revealed the Simpson & Curtin report on Atlanta mass transit. Although the sale and lease plan worked to some extent, it only applied to new trolley buses, and it was not clear that this would provide all of the funds needed for new equipment. In order to get the capital needed, the Simpson & Curtin report advocated a municipal authority that would provide the company with a million dollars saved from local, state, and federal taxes.<sup>271</sup> George Goodwin, a member of the Senatorial Transit Study Committee described the Atlanta transportation system as an elephant, and one “mighty leg of the elephant is the Atlanta Transit Company and the Metropolitan Transit Company.” The three “other legs of this beast are our street system, our expressways, and our parking facilities.” He said that the committee wanted to look

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<sup>270</sup> “Current Trends in Local Transit Regulation,” Annual Convention of the National Association of Railroad and Utilities Commissioners, November 12, 1952, Box 161 Folder 10, APTA Records.

<sup>271</sup> “Brand New Concept,” Bus Transportation [clipping], January 1954, Box 161 Folder 10, APTA Records; Riley, “‘Sale and Lease Back’ of Buses Credited With Saving the System.”

at the universe of potential problems, including taxes, the company's financial structure, and barriers to effective operation over city streets, and not just the original inquiry on routes and schedules.<sup>272</sup>

The committee concluded that Atlanta needed to have a well-functioning mass transit system to attract riders or else the road and parking facilities would be overwhelmed. Additionally, the routes out to the suburbs did not garner a return that paid for the service because there was no zone fare system to account for the distance, so routes close to downtown essentially subsidized the suburban routes. Furthermore, Atlanta essentially charged riders the three percent gross receipt tax through ATC in the form of fares. This "is manifestly unfair in that it is levied on the low-income transit rider, who is the most efficient user of city streets, and not on the motorist, whose more inefficient street use is responsible for high city costs of street construction, policing and other expenditures."<sup>273</sup>

While this represented a recognition of the importance of a mass transit system as a benefit for the public good, the Georgia legislature was not ready to convert Atlanta to public ownership, along the model of Oakland. The state legislature attempted to pass a constitutional amendment resolution along with two other bills related to address traffic congestion and traffic law in Atlanta during the legislative session in 1953. The state senate passed a constitutional amendment resolution that would have allowed a vote on a takeover of ATC by a public entity if the company could not replace equipment and fund

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<sup>272</sup> Address Delivered to Directors of Atlanta Chamber of Commerce by George Goodwin, April 23, 1953, Box 161 Folder 9, APTA Records.

<sup>273</sup> "Brand New Concept," Bus Transportation [clipping], January 1954, Box 161 Folder 10, APTA Records.

its operations. The uncertainty over the details led to disputes by DeKalb County representatives and State Revenue Commissioner Charles D. Redwine. He brought up an argument heard in similar disputes over transition to public ownership: the loss of tax revenue by ATC becoming a public transit system.<sup>274</sup> To that effect the legislature attempted to pass a bill to allow a transit authority that would contract to ATC or another private company.<sup>275</sup> The main sponsor of the effort, Representative Hamilton Lokey, sensed that the transit amendment resolution would not survive and the bill never reached the floor of the state assembly. The failure of that bill indicated a lack of will to move away from the private model as political leadership had done in Oakland.<sup>276</sup>

### **2.2.3 ATC Becomes ATS**

The work by the Senate Transit Study Committee highlighted many of the problems with the private system. This work influenced the PSC to provide some tax relief, a major burden on ATC. Rather than a public transit authority, the PSC allowed the ATC to create another company as a way to mitigate federal taxes. While this did not appear to be a pro-labor move on its face, this did free up finances through public regulatory maneuvers in order to pay Local 732 workers more money. The Atlanta Transit System (ATS) began in 1954 when seven managers of the ATC formed the company. Essentially, ATS bought the ATC transit equipment on credit, then ATS paid back the money annually to the new name of ATC, the Fulton Investment Company.

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<sup>274</sup> Albert Riley, "City Transit, Traffic Bills Await Okay," *Atlanta Constitution*, December 5, 1953; "City Transit, Traffic Bills Are Passed," *Atlanta Constitution*, December 10, 1953.

<sup>275</sup> "Brand New Concept," Bus Transportation [clipping], January 1954, Box 161 Folder 10, APTA Records.

<sup>276</sup> "Traffic Court Okayed; Transit Proposal Dies," *Atlanta Constitution*, December 11, 1953.



These financial transactions allowed the ATS to achieve the depreciation to purchase new equipment that ATC had originally attempted to do when it purchased the GPCO transit system.<sup>277</sup>

The PSC allowed the sale for approximately \$5 million. Robert L. Sommerville, the director of development for ATC, became president of ATS. Sommerville and the other backers of the new company chartered it on April 29, 1954, and the company began operations on May 1, 1954.<sup>278</sup> Sommerville had a circuitous route to his role as the new ATS boss. Born in England, he worked in the newspaper industry in England and Scotland before moving to Atlanta in 1948. He taught at Emory University and then worked as a bank executive prior to joining the ATC where he would go on to serve as the head of ATS for nearly 15 years.<sup>279</sup>

ATS worked to improve service such as expanded express service, new routes to suburban areas as well as to the segregated Atlanta public housing development Perry Homes, and equipment upgrades. By 1957, ATS along with the MTS, its subsidiary, operated 235 buses (including 108 diesels), and 426 trolley buses. The buses handled

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<sup>277</sup> Herman Hancock, "N.Y. Experts to Advise in Atlanta Transit Sale," *Atlanta Constitution*, April 14, 1954; Herman Hancock, "N.Y. Expert Arrives for Transit Plea," *Atlanta Constitution*, May 1, 1954; Riley, "'Sale and Lease Back' of Buses Credited With Saving the System."

<sup>278</sup> The PSC order also allowed the sale of stock for a down payment for purchase of the equipment and property, though this did not include the trolley buses since ATC had already made the lease deal with the Traffic Equipment Company. See "PSC Okays Transit System Purchase," *Atlanta Constitution*, May 13, 1954.

<sup>279</sup> "Robert L. Sommerville Funeral This Morning," *Atlanta Constitution*, April 1, 1968.

85.7 million passengers (an increase of nearly 4 million since the early 1950s) and traveled 17.6 million miles annually.<sup>280</sup>

ATS also worked to improve relations between drivers and passengers. ATS instituted a safety bonus. If a driver had no preventable accidents and met other employment conditions during a quarter period of the calendar year, then that driver could receive a \$15 bonus. Also, ATS began offering college scholarships for employees as well to foster an environment of good will. ATS began a safety campaign featuring “Gus the Talking Bus” on posters with safety reminders for riders in addition to promoting safe behavior for drivers,<sup>281</sup>

Sommerville pointed out that ATS had made all of these improvements despite the tax burden on ATS. ATS paid taxes on receipts, fares, gas, tires, and other taxes specifically on their business that totaled up to 11 percent. The tax on fares was particularly irksome since Georgia was the only state to do so. This tax burden was in addition to the problems faced by other transit systems like reduced revenue from off-peak travel and higher costs. Sommerville viewed ATS as an essential system to aid in handling the growth of Atlanta, and he made clear that ATS did not intend to hand the

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<sup>280</sup> “Atlanta Says No to Diversification,” Mass Transportation [clipping], July 1957, Box 161 Folder 10, APTA Records; “Atlanta Spreads Out,” Bus Transportation [clipping], [October?] 1954, Box 161 Folder 10, APTA Records.

<sup>281</sup> “Atlanta Says No to Diversification,” Mass Transportation [clipping], July 1957, Box 161 Folder 10, APTA Records; For each accident by a bus driver, the Division Superintendent classified the accident as preventable or nonpreventable. The key to determining a preventable accident according to ATS was one “in which the driver in question failed to exercise every possible precaution to prevent the accident.” This language would continue to be used into the 1970s, and drivers would often dispute the classification of their accidents. See John Gerson to Mr. A. F. Robinson, February 4, 1955, Box 4 Folder 8, ATS Records

company over to a public transit authority, which, at that time, they could not legally do anyway.<sup>282</sup>

#### **2.2.4 Disputes with Local 732**

As part of his efforts to put the transit system on a more sustainable financial path and improve service, Sommerville sought changes in the agreement with the union during contract negotiations in 1956. In February, Local 732 sent what Sommerville identified as “the long list of suggestions.” He pointed out that route restrictions as a result of union contract stipulations inhibited “schedule making.” By making adjustments, this would provide “regular runs to many extra men now working irregular hours.” He also wanted to reduce “fringe payments and consolidat[e] these amounts in the hourly rates.”<sup>283</sup> The issues remained unresolved and a dispute developed by May.<sup>284</sup>

In the initial contracts with ATS, Local 732 successfully negotiated so that the top operator’s wage rate was higher than the Bureau of Labor Statistics Cost of Living increase and had been since 1953, a problem from the ATS perspective.<sup>285</sup> In June 1956, Local 732 members met to decide on a new two-year contract following a month of negotiations with ATS.<sup>286</sup> They voted to accept it, 464 to 313. The contract included a 14-cent per hour wage increase for the drivers and mechanics. The increase occurred over the two-year contract period with two 5-cent per hour increases followed by a 4-cent

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<sup>282</sup> “Atlanta Says No to Diversification,” Mass Transportation [clipping], July 1957, Box 161 Folder 10 “Why We Won’t Diversify,” Mass Transportation [clipping], July 1957, Box 161 Folder 10, APTA Records.

<sup>283</sup> Robert L. Sommerville to Mr. Ray Hulsey, President, April 17, 1956, Box 276 Folder 31, ATS Records.

<sup>284</sup> Ben T. Huiet to Mr. John Gerson, May 18, 1956, Box 276 Folder 31, ATS Records.

<sup>285</sup> Increase in Top Operator’s Rate Greater than Increase in Cost of Living~, [1954], Box 275 Folder 19, ATS Records; Increase in Top Operator’s Rate Greater than Increase in Cost of Living~, [1960], Box 278 Folder 49, ATS Records.

<sup>286</sup> “Trolley Men Here Vote on New Contract,” *Atlanta Constitution*, June 16, 1956.

per hour increase. This vote came down to the wire with it taking place on June 18 and the contract expiring on June 20.<sup>287</sup> Although Local 732 and ATS appeared to heading towards another possible strike in 1956, the two sides managed to resolve their differences at the negotiation table due in part to ATS being able to meet those demands thanks to restructuring.

In 1960, the union again secured high wages for its members. By the start of that year, the \$2.00 per hour wage rate paid to ATS top operators was less or equal to rates paid to drivers in cities of similar size to Atlanta. In March 1960, ATS and Local 732 began negotiations on a new contract. By April ATS had submitted changes that “would in our opinion improve scheduling and operation conditions.” The two sides had until June 20 to come to an agreement since that was the expiration of the current agreement. They successfully negotiated the changes for the contract that would cover June 21, 1960 through June 20, 1963. Drivers of buses and trolley coaches could receive up to \$2.26 per hour by the third year while those that drove feeder routes could receive up to \$2.21 per hour. This increase brought them up to the wages paid in other medium cities and put them at top regionally.<sup>288</sup>

Following the sale of the GPCO transit system, the relationship between management and labor settled into a somewhat predictable routine in contrast to the last

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<sup>287</sup> “Transit Union Here Accepts Wage Offer,” *Atlanta Constitution*, June 19, 1956.

<sup>288</sup> Operators’ Wage Rate Comparison, May 5, 1960, Box 278 Folder 49, ATS Records; Operator’s Wage Levels Amalgamated Contracts in Medium Size Cities, [1960], Box 278 Folder 55, ATS Records; Robert Sommerville to Mr. J. W. Hardegree, President, March 25, 1960, Box 4 Folder 17, APTA Records; Robert Sommerville to Mr. J. W. Hardegree, President, April 19, 1960, Box 4 Folder 17, APTA Records; Notice to Mediation Agencies, May 20, 1960, Box 4 Folder 17, APTA Records; Amalgamated Settlements in the South, 1960, Box 278, Folder 55, ATS Records

years of the GPCO. ATS operated a transit system uninterrupted by strikes, and Local 732 received regular wage increases. Despite some disagreements over contract details, labor and management avoided the complete breakdown in negotiations that characterized the final years of GPCO. Local 732 appeared satisfied with the relationship with the new company. Even though passenger numbers remained disappointing, the financial maneuverings by ATC and then ATS provided the company with some flexibility to continue to increase wages.

### **2.2.5 Bus Desegregation**

The drivers may have also been wary of going on strike as local activists took up one of the major civil rights struggles of the era: the fight for equal accommodations on public transit. The desegregation of buses came at a time of movements to desegregate public spaces and residential neighborhoods across Atlanta as well. This movement to desegregate buses represented a move into one of the public spaces used by middle class whites who had not been as impacted as lower-class whites by residential demographic changes.<sup>289</sup>

Unlike other spaces in the segregated South, such as many restaurants and hotel, mass transit did not exclude African Americans entirely. Instead, sections for whites in the front of vehicles and blacks in the back defined that public space. Despite this segregation since the 1890s, some in Atlanta still did not think that there could ever be

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<sup>289</sup> Kevin Michael Kruse, *White Flight: Atlanta and the Making of Modern Conservatism* (Princeton, N.J.: Princeton University Press, 2005), 15.

enough done to keep blacks and whites apart due to the fact that this decision was ultimately left up to drivers, car by car, bus by bus.<sup>290</sup>

By World War II, the crowded conditions on mass transit, as a result of the bustling wartime economy, meant that contact between Blacks and whites became more frequent. A shocking incident occurred when a standing Black worker refused a driver's orders to move to the back because he did not want to risk damaging the other passengers' clothes due to the dirty condition of his own after a day of work. The driver hit the rider with an improvised weapon, which the rider then took from the driver and used to beat him. This resulted in drivers being issued revolvers and legal powers to use them in the enforcement of segregation rules. The introduction of guns into the situation only escalated the violence with several cases of drivers shooting and even killing Black passengers over verbal altercations. None of the drivers faced legal repercussions.<sup>291</sup>

Some drivers used this authority to force Black riders into humiliating circumstances, such as making them crowd into the back rows then refusing to move the color line after white riders had exited and created enough space for Black riders to move forward. Black leaders found all of this horrifying and unacceptable and complained to GPCO. In addition to out-of-control drivers, GPCO service to Black neighborhoods suffered in comparison to white neighborhoods. NAACP leaders began meeting with GPCO in the late 1940s and continued to meet with Sommerville in the early 1950s, but

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<sup>290</sup> Kruse, 107–8.

<sup>291</sup> Kruse, 109; This was not an isolated practice in the South. Operators in cities like Richmond, Virginia, also had a legal right to carry weapons for protection and to enforce segregation. They also had a relationship with the police. See Blair Murphy Kelley, *Right to Ride: Streetcar Boycotts and African American Citizenship in the Era of Plessy v. Ferguson* (Chapel Hill: The University of North Carolina Press, 2010), 116, 124–25.

little progress had been made by the mid-1950s, primarily due to segregation laws passed by the state legislature.<sup>292</sup>

By the mid-1950s, though, successful legal challenges to segregation on public transportation began to chip away at Jim Crow. Believing a U.S. Supreme Court ruling in April of 1956, *South Carolina Electric and Gas Co. v. Flemming*, had declared segregated seating on public transit to be unconstitutional, cities in North Carolina, Virginia, and eastern Tennessee allowed segregated seating to end unchallenged. However, cities in the lower south in South Carolina, Georgia, Mississippi, Alabama, and Louisiana generally continued to force companies to segregate seating, as did city officials in Tallahassee, Florida, and Memphis, Tennessee. By the end of the decade, many communities in the deep south continued to live with segregated transit despite *Browder v. Gayle*, the U.S. Supreme Court decision barring segregation on public transit that was prompted by the Montgomery Bus Boycott and handed down in the fall of 1956.<sup>293</sup>

In April 1956, the governor of Georgia, segregationist Marvin Griffin, declared defiance against the *South Carolina Electric and Gas Co. v. Flemming*. Griffin declared that they would resist “an overt usurpation of the liberties of the people” just like the schools. Sommerville said that ATS would continue its policy of segregated seating until

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<sup>292</sup> Kruse, *White Flight*, 110–12.

<sup>293</sup> After Sarah Mae Flemming filed a federal court suit in 1954 when she refused to sit in the back of a bus in Columbia, South Carolina, the case ended up at the U.S. Supreme Court. However, the lower courts never ruled on the actual case, so the Supreme Court, following precedent set by *Slaker v. O’Conner* (1929), decided they could not declare segregated seating unconstitutional based upon a lower court dismissal. The decision to send the case back to the lower courts was initially reported by national media as one declaring transit segregation unconstitutional. See Catherine A. Barnes, *Journey from Jim Crow: The Desegregation of Southern Transit* (New York: Columbia University Press, 1983), 177–20, 128.

they could figure out the legal ramifications. In order to carry out separate seating on transit, the state law stated that drivers “have and are hereby invested with police powers to carry out said provisions.”<sup>294</sup>

In December 1956, inspired by the Montgomery Bus Boycott, the Reverend William Holmes Borders and other Black ministers believed the time had come to desegregate mass transit in Atlanta, the state law brutally enforced by some drivers that an *Atlanta Constitution* article described as “the 88-year-old custom.” The *Browder v. Gayle* ruling also gave them a legal justification to pursue desegregation. There had been past attempts to build a boycott movement and protest the desegregation as well as the quasi-police powers held by the drivers which Black riders felt some drivers abused. A larger movement had not taken shape, but the *Browder v. Gayle* decision in provided hope that they had a greater chance of success.<sup>295</sup>

In an effort to avoid violence that had followed desegregation efforts elsewhere in the South following the *Browder* decision, ATS enlisted a driver to assist with staging the arrest of the protestors, an event coordinated with the mayor and the protestors in 1957.<sup>296</sup> Eventually, the federal district court in Atlanta ended desegregation on Atlanta mass transit on January 9, 1959, as a result of the ministers’ civil disobedience. However, desegregation leaders urged Blacks to hold off on immediately sitting in the front to avoid arousing segregationists’ anger. This reflected the somewhat cautious movement

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<sup>294</sup> “Court Rules Out Segregating Any Public Transportation; Griffin Pledges Resistance,” *Atlanta Constitution*, April 24, 1956.

<sup>295</sup> Edward A. Hatfield, “Bus Desegregation in Atlanta,” in *New Georgia Encyclopedia*, accessed July 23, 2019, <https://www.georgiaencyclopedia.org/articles/history-archaeology/bus-desegregation-atlanta>; Charles Moore, “‘Good Will’ Expected to Keep Peace,” *Atlanta Constitution*, January 10, 1959.

<sup>296</sup> Kruse, *White Flight*, 112–14.



of the group during this entire process. Frustration had been mounting in Black communities over the delay, though a few weeks after the court decision, the leaders believed that the time had come to desegregate.<sup>297</sup>

After desegregation of the buses, the white ridership numbers declined while the Black ridership increased. The white ridership numbers started declining even before the court decision while Blacks continued to sit in segregated seating because those working-class white riders knew it was only a matter of time. By 1960, Blacks, a third of the Atlanta population, constituted nearly 60 percent of the ridership during the morning and afternoon rush hours.<sup>298</sup> This also represented another public space that some whites did not want to share with Blacks, a practice that accelerated during this time period, particularly as whites moved out of the City of Atlanta.<sup>299</sup>

Local 732 did not appear to object to these changes, perhaps because they wanted stability as much as the ATS management did. The desegregation undoubtedly had mixed results for the membership. For Local 732 members who drove buses, the desegregation of buses meant that they no longer had an obligation to enforce segregated seating, though clearly some drivers had readily engaged in that obligation over the years. For the membership as a whole, the abandonment of mass transit by some white passengers meant the loss of revenue by ATS and the greater chance that it would be unable to meet the Local 732 contract demands.

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<sup>297</sup> Hatfield, "Bus Desegregation in Atlanta."

<sup>298</sup> Kruse, *White Flight*, 116–17.

<sup>299</sup> Hatfield, "Bus Desegregation in Atlanta."

By 1960 annual revenue passenger numbers dropped from over 120 million in 1946 to approximately 58 million.<sup>300</sup> This decline happened for several interrelated reasons: increased private automobile ownership, labor strikes, and bus desegregation. Despite this uncertain revenue source, ATS managed to avoid complete financial collapse by expanding service with the acquisition of the suburban bus company, selling and leasing the trolley bus equipment, and corporate restructuring to reduce the tax burden. The financial restructuring also allowed them to meet the Local 732 contract demands.

## **Conclusion**

The actions by Local 192 and Local 732 in the 1950s reflected the intersecting issues of transit labor demands and financially struggling private transit systems. Strikes by both unions played key roles for changes in ownership, but the decisions in the two cities reflected the political and geographical realities. The political leadership in Oakland was much more willing to find a public replacement for the Key System because of the importance of the city tied to San Francisco and the larger Bay Area, and California, economy. While the GPCO operated an important transit system in Atlanta, the political and business leadership did not push for a change to public ownership and instead looked to a combination of local investors and legal changes to assist the ATS.

Both Local 192 and Local 732 navigated the tumultuous period following World War II with demands that mirrored those of other locals to raise wages in a period of inflation. ATU recognized the changes taking place in the 1950s as impacting locals large and small across the country and saw that a more coordinated response would need

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<sup>300</sup> Atlanta Transit System Revenue Passengers by Years, March 17, 1960, Box 278 Folder 49 ATS Records

to be implemented. Atlanta and Oakland exemplified the different routes taken in the 1950s as one remained private and the other shifted to public. Both paths had implications for ATU members, particularly the public option because of the implications for continuing collective bargaining as public employees. The private option would also require monitoring because of the ongoing volatility in the industry and the potential for future strikes.

ATU had a lasting impact on both transit systems; strikes by both locals led to changes by the state governments to provide financial assistance, though ATS remained private while ACT took over the Key System. Local 192 strikes on the Key System led to the legislative process and funding campaign for ACT. For Local 732, they also put pressure on GPCO through strikes, and their contract demands had to be met in order for the sale of GPCO to another group. Although the system did not go public, the new company received permission from the PSC to restructure in order to meet the contract demands. This resulted in Local 732 and ATS settling into a favorable labor-management relationship for both ATU and ATS with the membership receiving regular wage increases and the ATS operating a transit system free of work stoppages. This meant that, similar to Oakland, government officials recognized the need for state intervention to maintain the vital mass transit service for the Atlanta region. As a result of this, Local 732's political presence decreased compared with Local 192 because of the stability of ATS compared with Key System which led to a major political presence of Local 192 as a result of the transition to public ownership.

## CHAPTER 3: LABOR-MANAGEMENT RELATIONS UNDER PUBLIC OWNERSHIP IN OAKLAND

### Introduction

Local 192 found itself among a public employee movement that intensified during what Cal Winslow referred to as “the long seventies,” a period of time beginning in the 1960s stretching into the early 1980s that featured rank-and-file militancy, a militant unionism to counteract an intransigent union leadership.<sup>301</sup> The radical thought of the era moved into the union sector and was particularly evident in the public sector as those workers pushed for collective bargaining rights. In particular, the civil rights movement influenced black workers of the importance of unionization and militancy. The creation of the National Domestic Workers Union of America in 1968 by Dorothy Bolden exemplified this influence of the civil rights movement on unionization.<sup>302</sup>

Workers’ labor militancy sprang from disagreements over more than wages, and they agitated over workplace safety, new collective bargaining rights, and technology. This activity occurred across both the private and public sectors and the disruptions in the public sector in the late 1960s usually focused on establishing collective bargaining across a number of occupations, including sanitation workers, teachers, and nurses.<sup>303</sup> The increase in wages through negotiations by union leaders did not satisfy all of the needs of rank-and-file as the 1960s progressed. Increasingly, the rank-and-file demanded

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<sup>301</sup> Aaron Brenner, Robert Brenner, and Calvin Winslow, *Rebel Rank and File: Labor Militancy and Revolt from below during the Long 1970s* (New York: Verso, 2010), 2–3.

<sup>302</sup> Larry Isaac, Steve McDonald, and Greg Lukasik, “Takin’ It from the Streets: How the Sixties Mass Movement Revitalized Unionization,” *American Journal of Sociology* 112, no. 1 (July 1, 2006): 46, 53.

<sup>303</sup> Isaac, McDonald, and Lukasik, 58.

that union leadership take action on matters surrounding workplace conditions and the manner in which management carried out discipline actions.<sup>304</sup>

Local 192 did not find it necessary to use the strike threat or experience a rank-and-file wildcat strike like that of other public employee unions in the 1960s. In particular, ACT and Local 192 had an understanding that binding arbitration would reduce the possibility of a strike that would cripple transportation for commuters, school children, and other transit riders. This established method for resolving disputes meant that they did not strike like newly organized teachers unions, for instance.<sup>305</sup>

However, the Local 192 leadership ran into problems with the expectations of new hires that United Auto Workers President Walter Reuther described, in the private industry, as holding the belief that “the movement is a kind of slot machine—you join in January, you put your dollar in the slot in February, and you hit the jackpot in March.”<sup>306</sup> The newer, younger Local 192 members pushed for larger contracts and more fringe benefits, and this agitation from those members increased following the retirement of longtime president F. Vernon Stambaugh. His departure opened the door for new leadership as had occurred in other unions at the time. Local 192 elections, though, did feature some affirmative arguments for new leaders with better negotiation skills with management rather than simply getting rid of the old guard.

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<sup>304</sup> P. K. Edwards, *Strikes in the United States* (New York: St. Martin's Press, 1981), 173; For an in-depth case study of this rank-and-file revolt of this era, see Dyer, “Final Call.”

<sup>305</sup> Joel Isaac Seidman, “Trade Union Government and Collective Bargaining: Some Critical Issues” (New York: Praeger Publishers, 1970), 41–42, 45.

<sup>306</sup> Seidman, 48, 50–51.

This desire for new leadership in Local 192 reflected the situation in other unions. Much of this criticism came from a new generation of nonwhite and women employees who held few positions of power in the union or the locals but began to make up a majority of the union membership. They particularly rubbed up against the “bureaucratic business unionism” that was well entrenched that featured union leaders and management in cozy relationships. This type of unionism featured a close relationship between union leaders and Democratic leaders in Washington, D.C., where many unions established or relocated their headquarters, including ATU.<sup>307</sup>

New leadership in Local 192 exemplified a version of the militant unionism that turned against the bureaucratic business unionism, and this version featured more demands about changes to workplace issues rather than contract demand due to the ability of ACT to largely meet Local 192 wage demands. The relationship between Local 192 and ACT management experienced a number of setbacks despite the economic success of ACT in the early 1960s that continued into the mid-1960s. Although Local 192 did not strike, they did reflect other aspects of public unions at the time as they voted in new leadership that challenged ACT management. New leadership in Local 192 sought more concessions from management in contract negotiations, and they also insisted on changes in policy surrounding workplace discipline and workplace safety. The Local 192 members pushing ACT management on those issues included new members that had joined during the hiring spree following the takeover of the transit

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<sup>307</sup> Brenner, Brenner, and Winslow, *Rebel Rank and File*, xv–xvii; This coincided with the Black Power and Brown Power movements. See Larry Isaac and Lars Christiansen, “How the Civil Rights Movement Revitalized Labor Militancy,” *American Sociological Review* 67, no. 5 (2002), 722–46.

system by ACT. The ACT upper level management consisted of longtime managers from the Key System whom Local 192 drivers found to be unreasonable enforcers of discipline and unresponsive to dangers that drivers faced on a daily basis. This relationship made solving those workplace dangers more difficult, but the two sides worked together on what would be the most pressing issue of removing driver change boxes to prevent robberies and assaults of drivers. Local 192 viewed this as a notable achievement after several years of failure to adequately protect drivers. Local 192 exemplified the militant unionism of the era as a new cohort gained power and demanded swift action by management on contracts, discipline, and workplace safety issues.

### **3.1 Early ACT Success and Local 192 Leadership Transition**

Both ACT and Local 192 benefited from the transition to public transit in the early 1960s. The public enjoyed a better transit system and ridership numbers improved. Local 192 members transitioned to a new employer that offered stable employment and wage growth rather than a transit system on a downward spiral unable to meet its financial obligations. This expansion in employment, though, led to an expansion in the Local 192 membership, some of whom sought to win leadership positions in order to shake up the labor-management relationship that they believed had become stale and unable to meet the members' needs.

ACT succeeded in the 1960s by providing a better service that attracted riders who had a choice to drive or take transit. The property tax subsidized the operating budget and allowed ACT to maintain fares without increases.<sup>308</sup> The acquisition of

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<sup>308</sup> Nisbet and McCreery, *From Private to Publicly Owned Transit in the Bay Area*, 72.

existing maintenance facilities allowed for more of the money to be spent on providing better service, a main focus of the bond campaign.<sup>309</sup>

ACT purchased new GMC (General Motors truck and coach division) buses to rejuvenate the system's image, and one standard bus simplified maintenance and made sense economically.<sup>310</sup> Compared to the buses purchased from the Key System, the new GMC buses required fewer repairs, and when they did, the maintenance department quickly completed repairs as a result of the single standard.<sup>311</sup> This new equipment attracted riders to the new transit system, and ridership also increased due to the expanded service that boosters of the transit district had promised.<sup>312</sup>

Essentially ACT operated two services, one for the transbay and one for East Bay local service.<sup>313</sup> In order to provide good service for downtown Oakland, ACT needed the revenue from the transbay service, and this service faced an uncertain future with Bay Area Rapid Transit (BART) service likely siphoning transbay revenue by replacing many of those routes.<sup>314</sup> Created in 1957, BART originally included Marin County and San Mateo County. They withdrew and the remaining counties, Alameda County, Contra Costa County, and San Francisco County (which encompassed the city), put the bond

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<sup>309</sup> Larson and McCreery, *On Schedule*, 30.

<sup>310</sup> Larson and McCreery, 10; "GM New Look Bus," Wikipedia, accessed June 17, 2021, [https://en.wikipedia.org/w/index.php?title=GM\\_New\\_Look\\_bus&oldid=1025187241](https://en.wikipedia.org/w/index.php?title=GM_New_Look_bus&oldid=1025187241).

<sup>311</sup> Frank A Johnson and Laura McCreery, *Bus Doctor: From Mechanic to Maintenance Manager at the Alameda-Contra Costa Transit District* (Berkeley: Regional Oral History Office, the Bancroft Library, University of California, 2003), 15–16.

<sup>312</sup> Kennedy, *The Alameda-Contra Costa Transit District*, 4.

<sup>313</sup> *Coordinated Transit for the San Francisco Bay Area, Now to 1975: Final Report of Northern California Transit Demonstration Project* (Philadelphia: Simpson & Curtin, 1967), 4.

<sup>314</sup> Adler, "The Political Economy of Transit in the San Francisco Bay Area, 1945-1963," 272.



issue on the ballot for November 1962.<sup>315</sup> BART district officials took a page from the ACT playbook and pursued a 1961 change in the legislation. Instead of two-thirds of district residents, the passage of the bond issue only required 60 percent of the voters to vote yes.<sup>316</sup> Alameda County, Contra Costa County, and San Francisco voters approved \$800 million BART bond issue in November 1962 for a 75-mile regional network, and ACT and Muni both became involved in BART planning because of obvious impact on their service and to develop means of coordinating the three transit systems' routes and schedules due to BART operating as largely a commuter rapid rail system with some limited characteristics as a subway in downtown Oakland and San Francisco.<sup>317</sup>

After years of trying to establish reliable mass transit in the East Bay to and from downtown Oakland, ACT officials confronted the reality of running a potentially financially unstable public transit system once the profitable transbay service no longer helped prop up the unprofitable local East Bay service.<sup>318</sup> ACT sought to capture as much revenue as possible from the transbay service while they had a monopoly and

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<sup>315</sup> F. V. Stambaugh, President to Mr. H. B. Mann, August 16, 1962, Box 4 Folder 4, ATU 192 Records.

<sup>316</sup> Adler, "The Political Economy of Transit in the San Francisco Bay Area, 1945-1963," 308.

<sup>317</sup> *Coordinated Transit for the San Francisco Bay Area, Now to 1975*, i, iii; While discussions about BARTD were ongoing in the 1950s, the United States Congress passed the National System of Interstate and Defense Highway Act in 1956. In order to set up a plan for dispersing the federal funds, the California Senate used Concurrent Resolution 26 to instruct the California Department of Public Works (DPW) to finalize road construction plans in the state in 1957. This development alarmed BARTD directors because the plan specifically focused on roads without considering mass transit. To counteract this oversight, the board issued the "Policy Statement Concerning Joint Planning of Freeway and Rapid Transit Development." This effort by the board resulted in a Senate Concurrent Resolution to obligate the DPW to coordinate their projects with rapid transit plans to ensure that rapid transit lines would have adequate space to construct and operate rail lines, particularly in the median of freeways. This idea for placing train lines in the medians of highways appeared in previous reports from Harland Bartholomew in 1947 and Deleuw in 1948. See Adler, "The Political Economy of Transit in the San Francisco Bay Area, 1945-1963," 276-78.; Zachary M. Schrag, *The Great Society Subway: A History of the Washington Metro* (Baltimore: Johns Hopkins University Press, 2006), 73-74.

<sup>318</sup> Adler, "The Political Economy of Transit in the San Francisco Bay Area, 1945-1963," 272-73.

develop a loyal ridership that would not want to see transbay bus service abandoned even after the planned rapid transit system began operations.

In the case of both local and transbay service, the property tax support allowed ACT flexibility to expand service while maintaining consistent fares. From 1958 through 1968, the property tax rate increased from 2.9 cents to 19.2 cents per \$100 assessed valuation. This property tax increase allowed ACT to keep fares at the same level through most of the 1960s. The increase in taxes contradicted the ACTD claims in the late 1950s that fares would be enough to cover expenses including paying off the bond.<sup>319</sup> Despite the inability to live up to those promises, the improvement in service, equipment, and lack of service disruptions caused by strikes gave the public a reliable mass transit system that had been desired for many years.

As ACT stabilized the mass transit system by expanding service, new employees hired for that service began to seek office in Local 192 to replace what they viewed as a leadership group that too often favored agreement over pushing for more favorable contract terms and better working conditions. This change in membership mentality and demands for more workplace safety did not occur in a vacuum. Unions all over the country saw upheaval in the context of the 1960s as new members agitated for power because they saw themselves as more willing to push for changes in contracts and the working environment. In the United States, membership in public employee unions

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<sup>319</sup> Kennedy, *The Alameda-Contra Costa Transit District*, 7; "Tax Increase Voted to Meet Costs of Service; Change in Token Rate Avoided," *Transit Times*, September 1967, <https://www.actransit.org/transit-times-newsletters>; "Escalating Expenses Lead to Raise in Bus Fares for Some AC Transit Riders," *Transit Times*, June 1969, <https://www.actransit.org/transit-times-newsletters>.

increased four times as much as total union membership, and transit union workers made up an unusual section of these public employees as they shifted from the private to public sector.<sup>320</sup>

As new Local 192 members began to seek office, the 1966 election became particularly contentious. These new members found themselves dissatisfied with the leadership while at the same time retirement of members similar in age to Stambaugh opened up officer positions creating a rolling power vacuum. In their campaign literature and other statements, those running for office pledged to hold management to account for the contract, safety issues, BART negotiations, unnecessary discipline by management, and the “political” atmosphere among some of the membership. The issue of robbery was a major one as well as concern about the impact of BART. In the area of fringe benefits, those running brought up dental coverage. In more concise messaging, a lot the candidates mentioned having “guts” to get what the union wanted.<sup>321</sup>

The Local 192 president at the time, L. C. Bailey, was among the leaders under fire. He joined ACT in 1954 and had been previously elected as operating business agent and vice president. His election to president in 1964 as the successor to Stambaugh signaled to ACT that they would have someone similar to Stambaugh to work with. By 1966, Local 192 members argued that he mishandled negotiations with ACT management

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<sup>320</sup> Brenner, Brenner, and Winslow, *Rebel Rank and File*, 15.

<sup>321</sup> Elect John Wesley, Jr. for Business Agent and Vice-President campaign flyer, [1966], Box 20 Folder 19, ATU 192 Records; Emil Scala to Sisters and Brothers, [1966], Box 20 Folder 19, ATU 192 Records; R. F. Brosamer, W. H. Dawson, L. R. Butler, B. R. McCaslin, G. G. Pitts, and J. E. Anthony to Dear Sisters and Brothers, [1966], Box 20 Folder 19, ATU 192 Records; Brother Elvis W. Luttrell to Brothers and Sisters of Division 192, [1966], Box 20 Folder 19, ATU 192 Records.

and didn't push for reduction in what the union perceived as harsh punishments for minor infractions by drivers.

The 1966 elections would mark a significant change in leadership. Perhaps the new employee that most embodied this rise to Local 192 office was Edward A. Cordeiro, a bus driver hired in the fall of 1962, who ran for vice president of the operations division, an important position because the drivers made up such a large number of the Local 192 membership.<sup>322</sup> Cordeiro based his campaign on two interconnected issues: the discipline of bus drivers by supervisors and bus driver safety. Cordeiro and others believed that ACT management were more than eager to cite bus drivers for even the most minor infractions, but then dragged their feet when it came to developing solutions to protect drivers from robberies and other attacks by passengers.

Cordeiro ran strong on what he viewed as unnecessary discipline such as penalty points and "come and see me" slips. He also brought up bus driver safety and the impact of BART.<sup>323</sup> In a campaign flier in support of Cordeiro, member Elvis Luttrell urged members to vote for Cordeiro instead of, as in past elections, settling for another candidate just because they appear to be "a 'nice guy' or because his opponent was a crook." Cordeiro, he argued, was the ideal candidate for the job because he was not corrupt and would not engage in "pussy-footing around with the company."<sup>324</sup>

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<sup>322</sup> "New Workers Welcomed to District Ranks," *Transit Times*, January 1963, <https://www.actransit.org/transit-times-newsletters>.

<sup>323</sup> Get Results with Cordeiro [campaign flyer], [1966], Box 20 Folder 19, ATU 192 Records.

<sup>324</sup> Brother Elvis W. Luttrell to Brothers and Sisters of Division 192, [1966], Box 20 Folder 19, ATU 192 Records.

In his campaign literature for financial secretary-treasurer, Orlin W. PerDue accused the Local 192 leadership of participating in negotiations with ACT without the knowledge of the union and agreeing to unfavorable deals.<sup>325</sup> As evidence of the tense election atmosphere, a group distributed an anti-PerDue flier that highlighted his personal financial troubles that led him to file for bankruptcy multiple times from 1963 to 1966. The distribution of this information implied that PerDue would not be an ideal choice for Financial Secretary-Treasurer. The flier directed anyone looking for more information to seek out “Earl,” possibly the author of the anti-PerDue campaign literature.<sup>326</sup>

In his bid for president, Louis F. Bone, another ACT employee hired in the early 1960s, suggested that amateurs had been running the union. He went so far in promises to actually present wages he would negotiate for in a contract and many other details, and he also promised that he would not allow contract negotiations to continue past June 1, 1967. Bone raised the possibility that TWU could become the bargaining agent for BART rather than ATU.<sup>327</sup> In another letter to members, Bone faulted Bailey for allowing the previous contract to go into arbitration because of the delay in getting the wage increase, which Bone said he warned about in the election two years prior. Bone said he expected “propaganda put out against me” by “company men.”<sup>328</sup>

Bailey also focused on BART. He made the argument that BART would have the biggest impact on jobs at ACT, so therefore Local 192 should be the union with

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<sup>325</sup> Orlin W. PerDue, Sr. to Fellow Members of Div. 192, [1966], Box 20 Folder 19, ATU 192 Records.

<sup>326</sup> [Political flyer on PerDue bankruptcies], [1966], Box 20 Folder 19, ATU 192 Records.

<sup>327</sup> L. F. “Lou” Bone to Members of A.T.U. Local 192, [1966], Box 20 Folder 19, ATU 192 Records.

<sup>328</sup> L. F. “Lou” Bone to Members of A.T.U. Local 192 and Dear Brothers and Sisters, [1966], Box 20 Folder 19, ATU 192 Records.

preference on the new jobs. He acknowledged that there was work to do to get the contract back up to be competitive with TWU at Muni and that inflation meant that the wages did not go as far as they used to. He argued that he had the skillset to navigate these challenges and did not want to say anything to get elected, perhaps referring to Bone. On the other hand, he did suggest that he would support a strike in order to win “the best Amalgamated contract in the Nation.”<sup>329</sup>

As the election for president grew more contentious, a group of Local 192 members banded together to aid in the re-election of Bailey because they “were tired of the squabbling, the bickering, and the politicians in the Union and decided to do something about it.” They stressed Bailey’s honesty, his intelligence, and his hard work on getting a better contract for the union despite what they saw as ungrateful members and poor performance by the other officers. On the issue of a better contract, they pointed out that Local 192 received a better pension along with a wage increase whereas ATU drivers at Greyhound had to give up wage increases for a year to boost the pension benefits. In addition to serving the two-year term as president, Bailey had also served as a business agent for two terms and on the negotiating committee, and, despite his achievements in gaining nearly everything he promised the membership, “the small politicians and the gilley-room lawyers were back in the Divisions criticizing, condemning, and complaining.”<sup>330</sup>

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<sup>329</sup> L. V. Bailey to the Members of Division 192, November 1966, Box 20 Folder 19, ATU 192 Records.

<sup>330</sup> R. F. Brosamer, W. H. Dawson, L. R. Butler, B. R. McCaslin, G. G. Pitts, and J. E. Anthony to Dear Sisters and Brothers, [1966], Box 20 Folder 19, ATU 192 Records.

Despite this support, L. V. Bailey lost his re-election bid in the primary with Bone receiving the most votes overall, and Bone went on to win the runoff. Cordeiro received the most votes overall for the vice president and operating business agent position with George “Chile” Garcia coming in second with enough votes to force a runoff.<sup>331</sup> John Wesley, an African American and future Local 192 president, came in third for vice president and business agent of maintenance and nearly made a run-off election. Wesley had worked for the Key System and ACT for 13 years, one of the Black men hired after the desegregation of hiring in 1951. Wesley had already served in multiple capacities on a medical plan board, a robbery and safety committee, and the credit union.<sup>332</sup>

Cordeiro’s victory was the most significant because of the impact he would have over the next ten years. Once elected as an officer, Cordeiro began to push the ACT management for changes on behalf of the drivers, particularly during contract negotiations. Other newly elected officers also sought a more aggressive negotiating approach for the contract in 1967. Local 192 notified ACT of its negotiating committee for the approaching contract expiration. The team included a representative from the clerical workers and Cordeiro. The negotiating committee consisted largely of Local 192 officers, but the proposal committee was made up of rank-and-file.<sup>333</sup> Signaling a break from the past, Bone made it clear that Local 192 would no longer be recognizing “past practice and intent,” and that it “must be incorporated into the agreement if it in any way

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<sup>331</sup> Office Total of All Tally Sheets, December 7, 1966, Box 20 Folder 19, ATU 192 Records.

<sup>332</sup> Office Total of All Tally Sheets, December 7, 1966, Box 20 Folder 19, ATU 192 Records; “Twelve New Operators Welcomed to District,” *Transit Times*, February 1961, <https://www.actransit.org/transit-times-newsletters>; Elect John Wesley, Jr. for Business Agent and Vice-President campaign flyer, [1966], Box 20 Folder 19, ATU 192 Records.

<sup>333</sup> L. F. Bone to Mr. Harold Davis, March 2, 1967, Box 3 Folder 2, ATU 192 Records.

substantially changes the agreement.”<sup>334</sup> Local 192 and ACT found difficulty in reaching an agreement during contract negotiations in the summer of 1967. Local 192 rejected two different contract proposals by ACT for wages and benefits.<sup>335</sup> The situation became so tense that ACT requested and received a restraining order against Local 192 to prevent them from going on strike.<sup>336</sup>

ACT and Local 192 eventually agreed on a contract, but the outcome enraged Cordeiro. He claimed that the Local 192 leadership and the ATU representative, John Rowland, misrepresented how much members would receive from the cost-of-living clause in the contract. Cordeiro rounded up signatures of members in an effort to remove Bone, “the virtual dictator of policy,” from office. Additionally, Cordeiro confronted the other members of the leadership at meetings in a hostile manner. In a letter to ATU President John M. Elliott, Bone expressed bewilderment at Cordeiro’s behavior because he said that Cordeiro had been involved in the negotiations all along as a member of the negotiating team for the union, so the cost-of-living clause should not have been a surprise. Eventually, Elliott stepped in and explained to Cordeiro that the steps he was proposing to take would result in his removal from office and expulsion from the union.<sup>337</sup>

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<sup>334</sup> L. F. Bone, President, to Mr. H. M. Davis, March 30, 1967, Box 4 Folder 15, ATU 192 Records.

<sup>335</sup> K. F. Hensel to Negotiating Committee, June 6, 1967, Box 3 Folder 2, ATU 192 Records.

<sup>336</sup> No. 370060 Order to Show Cause and Temporary Restraining Order, May 31, 1967, Box 16 Folder 5, ATU 192 Records; L. F. Bone, President, to Mr. H. M. Davis, March 30, 1967, Box 4 Folder 15, ATU 192 Records.

<sup>337</sup> Edward A. Cordeiro to John M. Elliott, July 4, 1967, Box 3 Folder 2, ATU 192 Records; John M. Elliott to Edward A. Cordeiro, June 28, 1967, Box 3 Folder 2, ATU 192 Records; L. F. Bone to John M. Elliott, June 26, 1967, Box 3 Folder 2, ATU 192 Records; Edward A. Cordeiro to L. F. Bone, June 22, 1967, Box 3 Folder 2, ATU 192 Records; [Signed petition], [1967], Box 3 Folder 2, ATU 192 Records.



Despite Cordeiro's behavior during the 1967 contract negotiations, he remained a popular figure. He ran for president in 1968 and defeated Bone.<sup>338</sup> In the same election Local 192 also elected new office holders in important positions of operating and maintenance business agents. In light of this turnover, Harold Davis, an ACT manager, suggested a meeting in January 1969 so that the new officers could have a chance to meet with ACT management to better understand how the union works with ACT.<sup>339</sup>

A change had also occurred in ACT management with the promotion of Al Bingham in from public relations to general manager. Bingham had run the public relations and marketing for ACT since the creation of ACT in the late 1950s, and he was credited with attracting ridership to ACT.<sup>340</sup> Once he took over as general manager in August 1967, he maintained a close watch on everything. In particular, he rode the buses as a passenger. Employees understood that he ran a tight ship, so much so that it was known as "Al's Transit" rather than AC Transit. Even though there were assistant managers, he still had a lot of department heads report directly to him.<sup>341</sup> Bingham, though, had respect from the managers as well as the board. The board knew his skill in managing ACT, and they knew he would object if they attempted to move out of their policy mandate into the management realm.<sup>342</sup>

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<sup>338</sup> L. F. Bone to Mr. A. L. Bingham, General Manager, December 24, 1968, Box 3 Folder 4, ATU 192 Records; E. A. Cordeiro to All Delegates October 22, 1969, Box 3 Folder 5, ATU 192 Records.

<sup>339</sup> Harold M. Davis to Mr. E. A. Cordeiro, President, January 7, 1969, Box 4 Folder 18, ATU 192 Records.

<sup>340</sup> Larson and McCreery, *On Schedule*, 25–26; "New General Manager Named by Directors," *Transit Times*, August 1967, <https://www.actransit.org/transit-times-newsletters>.

<sup>341</sup> Larson and McCreery, *On Schedule*, 25–26.

<sup>342</sup> Larson and McCreery, 28.

Following Cordeiro's election as president, it wasn't long before he crossed swords with Bingham, ACT management, and even Local 192 membership. Some of Bone's supporters among the members accused Cordeiro of insulting the ATU and its leader, and Cordeiro in turn accused Bone and member Robert R. Blair of backstabbing. ACT decided to cut off communications with Cordeiro because of his aggressive behavior during meetings, including one at ACT offices when, in the midst of a heated argument, he banged his hand on a glass table top and cracked it.<sup>343</sup>

In December 1969, Davis described to Elliott the increasingly unsettling behavior by Cordeiro directed towards ACT management. Due to Cordeiro's "threats, insults, intimidations, and profanity," the ACT management decided to only deal with the other officers and not Cordeiro. Davis stressed to Elliott that ACT did not want to disrupt labor-management relations, especially the labor agreement, but they thought that the situation had become too volatile. They requested that ATU officials pay a visit so that everyone could work together on how to once again conduct business in a cordial fashion. The ATU representative Merlin Gerkin arrived and held a meeting on December 11 that was attended by Local 192 officers and the Local 192 attorney Stanley Neyhart where they agreed they would meet with ACT management to pledge a more cordial relationship and also get assurances from ACT that they would address problems Local 192 had with some of ACT management's practices. This resulted in a December 15 meeting with ACT representatives where they agreed to the creation of a joint labor-

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<sup>343</sup> E. A. Cordeiro to Mr. John Elliott, International President, September 25, 1969, Box 4 Folder 17, ATU 192 Records; John M. Elliott to Mr. E. A. Cordeiro, December 3, 1969, Box 4 Folder 17, ATU 192 Records; [192 Officers] to Mr. Harold M. Davis, December 6, 1969, Box 4 Folder 17, ATU 192 Records.

management committee that would deal with minor disputes about the collective bargaining agreement instead of handling everything through the grievance process. Eventually, Neyhart smoothed things over at a Christmas party hosted by Neyhart. Another issue resolved at that same Christmas party was a Cordeiro dispute with ACT, which appeared to have been included in the ATU investigation.<sup>344</sup>

The Local 192 officers appeared to support Cordeiro's behavior in a December 6, 1969, letter to Davis laden with sarcasm signed by all of them. The ACT superintendent with the damaged desk sent the glass fragments in a package to Local 192 headquarters. The officers declined the package because "strict rules of the Union prohibit the President of the Union from accepting gifts from the District," and "that these relics could better be preserved in the archives of A.C. Transit." The officers pointed out their perception of irony due to the fact that "the youth of the area who, in an excess of exuberance or a desire for fresher air, have demolished the windows on buses," but the ACT management did not attempt to track down those window breakers and recoup costs like they had done by asking Local 192 to pay for the table top. Though Local 192 agreed to pay for a new table, they suggested that the new table top be able "to survive 'business relationships' between the District and ATU." As far as Cordeiro's abusive language, the officers thought that his cursing was similar to what Local 192 "members in the course of their daily tasks at A.C. have had[...]addressed to them in a less affectionate manner by those

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<sup>344</sup> Harold M. Davis to Mr. John M. Elliott, December 4, 1969, Box 4 Folder 17, ATU 192 Records; John M. Elliott to Mr. Harold M. Davis, December 9, 1969, Box 4 Folder 17, ATU 192 Records; E. A. Cordeiro to A.C. Transit District, December 16, 1969, Box 4 Folder 17, ATU 192 Records; H. M. Davis to Mr. John M. Elliott, December 18, 1969, Box 4 Folder 17, ATU 192 Records; John M. Elliott to Mr. E. A. Cordeiro, December 22, 1969, Box 4 Folder 17, ATU 192 Records.

in supervisory positions who have been momentarily vexed by some employee oversight.”<sup>345</sup>

The bottom line for the Local 192 officers was that Cordeiro was simply expressing their outrage at management for two related issues. One issue was the tendency for managers to send out what the Local 192 officers had heard were too many disciplinary slips for minor infractions. In addition to this, supervisors berated employees to the point of embarrassment. All of this led to the filing of grievances over these minor disputes further causing a deteriorating work climate. Many of the Local 192 membership elected Cordeiro, and continued to re-elect him, because they wanted a more aggressive approach to dealing with ACT management over what they perceived as a lot of unnecessary discipline and workplace harassment.

Local 192 recording secretary Michael Chuba portrayed the Cordeiro incident with the ACT table in a comical fashion in the ATU newspaper, *In Transit*, when he quoted a *San Francisco Chronicle* column that suggested the entire incident was a laughing matter. Chuba omitted that ATU International had to get involved in the matter, and it was definitely not funny for ACT management.<sup>346</sup> Not all of the rank-and-file membership approved of disputes between Local 192 and ATU. For instance, a member expressed displeasure with disputes between Cordeiro and Elliott becoming such a problem and dragging the rest of the membership into it. At the same time, important issues like the impact of BART on Bay Area ATU locals were being ignored. The

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<sup>345</sup> [192 Officers] to Harold M. Davis, December 6, 1969, Box 4 Folder 17, ATU 192 Records.

<sup>346</sup> *In Transit* article on EAC incident, April 1, 1970, Box 4 Folder 18, ATU 192 Records.

member suggested to Elliott that all of this had been overblown because “I have heard you say: ‘Bus drivers and old women are the worst gossips in the whole world.’”<sup>347</sup>

Although Cordeiro took an aggressive stance towards ACT management and Bingham often responded in kind, the two leaders did on occasion work together. ACT reconstructed the Division 4 parking lot in East Oakland to add more space for employee cars, which made them less likely to be vandalized when parked on the street. In the summer of 1969, ACT management aided in the Local 192 summer picnic for members and their families.<sup>348</sup> ACT replaced two water fountains and also installed new doors at the Division 4 building.<sup>349</sup> ACT created a Safe Driver Recognition Program to reward drivers with the safest records. This was something that Cordeiro had requested, but as ACT attorney (and later general manager) Robert Nisbet pointed out, these awards did not really help improve relations between the union and management because there was no real opportunity for workers to provide face-to-face feedback about their concerns about how the transit agency functioned on a day-to-day basis.<sup>350</sup>

The turnover in Local 192 leadership, particularly with the election of Cordeiro, resulted in a change to a much more challenging labor-management relationship. The membership wanted a less deferential leadership to challenge ACT management on a number of issues in addition to contract negotiations, particularly, issues related to

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<sup>347</sup> John E. Suydam to Mr. John M. Elliott, International President, September 3, 1969, Box 4 Folder 17, ATU 192 Records.

<sup>348</sup> John E. Suydam to Mr. A. L. Bingham, General Manager, August 22, 1969, Box 3 Folder 4, ATU 192 Records; E. A. Cordeiro to Mr. A. L. Bingham, General Manager, August 17, 1970, Box 3 Folder 4, ATU 192 Records.

<sup>349</sup> James C. Thomas to Mr. Harold M. Davis, March 6, 1969, Box 4 Folder 18, ATU 192 Records.

<sup>350</sup> Alan L. Bingham to All AC Transit Bus Operators, November 24, 1969, Box 3 Folder 4, ATU 192 Records.

discipline and bus crime, all of which would put strain on labor-management relations in the late 1960s. Many members supported Cordeiro's outspoken nature as important for moving management on issues.

### **3.2 Local 192 Pushback Against Discipline and Demand for Safer Working**

#### **Conditions**

As the vice president of the operating division and later as president, Cordeiro took on the supervisors, especially those that remained from the Key System. Members wanted Local 192 officers to provide a more rigorous defense when they ran afoul of ACT rules, especially those related to driving the buses. New leadership, like Cordeiro, and members viewed ACT's stance as being accountable to the public as an excuse to write up drivers at a higher rate than in the past. ACT also expressed skepticism about the seriousness of the problems, and Local 192 had to push for these concessions by ACT management because ACT did not always act as a willing partner. The poor relationship between the union and the ACT management made working on serious issues like bus crime more difficult.

A perception shared by some in ACT management was that workers abused work rules that allowed leniency for missing work and provided multiple chances for correcting poor driving records.<sup>351</sup> Some of the bus drivers that had been with ACT since the Key System days viewed new hires as lacking their strong work ethic, and they believed that the union tolerated rude behavior towards passengers and careless

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<sup>351</sup> Nisbet and McCreery, *From Private to Publicly Owned Transit in the Bay Area*, 64–65.

driving.<sup>352</sup> As maintenance workers left, some of those hired to replace them did not impress the longtime maintenance crew such as mechanic Frank Johnson, who became a superintendent and manager. The union had a strong sense of pride about the quality of the work of members in the mechanical shop in the Key System days, but this work pride disappeared as older workers retired, and new workers replaced them. In Johnsons' view, the new hires did not have the same sense of work quality.<sup>353</sup>

There were racist undertones to Johnson's views. He claimed that the affirmative action program led to a lot of unqualified people working in the maintenance department. He also painted all the Italians that worked on the Key System prior to World War II as mathematical geniuses. At one point, an equal opportunity state official came to ACT and questioned why there were no Black foremen. Johnson unconvincingly claimed that no Black workers wanted that job, but that was not a satisfactory explanation, and ACT hired some Black foremen. Johnson later charged that they were hired because of a quota system, and some of them looked the other way when their subordinates committed timesheet fraud. He said management was able to prevent some unqualified workers from joining the non-supervisory workforce, but some ended up in the workforce and displayed violent behavior, particularly towards a Black superintendent that Johnson had promoted. "They smashed a sledgehammer through his windshield. They flattened all four tires. They just generally raised hell with

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<sup>352</sup> Gauer and McCreery, *Straight Run: Thirty-Nine Years Driving a Bus for the Alameda-Contra Costa Transit District*, 9; John Zorman and Laura McCreery, *Safety First: A Bus Driver's Story of the Alameda-Contra Costa Transit District* (Berkeley: Regional Oral History Office, the Bancroft Library, University of California, 2003), 37.

<sup>353</sup> Johnson and McCreery, *Bus Doctor*, 13, 30.

him[...]They called him all wrong names, that ‘Oreo’ bit and all the other crap. He was just trying to be a good manager.” He admitted that some hired under affirmative action policies were good workers and that as some of them matured, this aided in them becoming more successful in their jobs. The experiences, though, with the worst employees, according to Johnson, “made an Archie Bunker out of me.”<sup>354</sup>

Some in ACT management, like ACT attorney (and later general manager), Robert Nisbet had hoped that their concessions to labor during the creation of ACT would engender a culture in which the union would generally support disciplinary measures if needed against poor performing employees. But to the dismay of ACT management, the union seemed to side more with union members in all cases, even those that seemed to warrant discipline.<sup>355</sup> This reflected concerns that the union rank and file had about management and one reason they elected Cordeiro to put up a more forceful defense as opposed to what they saw as a cozier relationship between other officers and management. New leadership, like Cordeiro, and members viewed ACT’s stance as being accountable to the public as an excuse to write up drivers at a higher rate than in the past.<sup>356</sup>

The discipline issue intersected with another longtime dispute over Local 192 members becoming supervisors and retaining their membership, and in particular seniority rights, but then being able to simultaneously fire their subordinates. According

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<sup>354</sup> Johnson and McCreery, 71–73.

<sup>355</sup> Nisbet and McCreery, *From Private to Publicly Owned Transit in the Bay Area*, 62–63.

<sup>356</sup> Harold M. Davis to Mr. E. A. Cordeiro, January 3, 1968, Box 4 Folder 15, ATU 192 Records; Alameda-Contra Costa Transit District Division Four Bulletin, June 27, 1968, Box 4 Folder 15, ATU 192 Records; L. F. Bone, President, to Mr. H. M. Davis, March 30, 1967, Box 4 Folder 15, ATU 192 Records.



to ATU, some gray area existed because it depended on the level of the supervisor and what the discipline power consisted of with regards to anything having to do with suspension or above being the threshold. Cordeiro, on the other hand, viewed this as a clear-cut issue and believed that supervisors violated the discipline rules when they issued too many memos to drivers for small infractions. To Cordeiro, these supervisors should be removed from Local 192 “because we here in Division Local 192 are going to run a union not a Sunday School.” Cordeiro claimed that the chief superintendent had told “supervisors to write up between 25 to 30 memos per day on operators over the lines.”<sup>357</sup> The supervisors disputed this and countered that “there has been increasing evidence of attempts by the President of Division Local 192[...]to impose his own self-centered interests in lieu of service to the Public, and[...]bolster his own position by attempting to weaken the authority and position of the supervisory personnel.” For instance, they claimed they were threatened with fines if they disciplined drivers. Cordeiro explained to Elliott that the “supervisors are afraid” of “a heavy fine” or that “some member will file charges against them” under ATU by-laws. Elliott framed the issue as a contract problem because the contract “does not provide for collective bargaining rights covering the classification of supervisors.”<sup>358</sup>

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<sup>357</sup> E. A. Cordeiro to Mr. John M. Elliott, April 10, 1969, Box 4 Folder 17, ATU 192 Records; Edward Oliver to Mr. Merlin Gerkin, February 20, 1969, Box 4 Folder 17, ATU 192 Records; E. A. Cordeiro, President to Mr. John M. Elliott, February 14, 1969, Box 4 Folder 17, ATU 192 Records; [ATU Officers] to Mr. Lewis F. Dudgeon, May 27, 1964, Box 4 Folder 17, ATU 192 Records.

<sup>358</sup> E. A. Cordeiro to Mr. John M. Elliott, International President, April 10, 1969, Box 16 Folder 19, ATU 192 Records; Harold M. Davis to Carmen’s Union Division 192, April 30, 1969, Box 16 Folder 19, ATU 192 Records; R. J. Shamoon, Coordinator to Mr. John M. Elliott, President, April 15, 1969, Box 16 Folder 19, ATU 192 Records; John M. Elliott to Mr. R. J. Shamoon, President, May 1, 1969, Box 16 Folder 19, ATU 192 Records; Supervisors Declaration, March 30, 1969, Box 16 Folder 19 ATU 192 Records.

In February 1969, ATU representative Merlin Gerkin arrived for a meeting with Local 192 officers, and he advised them to allow for the membership to vote on whether or not all supervisors should turn in their cards to avoid these problems in the future. The members who attended the meetings voted 133 to 3 to retain the supervisors in Local 192.<sup>359</sup> Despite this show of support from the membership, in April 1969 the thirty-two supervisors made plans to officially separate from the union. They interpreted this as the membership supporting how they handled the enforcement of ACT policy.<sup>360</sup>

In addition to these line supervisors, some of the managers from the Key System stayed on with ACT. Upper level management that moved over from the Key System included Robert Shamoon and Harold Davis. According to Robert Nisbet, they brought over a solid understanding of bus transit operations, but they lacked an understanding about the differences between a private company and a public agency, particularly “the need for public relations and dealing with the legislature and all of that.”<sup>361</sup> Davis, who worked on hiring issues, did not make a smooth transition because he still wanted to carry on the fight against labor. This attitude towards labor led to some unnecessary confrontations. However, others like Sam Davis assisted with the state public utilities commission hearings as ACTD negotiated buying the Key System, and some others in the maintenance department who made a positive contribution in continuing operations from the Key System to ACT.<sup>362</sup>

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<sup>359</sup> E. A. Cordeiro to Mr. John M. Elliott, April 10, 1969, Box 4 Folder 17, ATU 192 Records.

<sup>360</sup> Harold M. Davis to Carmen’s Union Division 192, April 30, 1969, Box 16 Folder 19, ATU 192 Records; R. J. Shamoon, Coordinator to Mr. John M. Elliott, President, April 15, 1969, Box 16 Folder 19, ATU 192 Records.

<sup>361</sup> Nisbet and McCreery, *From Private to Publicly Owned Transit in the Bay Area*, 122.

<sup>362</sup> Nisbet and McCreery, 61.

Cordeiro blamed managers like Davis for the high number of disciplinary actions.<sup>363</sup> The transportation manager, D. J. Potter, also received the ire of Cordeiro over discharge procedures, filing grievances, overtime, and sick leave pay. When Local 192 officials did not receive a prompt reply to their complaints and requests for meetings, this would result in more requests, though it's unclear if Potter ignored these additional requests or if he was formulating a response to the initial request. In July 1968, according to Cordeiro, a drunk Potter unleashed a verbal tirade laced with profanities against a union member. Whether or not he was drunk, Potter aggravated the situation.<sup>364</sup>

The language used by both sides revealed a thinly disguised hostility. In a response to Cordeiro over a December 1967 dispute over sick leave rules on providing documentation for a one-day unexcused absence, Davis said that the claim "that such rules are unenforceable is erroneous, unsubstantiated and not based on any intelligent approach to good labor relations." In a January 1968 exchange about overtime, Davis wrote to Cordeiro "we find it difficult to rationalize on what basis your letter was written." In an April 1968 exchange, Bone told Potter that "we seem to be getting into a stalemate of not getting any hearings and then you state to us you don't believe in arbitration any more." Davis, in response to the arbitration request by Bone about overtime pay, stated that ACT "finds it exceedingly difficult to rationalize the present

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<sup>363</sup> Harold M. Davis to Mr. E. A. Cordeiro, President, August 29, 1969, Box 4 Folder 18, ATU 192 Records; E. A. Cordeiro to Mr. Harold M. Davis, April 18, 1969, Box 4 Folder 18, ATU 192 Records.

<sup>364</sup> D. J. Potter to Mr. L. F. Bone, September 6, 1967, Box 4 Folder 15, ATU 192 Records; D. J. Potter to Mr. E. A. Cordeiro, December 18, 1967, Box 4 Folder 15, ATU 192 Records; E. A. Cordeiro to A. L. Bingham, General Manager, December 29, 1967, Box 4 Folder 15, ATU 192 Records; Harold M. Davis to Mr. E. A. Cordeiro, January 3, 1968, Box 4 Folder 15, ATU 192 Records; E. A. Cordeiro, to D. J. Potter, Transportation Manager, April 10, 1968, Box 4 Folder 15, ATU 192 Records; E. A. Cordeiro to A.C. Transit District, August 8, 1968, Box 4 Folder 15, ATU 192 Records.

posture of Carmen's Union Division Local 192 in this matter," and that the overtime pay matter they demanded to arbitrate "flaunts reality," though ACT eventually accepted their request for arbitration. Davis pointed out that he understood the agreement to mean the two sides could agree to arbitration, but that one side could not force the other into arbitration.<sup>365</sup>

One of stranger incidents occurred in July 1968 over Cordeiro alerting state officials about issues in the women's restroom in Division 3, specifically that they did not have stall doors, fans, or windows. According to the Division 3 Assistant Superintendent, the state inspector "wished that all of the rest rooms were as nice as this." ACT cited Cordeiro for violating specific sections in the 1967 agreement because he didn't report safety issues to ACT and impeded the successful operation of ACT.<sup>366</sup>

Supervisor Harold Ellis who answered calls from drivers when they required help with a situation in the field also antagonized drivers. According to Cordeiro, he used "very sarcastic, nasty language toward drivers," and the union demanded that ACT see to it that he did not communicate in that manner to the drivers. Bingham agreed, but in emphasizing that neither side should be using that kind of tone, he replied that drivers shared the blame for escalating the situation.<sup>367</sup>

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<sup>365</sup> L. F. Bone, President to D. J. Potter, Transportation Manager, April 16, 1968, Box 4 Folder 15, ATU 192 Records; Harold M. Davis to L. F. Bone, President, April 25, 1968, Box 4 Folder 15, ATU 192 Records; Harold M. Davis to Mr. E. A. Cordeiro, January 3, 1968, Box 4 Folder 15, ATU 192 Records; H. M. Davis to Mr. Louis F. Bone, President, January 30, 1968, Box 4 Folder 15, ATU 192 Records.

<sup>366</sup> L. H. Minear to Mr. D. J. Potter, July 24, 1968, Box 4 Folder 15, ATU 192 Records; Harold M. Davis to Carmen's Union Division 192, July 25, 1968, Box 4 Folder 15, ATU 192 Records; Agreement between Alameda-Contra Costa Transit District[...]and Division 192 Amalgamated Transit Union, June 19, 1967, Box 20 Folder 14, ATU 192 Records.

<sup>367</sup> E. A. Cordeiro to Mr. D. J. Potter, Transportation Manager, April 1, 1971, Box 3 Folder 4, ATU 192 Records; Local 192 received a victory in 1970s that somewhat backed up their arguments about unfair

The holdovers in upper management from the Key System appeared to encourage strict discipline for a range of infractions that Local 192 membership found needlessly severe. At the same time, Cordeiro's tendency to lash out at management at every turn most likely only escalated the situation to a point that made negotiations over discipline difficult if not impossible. He did the membership no favors by harassing supervisors who had been in the union since they could have potentially been valuable allies to have in management to assist with reducing overly punitive discipline.

This poor relationship between the union and the ACT management made working on serious issues like bus crime more difficult. Cordeiro made assaults on bus drivers one of his signature issues during Local 192 elections. This problem with passenger assault on both men and women bus drivers, robbery of bus drivers, and vandalism had been ongoing issues for decades. As early as 1952, the drivers and the Key System split the \$1.50 annual cost of robbery insurance.<sup>368</sup> The Key System paid the insurance on the stock (the tokens and transbay tickets) while the drivers paid the insurance for the changers that dispensed change for riders and the wristwatches they wore to maintain the schedule. This specifically only covered documented robberies and not money that disappeared without explanation. The insurance to cover non-robbery

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discipline. In 1974, Local 192 began arbitration proceedings with ACT over penalty points, and Local 192 finally received a settlement of \$100,000 in 1979. 1,713 current and former employees were eligible to receive a portion of the award, and 1,160 responses were received by Local 192 which resulted in each receiving \$87. Despite this small sum, Local 192 officers trumpeted this victory as a sign of a strong union. See Richard K. Windrich [et al.] to Members of Local 192 and Recipients of Penalty Point Award, November 1, 1979, Box 15 Folder 10, ATU 192 Records.

<sup>368</sup> Edward H. Siena to Vern Stambaugh, President, May 27, 1952, Box 3 Folder 25, ATU 192 Records.

disappearance would have cost much more.<sup>369</sup> Other than the insurance, Local 192 paid attention to what happened to the offenders if apprehended. In 1954, former Local 192 president F. Vernon Stambaugh wrote to the Adult Probation Officer of Alameda County to express his concern about the upcoming release on probation of two men who had been jailed for assault and robbery of a bus driver. Local 192 members advocated for convicted men to stay in jail as long as possible to prevent more robberies and assaults.<sup>370</sup>

Stambaugh anticipated that former bus driver K. F. Hensel moving up the ranks would be an important advocate for bus drivers' safety when ACT General Manager J. R. Worthington died suddenly in 1962. Stambaugh supported Hensel, an assistant general manager, due to his work as a bus driver early in his career, and Hensel's role in the 1960 contract negotiations that resulted in a favorable contract for Local 192.<sup>371</sup> The board agreed Hensel had the experience to succeed Worthington, and he transitioned to the top post.<sup>372</sup>

Although sympathetic to the ongoing issue of assault and robbery that continued into the early 1960s when ACT took over operations, Hensel stressed to Stambaugh the robbery claim problems that ACT had with drivers over unaccounted money. He claimed they had "been severely hampered in some occasions by hostile witnesses, while in others

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<sup>369</sup> F. V. Stambaugh, President to Mr. Lawrence N. Timmons Rec. Sec., October 7, 1955, Box 3 Folder 27, ATU 192 Records.

<sup>370</sup> F. V. Stambaugh, President to Adult Probation Officer of Alameda County, July 23, 1954, Box 3 Folder 26, ATU 192 Records.

<sup>371</sup> F. V. Stambaugh, President to Mr. Henry B. Mann, March 23, 1962, Box 4 Folder 4, ATU 192 Records; Henry B. Mann to Mr. F. V. Stambaugh, March 27, 1962, Box 4 Folder 4, ATU 192 Records; "Board Names New General Manager, Buys 30 More Buses to Meet Gains," *Transit Times*, April 1962, <https://www.actransit.org/transit-times-newsletters>.

<sup>372</sup> F. V. Stambaugh, President to Mr. Walter A. Nord, February 13, 1962, Box 4 Folder 6, ATU 192 Records.

we have had to recognize peculiar circumstances which called for particularly circumspect handling.” Presumably, these “hostile witnesses” were the bus drivers themselves. Hensel stated that ACT was working with police in local jurisdictions to provide them with as much assistance as possible in their investigation into bus incidents, presumably both assaults and robberies of bus drivers.<sup>373</sup>

Besides the assault and robbery, drivers had to deal with an increasingly large number of school children who rode the bus every weekday. Initially, ACT planned for the school children to make up a small amount of ridership. By 1965, 52,000 school children rode the bus daily, much more than the estimated 37,000 per day. To meet this demand, ACT operated more buses during peak service periods. Since ACT did not receive any additional money from school districts for this service, this also meant they needed to find a source of additional revenue for the additional equipment on those routes. For this reason, ACT raised the fare from 10 to 15 cents for school age children.<sup>374</sup>

Local 192 wanted the students to have prepaid fare in some form, such as tokens, to reduce the fare dispute problem, and they pointed out problems with enforcement of smoking and radios on buses. For the smoking sign, they suggested a “Smoking Prohibited By Law” sign rather than “No Smoking” to point out that the rule was a broader law and not something created by ACT. On that point, ACT pointed out that drivers needed to also adhere to the no smoking policy, even if they are not driving the

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<sup>373</sup> K. F. Hensel to Mr. F. V. Stambaugh, President, March 5, 1962, Box 4 Folder 12, ATU 192 Records.

<sup>374</sup> “Fares for Children, Commuters Raised to Meet New Labor Cost,” *Transit Times*, November 1965, <https://www.actransit.org/transit-times-newsletters>.

bus.<sup>375</sup> Some riders older than 17 still paid the child fare, and then they disputed the driver's attempt to get them to pay the proper fare. Some of these young people then "ride all over for 10 [cents] and abuse operator and tear up coaches in the process." This behavior had the potential to reduce ridership if "adult fares [use] other means of transportation, because of the fear of trouble."<sup>376</sup>

Local 192 contacted the Oakland Public Schools directly to make sure that they had been working with ACT management on guidelines so that everyone would be in agreement on acceptable behavior for the school children. The guidelines sent by Oakland Public Schools official Walton Lee included instructions for proper behavior on the bus including proper ways to enter the bus, riding the bus, and exiting the bus. One point specifically said "[s]how respect for public property by not damaging or defacing equipment." Local 192 President L. F. Bone responded positively to the guidelines created by the Oakland Public Schools for students that ride on the ACT buses to and from school. The key issue for Local 192 was the prevention of vandalism of bus interiors by student riders.<sup>377</sup>

In September 1968, Cordeiro wrote to ACT Transportation Manager D. J. Potter about the continuing problems with students on the school bus routes, or "trippers." According to Cordeiro, student threw objects at drivers, broke windows, and activated an emergency exit that caused the bus to brake. Cordeiro argued that those buses should

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<sup>375</sup> Notes from Meeting of Feb. 18, 1965, Meeting with A.C.T.D., Box 17 Folder 13, ATU 192 Records.

<sup>376</sup> [Handwritten letter] by Huffstutler, [1965], Box 17 Folder 13, ATU 192 Records.

<sup>377</sup> L. F. Bone, President to Walton R. Lee, March 2, 1967, Box 4 Folder 14, ATU 192 Records; Walton R. Lee to Mr. L. F. Bone, President to Walton R. Lee, February 27, 1967, Box 4 Folder 14, ATU 192 Records; "AC Transit Goes to School," *Transit Times*, February 1968, <https://www.actransit.org/transit-times-newsletters>.



have school personnel or parents to monitor the behavior of students because he said that drivers would begin to refuse to drive these school bus routes if something did not change to protect them from “these 15¢ punks,” referring to the amount they paid for fare.<sup>378</sup> As the disputes with students continued in the early 1970s, Potter put at least some of the blame on the drivers. Cordeiro acknowledged that some problems in the past occurred because of driver behavior, but he said that recent problems arose when students refused to pay the fares.<sup>379</sup>

Labor and management had developed a somewhat toxic relationship by the end of the 1960s, a development that went against the conventional wisdom that the relationship would become more stable as a result of the transit to public ownership. In addition to negotiating better contracts, Local 192 wanted a working environment with a balance between discipline and protecting drivers, a view vocally expressed by Cordeiro. A distrust of supervisors and management by Local 192 developed over their interest in, according to Local 192, to closely monitor minor infractions while ignoring driver safety. The increase in assaults on drivers and demand by Local 192 for a solution only heightened this tension. Historically, management and labor, including the Key System era, had cooperated on mitigating the effects of assaults on drivers, such as insurance, but the severity of robbery and school children behavior for drivers had reached a new level of concern for Local 192 that solutions of the past no longer met.

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<sup>378</sup> E. A. Cordeiro to Mr. D. J. Potter, Transportation Manager, September 25, 1968, Box 4 Folder 15, ATU 192 Records.

<sup>379</sup> E. A. Cordeiro to Mr. D. J. Potter, Transportation Manager, April 2, 1971, Box 3 Folder 7, ATU 192 Records; E. A. Cordeiro to Mr. D. J. Potter, Transportation Manager, April 20, 1971, Box 3 Folder 7, ATU 192 Records.

### **3.3 Demands for Workplace Safety**

The workplace safety situation for drivers moved beyond robbery insurance and fare disputes as drivers faced increasing danger of injury and death in the 1960s. For Local 192 the dispute over drivers' protection reached an untenable point when a robber murdered a bus driver in 1965. Although robberies had been a problem since the 1950s, the perpetrators became more violent and endangered the lives of the bus drivers. By the 1960s, many drivers on the night shift had been robbed. One group of men even robbed a division building where there was a larger amount of cash. Since drivers sold commuter pass books and tokens in addition to making change, they could end up having a large amount of money on them at the end of a shift. As with other driver protection matters, Local 192 viewed the slow walk towards a resolution as similar to other safety matters, and they ratcheted up pressure for a solution.<sup>380</sup> Soon after a robber shot and killed bus driver Perseus Copeland during a robbery on January 20, 1965, Local 192 held a special meeting, and many strongly urged for the reduction or elimination of money carried by drivers for change. They also wanted all of the buses to be equipped with radios or alarm systems.<sup>381</sup>

The Oakland Police Chief put the blame for violence and robbery on buses on the weakening of laws to arrest and convict criminals by the California State Legislature and the Supreme Court. The police generally agreed with the reduction in cash carried by

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<sup>380</sup> Gauer and McCreery, *Straight Run: Thirty-Nine Years Driving a Bus for the Alameda-Contra Costa Transit District*, 25–26.

<sup>381</sup> "Angry A.C. Bus Drivers Demand Protection," Oakland Tribune newspaper clipping, January 23, 1965, Box 17 Folder 13, ATU 192 Records.

drivers and the public announcement of the plan. A police representative at the special meeting from Richmond remarked that “[m]inorities cause most of the problems.”<sup>382</sup> This comment probably served to only increase the tension between drivers and passengers since bus drivers would automatically suspect “minorities” which likely referred to Black riders.

In early February 1965, ACT announced a plan to introduce two-way radios on buses on the most dangerous routes, studying the reduction to less than 50 dollars in change carried by drivers, and making sure that the “[r]owdies and hoodlums” are held legally accountable. In addition to this being a response to the murder of Copeland, ACT also noted the importance of protecting drivers from out-of-control school children, such as the bus driver that drove a bus of students straight to the Richmond police department because of their behavior. In a press release, ACT backed this decision, and noted that “his action has generated the greatest response of public approval of any single incident in the District’s history.”<sup>383</sup> The FCC approved two-way radio communications for 300 ACT buses in September 1965. An Urban Mass Transit Administration (UMTA) federal capital grant assisted in paying for the radios “designed to combat vandalism, robberies and assaults on bus operators, as well as to assist in bus operations.”<sup>384</sup>

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<sup>382</sup> “Angry A.C. Bus Drivers Demand Protection,” Oakland Tribune newspaper clipping, January 23, 1965, Box 17 Folder 13, ATU 192 Records; Notes from Special Meeting of Div. 192 Operators, January 22, 1965, Box 17 Folder 13, ATU 192 Records.

<sup>383</sup> Alameda-Contra Costa Transit District, For Immediate Release, February 11, 1965, Box 17 Folder 13, ATU 192 Records.

<sup>384</sup> “FCC Approves Additional Radio Channel for District’s Bus Communications Network,” *Transit Times*, September 1965, <https://www.actransit.org/transit-times-newsletters>.

In order to address these concerns, Local 192 formed a driver safety and robbery committee to look into solutions and work with ACT management to implement them. Local 192 officials argued that ACT focused on catching drivers for low level violations instead of using those resources for protecting drivers. In a memo, McClure enumerated multiple issues that Local 192 believed show a lack of cooperation on the part of ACT to assist with controlling the crime problem. McClure thought that supervisors could “follow and observe the coaches especially at night and assist the drivers instead of harassing them with petty crap.” The pledge by ACT to install radios was “just a lot of baloney so far. There are still only 3 [buses] equipped.”<sup>385</sup>

ACT attributed the slow status of installing radios to the lack of the right equipment for the buses. Until the equipment could finally be installed, the Local 192 safety committee suggested installing antennas on the exterior of the buses and placing signs on the outside of the buses that indicated two-way radios were in use since ACT would have to do this anyway regardless of which brand of radio system ultimately met the bid specifications. The buses would at least have the appearance of having radios until the actual radios were installed. At the end of the line drivers waited in the dark by themselves until time to begin a new run. This left them vulnerable to robbery, so this would be a good place for supervisors to assist them as lookouts “instead of hiding out near some rail road crossing to see if they can write up a driver for not making a complete stop.”<sup>386</sup>

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<sup>385</sup> From the [desk] of W. F. McClure, [November 1965], Box 17 Folder 13, ATU 192 Records; [Driver Safety and Robbery Committee Report, November 1965], Box 17 Folder 13, ATU 192 Records.

<sup>386</sup> [Driver Safety and Robbery Committee Report, November 1965], Box 17 Folder 13, ATU 192 Records.

Local 192 tasked member Donald Ainslie to research strategies for reducing bus driver robberies and assaults. His research concluded that Local 192 should not expect any immediate action on the matter by ACT, such as the installation of two-way radios on all of the buses. Partly this action was due to the cost which ACT could not afford. He suggested that they look at what was being done with BART and the coordination of fares with ACT and Muni and the possibility of them all using the same automated fare system. Ainslie concluded that “this is where the money is and these are the people who can do something for us.” With the increasing amount of UMTA federal funding available, Ainslie viewed this as an opportunity to perhaps participate in a joint project to establish the same automated fare collection system to use in conjunction with BART.<sup>387</sup>

Local 192 stressed the importance of making money unavailable to robbers. They did not immediately propose an exact fare requirement, but they did present a proposal for a combination automatic fare receiver and ticket dispenser. This would eliminate the need for the driver to carry cash as well as any sort of tickets or tokens for sale. This complete elimination of money from the possession of drivers was necessary because Local 192 indicated a problem with repeat offenders. This occurred because often prosecutors would make plea deals so the robber received less time in jail. Then, the driver is once again in a vulnerable position because of his defenseless position in the driver’s seat and isolation on night routes.<sup>388</sup>

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<sup>387</sup> Donald C. Ainslie to Mr. W. F. McClure, October 2, 1965, Box 17 Folder 13, ATU 192 Records.

<sup>388</sup> Protection Against Criminals For Bus Drivers, February 26, 1965, Box 17 Folder 13, ATU 192 Records.

Drivers believed that some in ACT management believed drivers were partly to blame for this crisis, either by instigating conflict with riders or filing false police reports.<sup>389</sup> This illustrated the tension between ACT demands for drivers to enforce rules and driver concerns about ACT reaction to aftermath. Would the driver be punished for altercation with riders because they were trying to enforce ACT rules?<sup>390</sup> For drivers, eliminating the money exchange would decrease the likelihood for disagreements over fares. For instance, Local 192 wanted school children to have bus cards or exact fare to prevent disputes. Another proposed solution reduced the opportunity for drivers to be involved with the change handling responsibilities by reintroducing turnstiles at the San Francisco bus terminal so that riders paid prior to boarding the bus.<sup>391</sup> One member of Local 192 proposed giving change in tickets to eliminate need for carrying money, very similar to the exact change system eventually implemented.<sup>392</sup>

ACT management had been made aware of proposals to completely eliminate drivers carrying change on systems on the East Coast, but ACT management appeared cool to this idea. ACT expressed more interest in automatic change machines.<sup>393</sup> ACT, like other transit systems, hesitated to completely remove change-making because of fear the elimination of that convenience would permanently reduce ridership. In addition to making change for fares, drivers also sold a large amount of bus tokens and used the

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<sup>389</sup> Meeting 10:00 am, [1965], Box 17 Folder 13, ATU 192 Records.

<sup>390</sup> Notes From Meeting, [January 25, 1965], Box 17 Folder 13, ATU 192 Records; Committee Meeting of Monday 1/25 [1965] at 1:30 pm, Box 17 Folder 13, ATU 192 Records.

<sup>391</sup> Subject: Elimination of Change for Drivers, [February 1965], Box 17 Folder 13, ATU 192 Records.

<sup>392</sup> Make refunds in the form of tickets [handwritten letter from 192 member, 1965], Box 17 Folder 13, ATU 192 Records.

<sup>393</sup> Notes from Meeting of Feb. 18, 1965, Meeting with A.C.T.D., Box 17 Folder 13, ATU 192 Records.

change for that. Riders received a discount when buying multiple tokens, so a lot of riders took advantage of token sales on buses. Bingham expressed hope for other solutions such as increasing security in partnership with law enforcement.<sup>394</sup> In July 1967, ACT began to consider a project to study different techniques for eliminating robberies. In February 1968, ACT began the study along with funding from the Urban Mass Transportation Administration (UMTA) and ATU. The funding assisted with trying out different plans to collect data to understand which would be the most effective.<sup>395</sup>

Although the study as meant to last for a year, ACT was forced to make a decision much more quickly to implement exact fare. On June 10, 1968, three robbers held-up bus driver Ralph Livingston. After Livingston gave them the \$85, one of the robbers shot him three times. ACT and Local 192 each offered \$1,000 rewards for information leading to the arrest of the Livingston attackers. Livingston was hospitalized, but survived.<sup>396</sup> The Oakland Police did make an arrest in the case with the assistance of a witness on the bus and the mother of the suspect.<sup>397</sup>

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<sup>394</sup> "District Moves to Stop Bus Crimes," *Transit Times*, June 1968, <https://www.actransit.org/transit-times-newsletters>; "Tax Increase Voted to Meet Costs of Service; Change in Token Rate Avoided"; "General Manager's Report," *Transit Times*, June 1968, <https://www.actransit.org/transit-times-newsletters>; "Bay Area Daily Newspapers Urge Community Support of 'Ready-Fare' Plan," *Transit Times*, July 1968, <https://www.actransit.org/transit-times-newsletters>; "Tax Increase Voted to Meet Costs of Service; Change in Token Rate Avoided"; "Bus Drivers Demand Scrip," Oakland Tribune [clipping], June 12, 1968, Box 17 Folder 12, ATU 192 Records; "How AC Will Go Cashless," Oakland Tribune [clipping], June 24, 1968, Box 17 Folder 12, ATU 192 Records.

<sup>395</sup> "Action Taken for District to Pilot Study into Reduction of Bus Hold-Ups," *Transit Times*, February 1968, <https://www.actransit.org/transit-times-newsletters>.

<sup>396</sup> "Wounded Driver Goes on Goodwill Tour," *Transit Times*, August 1968, <https://www.actransit.org/transit-times-newsletters>; "Rewards Offered in Attack of Bus Driver," [newspaper clipping], [June 1968], Box 17 Folder 12, ATU 192 Records.

<sup>397</sup> Sgt William Boyd to Mr. Fred Clarrage, December 11, 1968, Box 17 Folder 12, ATU 192 Records.

Cordeiro immediately demanded the elimination of money on buses at night. He met with Bingham to press that money should not be carried by drivers after 6:30 pm, and he insisted that the ultimate goal should be the complete elimination of money carried by drivers. “We’ve had 27 holdups of bus drivers in the East Bay since January 1[...]The solution to this thing is to get rid of the money.”<sup>398</sup> Cordeiro threatened that if ACT did not agree, then drivers would refuse to carry change or go on strike. Cordeiro met with Bingham to demand use of scrip (paper redeemable for currency) by drivers after 6:30pm and no requirement for them to make change. Washington, D.C., and Baltimore already used the scrip on nighttime schedules.<sup>399</sup> The editorial board of the *Oakland Tribune* gave their full support to the drivers and that “[t]he 1,023 AC Transit bus drivers have every right to ask and expect that maximum efforts be made to insure their personal safety,” and “[t]he Eastbay community owes more to these men and women who perform an essential public service, than to merely wait and hope the problem will go away.”<sup>400</sup> He also sent along the results of a local news television station poll results from the week of June 3 that included a poll from June 11 in which the question asked if drivers should continue carrying change and 84 percent voted “no” showing public support for drivers to move away from carrying change.<sup>401</sup>

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<sup>398</sup> “‘Get Rid of Money’ - - AC Drivers,” [newspaper clipping], [June 12, 1968], Box 17 Folder 12, ATU 192 Records.

<sup>399</sup> “Bus Drivers Demand Scrip,” *Oakland Tribune* [clipping], June 12, 1968, Box 17 Folder 12 ATU 192 Records.

<sup>400</sup> “Bus Driver Protection,” *Oakland Tribune* [clipping], June 12, 1968, Box 17 Folder 12, ATU 192 Records.

<sup>401</sup> W. F. McClure, Fin. Secty. to John M. Elliott, Int’l President, June 19, 1968, Box 17 Folder 12, ATU 192 Records; TeleVote The Effective Way to Voice Your Opinion, June 3, 1968, Box 17 Folder 12, ATU 192 Records.



When Local 192 presented the exact fare plan to ACT management, they appeared hesitant to move ahead with the implementation too quickly, so Local 192 suggested that drivers would simply turn in their change and drive without it with no other plan in place. ACT management then agreed to start the planning process for an exact fare system.<sup>402</sup> Bingham sent a letter to Local 192 to confirm what was agreed to at the June 12, 1968, meeting about the implementation of the exact fare system and general details about how the scrip system would work. Bingham also noted the important role of the drivers in making a smooth transition by having a cooperative attitude with the passengers, and also stressing the importance of drivers refraining from bringing money or any other valuable possessions with them on their shifts. Bingham asked that Local 192 sign the agreement and return it so that it was clear that everyone understood the plan. He also mentioned that this six-month trial period would be part of the federal grant on robbery and assault prevention.<sup>403</sup>

D. J. Potter sent out a bulletin that verified the start date of exact fare to be on July 14, 1968. He gave specific details about changes in transfers and the new scrip system. As Bingham noted in his letter, Potter pointed out that drivers had an important role in making exact fare system successful, particularly easing riders into the new system. He stressed that if drivers wanted the plan to go beyond the six-month period, then driver cooperation with the implementation would make a difference in ACT considerations to

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<sup>402</sup> "No-cash, no-holdup A-C driver plan won by Carmen," [newspaper clipping], [June 1968], Box 17 Folder 12, ATU 192 Records.

<sup>403</sup> Alan L. Bingham to Amalgamated Transit Union, June 18, 1968, Box 17 Folder 12, ATU 192 Records.

make the plan permanent.<sup>404</sup> The exact fare plan meant that the only money on board would be in a locked fare box bolted to the bus floor. This followed the implementation of exact fare systems in Washington, D.C., and Baltimore, Maryland. Cordeiro agreed with the actions of ACT and the ACT board in support of the exact fare system.<sup>405</sup>

Bingham announced ACT would move forward with an exact fare system and requested cooperation from the entire community to successfully implement the program.<sup>406</sup> The ACT newsletter, the *Transit Times*, portrayed this move as the brainchild of Bingham and the ACT Board but, in fact, Local 192 had pushed for the exact change plan and threatened action, even a walkout, if something was not done.

ACT notified the union on June 18, 1968, of the change in fare collection to exact fare. The union had no problem with getting rid of the change boxes, but they wanted to be clear about all of the fare changes so that they could be prepared when the new policy began.<sup>407</sup> ACT announced that the “Ready-Fare” plan would begin on both day and night operations on July 14, 1968, on a Sunday to minimize the disruption. Similar to plans implemented in Washington, D.C., and Baltimore, Maryland, businesses would sell tokens, and riders must present the correct fare or they would receive a scrip to redeem for the change at an ACT location.<sup>408</sup> ACT published an extensive list of banks, grocery stores, and other locations in cities across the East Bay that would sell tokens. The list of

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<sup>404</sup> Alameda-Contra Costa Transit District Transportation Department Bulletin, June 27, 1968, Box 17 Folder 12, ATU 192 Records.

<sup>405</sup> “AC Drivers Going Off Cash Fares,” Oakland Tribune [clipping], June 13, 1968, Box 17 Folder 12, ATU 192 Records.

<sup>406</sup> “District Moves to Stop Bus Crimes.”

<sup>407</sup> E. A. Cordeiro to Alan L. Bingham, General Manager, June 20, 1968, Box 3 Folder 4, ATU 192 Records.

<sup>408</sup> “How AC Will Go Cashless,” Oakland Tribune [clipping], June 24, 1968, Box 17 Folder 12, ATU 192 Records.

locations that could redeem the scrip was considerably smaller, and there was specific mention that redeeming scrip could take a long time, so ACT was clearly pushing riders to have correct change or tokens and to use scrip as a last resort.<sup>409</sup> Ralph Livingston made a “goodwill tour” to thank businesses for selling tokens.<sup>410</sup>

Drivers received training to handle the switch in order to deal with riders who did not get the news. ACT created a massive public relations effort to inform the public. Tokens could be purchased at many businesses and riders could get ticket books by mail. ACT received editorial support from all of the Bay Area newspapers.<sup>411</sup> Mike Chuba reported drivers as well as passengers had acclimated to the new exact fare system. He expressed hope that this would bring to an end all of the assaults, presumably because so many of the incidents towards drivers had to do with fare disputes.<sup>412</sup> The American Transit Association also reported success in the cities, which grew to 13 by December 1968 with over half of transit systems using exact fare and scrip and others only using exact fare. The public responded favorably, and those transit systems that did use scrip found that riders often did not redeem the scrip and use of it declined after the introduction of exact fare.<sup>413</sup>

Cordeiro led the union through this period by doing what he was elected for and that was to push for solutions for members that fell outside of the usual issues over wages

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<sup>409</sup> Where to Buy Tokens for the Ready-Fare Plan, [July 1968], Box 17 Folder 12, ATU 192 Records.

<sup>410</sup> “Wounded Driver Goes on Goodwill Tour.”

<sup>411</sup> “New ‘Ready-Fare’ Plan off to Smooth Start with Rider, Community Help,” *Transit Times*, July 1968, <https://www.actransit.org/transit-times-newsletters>.

<sup>412</sup> “192, Oakland, Calif.,” *In Transit*, August 1968.

<sup>413</sup> Exact Fare Plans Work Well, Experienced Systems Find, December 17, 1968, Box 74 Folder 6, APTA Records.

in contracts. Although previous leadership had made efforts at dealing with the problems of robbery, the issue had moved beyond being a financial matter to be covered by insurance and became something that threatened drivers' lives on a regular basis. The new union leadership demanded solutions to problems not well addressed by other labor leaders. Local 192, in this era of more militant labor actions by public employee unions, elected Cordeiro as president, who led Local 192 for much of this time, and his caustic personality won both praise and derision from Local 192 members, ATU officials, and ACT management alike as he sought to aggressively challenge ACT management over issues he claimed they ignored such as workplace safety, negotiations with BART, and fair contract negotiations.

The success of ACT led to new unionized employees who then elected new leadership for Local 192. This new leadership sought out solutions for problems other than traditional wage issues, such as discipline that management justified because of public accountability. ACT viewed public ownership as a new start because of economic security that would greatly reduce the threat of strikes. From the management perspective of the ACT, they thought that the well-paid workforce would be more inclined to follow policy, particularly the drivers. The drivers, though, viewed the ACT supervisors as much too focused on unreasonable expectations as part of pressure to be more accountable to the public with traffic checkers and other new mechanisms that ACT could implement with increased hiring of new positions. Local 192 didn't disagree with the new responsibility as public employees, but they viewed the enforcement of various policies as unnecessary and even detrimental to their safety because ACT put too much

emphasis on enforcement of rules and not enough on protecting drivers. The attacks on drivers that resulted in one death and another near-death created a stark choice for management from the perspective of drivers: remove the reason for the attacks or continue to invite attacks on drivers by forcing them to carry change boxes.

## **CHAPTER 4: THE IMPLICATIONS OF BART ON ACT AND LOCAL 192**

### **Introduction**

U.S. transit systems and transit unions began the 1970s in a promising manner. An organized environmental movement presented a new opportunity for mass transit systems to show their value, and transit unions hoped this appreciation translated into continued financial support from federal, state, and local governments. Both environmental activists and transit unions found an unlikely partner in the Richard M. Nixon Administration. By the early 1970s, the consumption of energy by U.S. citizens made up an increasingly large part of the world consumption relative to its population, and the automobile epitomized that high use of energy because of oil. Nixon signed the National Environmental Policy Act in 1971, though this act had to do more with Nixon attempting to improve his party's electoral chances in the 1970 midterms rather than a sincere dedication to environmental protections. Environmental activists viewed Nixon's words and actions as a political ploy to diminish criticism. One reason that Nixon likely developed more environmental policies political pressure. Both the first Earth Day on April 22, 1970, and the establishment of the Environmental Protection Agency developed out of his acknowledgement of the energy crisis and the politics it brought to bear. As Meg Jacobs observed, "[b]oth the administration and the oil industry correctly understood

that immediate conservation was essential to prevent shortages from becoming a crisis that would escalate demands for a dramatic government response.”<sup>414</sup>

However, the oil policy of the Nixon Administration in 1973 left it vulnerable to the Arab oil embargo.<sup>415</sup> Pandemonium ensued with gasoline shortages, long lines at gas stations, and high prices. Many consumers and politicians put the blame squarely on the oil companies, and high prices led to a massive protest by semi-truck drivers on January 31, 1974, when groups, including the United Truckers of America, organized drivers to park their trucks to block gas stations.<sup>416</sup> The oil shortage crisis only increased the attention on finding an alternative to using so much oil, and the existing the federal support of mass transit fit into this overall plan to use less oil and lessen the damage to the environment.

In the San Francisco Bay Area, local governments moved forward with construction on a massive rapid rail system, the Bay Area Rapid Transit (BART), partially supported with capital funding from the Urban Mass Transportation Administration (UMTA). The acceptance of the UMTA funding meant that BART would have to navigate collective bargaining protections under Section 13(c) of the Urban Mass Transportation Act of 1964 (1964 UMTA). ATU had developed some skill with 13(c) by this point and knew the stakes of arbitration with BART to resolve issues in the local 13(c) agreement. A ruling by an arbitrator in BART’s favor could deal a blow

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<sup>414</sup> Meg Jacobs, *Panic at the Pump: The Energy Crisis and the Transformation of American Politics in the 1970s* (New York: Hill and Wang, 2016), 27–33, 46.

<sup>415</sup> Jacobs, 48.

<sup>416</sup> Jacobs, 80–81, 90.

to 13(c) if other transit systems pointed to that as a reason to challenge local 13(c) agreements everywhere, weakening ATU locals' ability to move with their full wages and benefits over to public transit systems. Another union, United Public Employees (UPE) Local 390 affiliated with the Service Employees International Union (SEIU), had already begun to make inroads with signing up BART employees. The main concern for both ATU and Local 192 was that UPE Local 390 did not know what they were doing with regards to negotiating with a transit system, and that they were getting in the way of ATU, Transit Workers Union (TWU), and the other unions that had workers at existing transit systems and companies from taking advantage of 13(c) protections. From ATU's perspective, this unnecessary battle could leave them vulnerable to BART's efforts to prevent Local 192 members moving over with their collective bargaining rights and hard-won benefits from ACT. Using the 13(c) process, ATU beat back an effort by BART to void the ATU's gains by starting fresh with a new union. Once ATU Local 1555 and UPE Local 390 settled the representation fight, they focused on negotiating the first contract with BART.

#### **4.1 ACT and Local 192 Prepare for BART**

Though a rapid transit system had been planned for years in the Bay Area, the system became a reality by the mid-1960s as construction commenced and the system prepared for operations in the early 1970s. For ACT, the new system presented potential impacts on its revenue because of the adjustment of the bus system to serve rail stations as well as reducing service to San Francisco so as not to compete with the trains traveling in the transbay tube. This second change, the reduction of service, also concerned Local



192 drivers because they could potentially lose their jobs. Local 192, with the assistance of ATU, sought to utilize 13(c) to ensure those workers could move over to positions at BART.

Created in 1957, BART originally included Marin County and San Mateo County. They withdrew, but the remaining counties, Alameda County, Contra Costa County, and San Francisco County (which encompassed the city), put the bond issue on the ballot for November 1962.<sup>417</sup> BART district officials took a page from the ACTD playbook and pursued a 1961 change in the legislation. Instead of two-thirds of district residents, the passage of the bond issue only required 60 percent of the voters to vote yes.<sup>418</sup> Alameda County, Contra Costa County, and San Francisco voters approved \$800 million BART bond issue in November 1962 for a 75-mile regional network, and ACT and Muni both became involved in BART planning because of obvious impact on their service and to develop means of coordinating the three transit systems' routes and schedules.<sup>419</sup> Although BART had been in development for years, it fit into the movement to reduce automobile traffic, a major reason for the importation of oil and resulting pollution.

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<sup>417</sup> F. V. Stambaugh, President to Mr. H. B. Mann, August 16, 1962, Box 4 Folder 4, ATU 192 Records.

<sup>418</sup> Adler, "The Political Economy of Transit in the San Francisco Bay Area, 1945-1963," 308.

<sup>419</sup> *Coordinated Transit for the San Francisco Bay Area, Now to 1975*, i, iii; While discussions about BARTD were ongoing in the 1950s, the United States Congress passed the National System of Interstate and Defense Highway Act in 1956. In order to set up a plan for dispersing the federal funds, the California Senate used Concurrent Resolution 26 to instruct the DPW to finalize road construction plans in the state in 1957. This development alarmed BARTD directors because the plan specifically focused on roads without considering mass transit. To counteract this oversight, the board issued the "Policy Statement Concerning Joint Planning of Freeway and Rapid Transit Development." This effort by the board resulted in a Senate Concurrent Resolution to obligate the DPW to coordinate their projects with rapid transit plans to ensure that rapid transit lines would have adequate space to construct and operate rail lines, particularly in the median of freeways. This idea for placing train lines in the medians of highways appeared in previous reports from Harland Bartholomew in 1947 and Deleuw in 1948. See Adler, "The Political Economy of Transit in the San Francisco Bay Area, 1945-1963," 276-78.

ACT General Manager Al Bingham thought that BART General Manager B. R. Stokes and BART threw their weight around too much by proposing to control all transit in the Bay Area including ACT.<sup>420</sup> This move would ensure that BART could remake ACT routes as they saw fit rather than negotiate with ACT. The ACT board of directors also expressed concerns that BART demands for ACT to drastically reduce transbay routes would impact their most profitable service while leaving ACT largely as an unprofitable feeder service. In 1965, for instance, ACT feeder routes for the main trunk lines lost the most amount of money.<sup>421</sup>

The merger discussions greatly concerned ACT management as well because they thought that BART would reconfigure the buses to mainly serve the BART stations to the detriment of riders that relied on the bus system to get around the East Bay. ACT management knew that the main ridership focus of BART would to some extent be white collar workers commuting into San Francisco whereas those riders on ACT buses typically were captive riders and worked low wage jobs, were students, or the elderly and disabled.<sup>422</sup> The merger plan never went beyond discussions, and ACT followed through as they had promised they would do in the late 1950s during the ACT bond issue campaign to reconfigure the system to support feeder lines and reduce transbay routes.<sup>423</sup> ACT promised to do this because, at the time of the bond vote, preliminary plans existed for a rapid transit system, so ACT said they would transition to more of a local system so

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<sup>420</sup> Nisbet and McCreery, *From Private to Publicly Owned Transit in the Bay Area*, 56.

<sup>421</sup> Kennedy, *The Alameda-Contra Costa Transit District*, 9.

<sup>422</sup> Nisbet and McCreery, *From Private to Publicly Owned Transit in the Bay Area*, 74–75.

<sup>423</sup> Larson and McCreery, *On Schedule*, 68.

that taxpayers were not paying for two competing transbay mass transit commuter services. BART expected them to make good on that promise so that BART would be successful.

In addition to the prospect of new jobs, Local 192 and other ATU locals in the Bay Area worried that jobs might be lost as a result of the new system, so they sought to use the leverage of Section 13(c) to ensure opportunities would be available. The ATU pushed for the (1964 UMTA) to include Section 13(c), “a provision which guaranteed that any time federal funds were allotted to public transit systems, workers employed by said system would not see their wages, benefits and working conditions, plus any other job rights, jeopardized or curtailed.”<sup>424</sup> When the federal transit legislation began to make its way through Congress, ATU successfully lobbied to have 13(c) added to the 1964 UMTA, which more or less stated public transit employees would have the bargaining rights won by their unions under the National Labor Relations Act. Although ATU lobbied for 13(c) to primarily protect unions when transit systems became completely owned by public agencies, it also applied to transit systems accepting federal capital and operation aid as well. If union officials reported problems between labor and the company, the Department of Labor (DOL) could hold up requests for funds until the issues were resolved, so the inclusion of 13(c) would play an important role in the use of federal funds by public transit systems.<sup>425</sup> In addition to preserving collective bargaining rights, 13(c) also protected existing transit system workers from adverse impact of

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<sup>424</sup> Amalgamated Transit Union, *The Amalgamated Transit Union (AFL-CIO/CLC)*, 25.

<sup>425</sup> Amalgamated Transit Union, *A History of the Amalgamated Transit Union*, 91; Barnum, *From Private to Public: Labor Relations in Urban Mass Transit*, 30–32.

competing transit systems that also received UMTA federal funding. To effectively coordinate resources for striking a 13(c) agreement with BART, Local 192 joined with ATU Local 1225 and Local 1380, which represented drivers for Greyhound commuter lines in the East Bay and on the peninsula south of San Francisco who would likely experience job losses with reduced commuter service as a result of BART.<sup>426</sup>

Nationwide, ATU locals in public mass transit systems enjoyed continuation of collective bargaining rights and steady work provided in part by federal mass transit funding, though ATU officials understood that they occupied a precarious position. ATU Vice President Walter J. Bierwagen warned locals to watch out for state legislators who might try to strip 13(c) protections at the state level even if there was no successful effort at the federal level to do so.<sup>427</sup> Elected officials and organizations indeed sought to alter those provisions in the late 1960s and early 1970s. In 1968, at the same time that Congress passed changes to the UMTA to allow for more flexibility with capital funds, Republicans, led by Representative Gerald R. Ford, attempted to weaken 13(c). The amendment would have allowed the Department of Transportation (DOT) to ignore the recommendations of the Department of Labor (DOL) on whether or not a transit system adhered to 13(c). House Speaker John W. McCormack and the Democrats blocked that attempt and 13(c) remained unaltered. The ATU journal, *In Transit*, used that episode to

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<sup>426</sup> F. V. Stambaugh, President to Mr. H. B. Mann, August 16, 1962, Box 4 Folder 4, ATU 192 Records; F. V. Stambaugh, President to Mr. H. B. Mann, September 14, 1962, Box 4 Folder 4, ATU 192 Records; In March 1966, Muni workers voted for TWU 250 to represent all workers instead of splitting representation with ATU Local 1380. Local 1380 continued representing Greyhound drivers. See State of California Department of Industrial Relations Conciliation Service Certification of Results of Consent Election, March 30, 1966, Box 17 Folder 27, ATU 192 Records.

<sup>427</sup> "A Discussion of the Urban Mass Transportation Act," *In Transit*, September 1968.

underscore the importance of electing representatives who would not try and reduce labor provisions which had become so important with the transition of private to public ownership and, as a result, more ATU members now in the public sector.<sup>428</sup>

Robert C. Stark, the American Transit Association (ATA) Director of the Statistical Department, had been critical about 13(c) agreements between new public transit systems and unions, and he warned about what could happen after the establishment of the transit system and attempts to obtain capital grants. Stark characterized 13(c) as “a very powerful weapon to force management to bow to union demands if the capital funds are really desired.” He portrayed it as giving local unions too much power over the capital grants, but he did admit that the International ATU office had not hesitated to sign off on grants even if the local divisions had not.<sup>429</sup>

ATU President John M. Elliott saw all of this interest by ATA in revising 13(c) as a way to curb transit labor rights while “[t]o our face, they have repeatedly agreed that the provisions of 13(c) are reasonable, fair and equitable.” Elliott found this whole development a marked change from the cooperation that labor provided in gaining public support to fund public transit, but now “this same management group is attempting to gut the workers’ protections and to cut the throats of our members who are their own employees.” He pointed to B. R. Stokes, the general manager of BART, as behind ATA “seeking any and all complaints and situations which might possibly be directed against

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<sup>428</sup> “13(c) Barely Survives,” *In Transit*, August 1968.

<sup>429</sup> Robert C. Stark to Mr. John A. Dash, June 16, 1971, Box 140 Folder 9, APTA Records; John A. Dash to Mr. Herbert J. Scheuer, Assistant to the Executive Vice President, June 16, 1971, Box 140 Folder 9, APTA Records.

Section 13(c)'s provisions" and called Stokes "the master arch enemy of transit workers."<sup>430</sup>

Stokes had worked at BART since 1958, his first position being in the public relations department with the purpose of rallying public support, a similar position as that Al Bingham held at ACT prior to becoming the general manager. Unlike the East Bay and the desire to replace the Key System, Stokes had to convince voters to support a completely new rapid rail system, something that had not been done in decades in the United States. He rose up the ranks of BART becoming the assistant general manager in 1961 and the general manager in 1963 and would lead BART through the early years of the massive construction project.<sup>431</sup> By the early 1970s, Stokes was looking to cut costs as the over budget project failed to meet operational deadlines. He eyed reducing labor costs by limiting the number of existing labor union members who could transfer under preferential hiring under the 13(c) agreement.

The decades-long effort to transform transportation in the Bay Area to rely less on automobiles and more on mass transit would run into the complexity of transit labor relations as a result of federal law. Stokes and BART management would claim they had been duped into signing on to a complex 13(c) agreement with Bay Area Transit unions in 1968, including Local 192. Local 192 President Ed Cordeiro viewed the 13(c) agreement not only as a way to preserve jobs for his members, but also as a way to beat

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<sup>430</sup> "Transit Management Playing a Very Dangerous Game,"[In Transit clipping], April 1973, Box 143 Folder 2, APTA Records.

<sup>431</sup> Carl Nolte, "B.R. Stokes, Ex-BART General Manager, Dies," SFGate, May 25, 2013, <https://www.sfgate.com/bayarea/article/B-R-Stokes-ex-BART-general-manager-dies-4548996.php>.

back organizing attempts by non-ATU unions. A bitter arbitration battle evolved with ATU determined to simultaneously preserve jobs for members whose jobs would be impacted by BART service and win rights to represent new BART positions.

#### **4.2 Adverse Job Effects and the Question of BART Representation**

ATU would have to navigate two issues with the introduction of BART: the adverse effect of job losses due to new BART routes that would reduce the need for ACT and commuter bus jobs, and winning collective bargaining representation of all of the BART workers. Local 192 officials, particularly Cordeiro, paid close attention to the issue of adverse effect and put pressure on ATU, ACT, and BART to ensure that displaced union members could receive preferential treatment to transfer to BART under 13(c). Once placed into BART, Local 192 wanted those employees represented by an ATU local, a situation that was not guaranteed with the TWU Local 250A that represented Muni workers as well as the UPE Local 390 signaling that they would also seek to represent those workers.

For those members that might lose their jobs at ACT, Local 192 wanted preferential hiring at BART and ensure that those members hired by BART moved with their seniority. In addition, ATU and the other internationals wanted to become the bargaining agent for as many of the BART workers as possible. ATU, TWU, and other unions that worked in Bay Area transit systems agreed to a preferential hiring plan under 13(c) in 1968. There had already been some experience with 13(c) between Local 192 and ACT with regards to acquiring equipment, but they had not negotiated over 13(c) issues with regards to employment in a new public system. ATU and ACT had avoided

the impact of 13(c) on employee contracts when the transition took place because the 1964 UMTA had not yet to be passed or even brought up before Congress, but the creation of BART in the early 1960s caused concern among Local 192 and other ATU locals because of the possibility of their jobs being eliminated as a result of the rapid rail transit service. This issue of job losses due to BART had loomed large over the Local 192 election campaign in 1966 with many candidates mentioning it in the in their campaign literature.

In contrast, there had not been much if anything for Local 192 to dispute in the early grants for ACT. Bay Area transit systems had become familiar with the federal transit grants and the approval process. Initially, the two-pronged 13(c) process included the Department of Housing and Urban Development (HUD), the department in charge of disbursing the grants, though this process transitioned to DOT when UMTA was placed under it in 1967. The process also included the DOL which approved 13(c) labor requirements.<sup>432</sup> In one of the first attempts by ACT to secure federal funds in 1966, James J. Reynolds, the Assistant Secretary of Labor, rejected the request by ACT General Manager K. F. Hensel to try and get 13(c) approval directly from the DOL without going through the ATU. As Reynolds explained, the DOL had an agreement with HUD to route the funding requests through ATU and other unions. Hensel had run the capital grant application by Local 192, so he didn't understand the purpose of then having it

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<sup>432</sup> Thomas R. Donahue to Mr. W. B. Hurd, December 27, 1967, Box 13 Folder 12, ATU 192 Records.



routed through the international as well. The grant was finally approved by the UMTA in January 1969 for 30 buses and radio equipment.<sup>433</sup>

The language regarding labor protections in the project grant essentially said that only Local 192 drivers would operate the equipment. In other words, there would be no job losses or other workers replacing them. At this point, ATU permitted the grants and did not use them for leverage in contract negotiations, and Local 192 officers did not dispute this arrangement. In February 1969, another UMTA project grant provided funds to purchase four bus engines for ACT as well as Muni. Since ATU had already approved a similar project, their position was that as long as the same language regarding employee protection was used from the previous UMTA project grant in this new one, then there was no reason to start over with a new employee protection agreement for the new project.<sup>434</sup> These first experiences with negotiating over equipment and 13(c) resulted in fairly routine outcomes which was that there was ample evidence that federal grants for new equipment would not result in any job losses or restrictions on collective bargaining. This would not be the case with BART which would lead to years of negotiation and arbitration.

Initially, negotiations proceeded smoothly. In 1967, BART satisfied the DOL labor requirements under 13(c) in order for BART to receive federal funding to construct

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<sup>433</sup> James J. Reynolds to Mr. K. F. Hensel, April 6, 1966, Box 17 Folder 42, ATU 192 Records; Memorandum of Agreement, April 19, 1966, Box 20 Folder 1, ATU 192 Records; George M. Taylor to Mr. L. V. Bailey, President, April 25, 1966, Box 20 Folder 1, ATU 192 Records; "District Builds Modern Fleet with Purchase of New Buses and Additional Radio Units," *Transit Times*, January 1969, <https://www.actransit.org/transit-times-newsletters>; Agreement Pursuant to Section 10(c) of Urban Mass Transportation Act of 1964, Box 20 Folder 1, ATU 192 Records.

<sup>434</sup> John M. Elliott to the Honorable W. J. Usery, Jr., February 13, 1969, Box 4 Folder 17, ATU 192 Records.

the rail system.<sup>435</sup> On January 25, 1968, signers to the BART labor agreement included two other ATU Local Divisions, 1225 and 1471, which represented workers in commuter bus services Greyhound and Peerless Stage Coaches respectively. It also included TWU Local 250A (Muni), International Brotherhood of Electrical Workers (IBEW) 9th District representing Southern Pacific commuter rail transit employees, and representatives from BART.<sup>436</sup> The ATU General Counsel Earle W. Putnam notified ATU Divisions in the Bay Area that an agreement had been reached with BART over the hiring of new positions, and that the DOL had agreed to it. He still expressed concerns about making sure that BART followed through with giving the existing transit employees exclusive right to the new BART jobs. He mentioned that Elliott was planning a trip to San Francisco for a formal ceremony as well as to lobby the BART board for this exclusive recognition.<sup>437</sup>

The agreement spelled out priority employment opportunities under 13(c) for particular employees who would be hired by BART and set a March 1, 1968, deadline to resolve employment and hiring issues with BART or go to binding arbitration. The agreement also made clear that it covered the entire BART system, even those divisions that did not directly receive federal assistance. The parties agreed to Sam Kagel as the arbitrator if they passed the March 1 deadline without an agreement.<sup>438</sup>

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<sup>435</sup> Thomas R. Donahue to Mr. W. B. Hurd, December 27, 1967, Box 13 Folder 12, ATU 192 Records.

<sup>436</sup> BART Labor Agreement Signers, January 25, 1968, Box 13 Folder 12, ATU 192 Records.

<sup>437</sup> Earle W. Putnam to Messrs. Louis F. Bone, Pres., Div. 192[...], January 5, 1968, Box 13 Folder 12, ATU 192 Records.

<sup>438</sup> Agreement Pursuant to Section 13(c) of the Mass Transportation Act, As Amended, January 25, 1968, Box 13 Folder 14, ATU 192 Records.

Born in San Francisco and raised in Oakland, Sam Kagel was a well-known labor arbitrator in the Bay Area and nationwide. He earned undergraduate and law degrees from the University of California in Berkeley and had a long career in the labor sector that included organizing work during the 1934 San Francisco waterfront strikes and mobilization work as a federal employee during World War II. After completing his law degree, he went on to become the chief arbitrator for the longshoremen's union in 1948 and held that post until 2002, but he also worked on other disputes including the 1968 San Francisco newspaper strike.<sup>439</sup>

After the unions signed the 13(c) agreement in Washington, D.C., they still had to work to get BART to sign on to the agreement as well, and they finally held a signing ceremony in January 1968. BART still insisted that they would hire from the general labor pool, and that they would continue to do so because this would provide more opportunities for non-white workers to apply for BART jobs. Elliott appeared before the BART Board of Directors in January 1968 and argued that both ACT and Muni had been hiring black workers for many years, and that they would be adversely affected if they could not move over to BART with their full rights and benefits. National Association for the Advancement of Colored People (NAACP) Attorney Leonard Carter presented a prepared statement to the BART board that supported the BART plan to ignore hiring union workers. From the perspective of ATU, "BART officers actually could not care less about the taxpayers, the general public, or the minority groups," and "neither do they

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<sup>439</sup> Douglas Martin, "Sam Kagel, 98, Mediator of 1982 N.F.L. Strike, Is Dead," *The New York Times*, May 31, 2007, <https://www.nytimes.com/2007/05/31/sports/football/31kagel.html>.

give a damn about several hundred of our Negro members losing their existing jobs because BART has determined to hire young, non-union employees off the street at lower wage rates and without any rights to vacations, pensions and the like.” With the signing of the 13(c) by BART, ATU planned to move forward with arbitration allowed under the agreement since BART did not intend to provide ATU and other existing transit union workers the preferential opportunity for jobs and move over with their full rights and benefits.<sup>440</sup>

In order to receive \$80 million in federal grants from the DOT, BART agreed to sign the 13(c) agreement for to binding arbitration to resolve employment and hiring issues in February 1968, but the BART board rejected the unions’ demands for hiring existing transit worker union members. The BART board specifically stated that they would not show preference in hiring one group over another, which meant that the unions could not gain the preferential hiring they wanted.

ATU disagreed, claiming that the BART board had committed to hiring existing transit system employees for BART jobs. ATU simultaneously argued for “equitable treatment of existing transit employees in the filling of all BART jobs,” but that the policy would not cover prospective non-union employees. ATU insisted “that BART honor its commitment to grant this one hundred percent preference unless and until it can persuade the unions involved or the arbitrator that some lesser form of preference is appropriate.” Putnam, the ATU counsel, specifically cited a passage of Section 13(c) that

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<sup>440</sup> “BART Refuses Transit Employees the Right to Follow Their Work,” *In Transit*, March 1968.

backed up the ATU argument about allowing current transit employees the opportunity to fill new transit system jobs.

The meaning of that phrasing from Section 13(c) would have more clarity in situations such as Atlanta where a new transit system was taking over the existing private bus system. The situation in Bay Area was different. A new public supported transit system was not taking over existing private systems, but rather it was going to be in competition with existing private and public systems, which would mean a reduction in service and therefore losses or changes in jobs at those public and private transit systems as a result of BART operations.<sup>441</sup>

Following Elliott's appearance before the BART Board of Directors, Putnam and Local 192 attorney Stanley Neyhart met again with them on March 20, 1968, and pushed the 13(c) that "requires arbitration of anything less than 100% job preference on BART." Without an agreement about how BART would meet these demands for hiring preferences then ATU and the other unions planned to submit their arguments to the arbitrator. On April 4, BART responded with two main points about how they would notify the unions about open positions and criteria to be hired. Broadly, BART said they would notify the 13(c) unions and allow applications for seven days from those unions. The unions did not immediately agree to these criteria because they had to review a number of other details in the preferential hiring plan proposed by BART.<sup>442</sup>

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<sup>441</sup> Earle W. Putnam to William L. Diedrich, Jr., Esq., February 21, 1968, Box 13 Folder 12, ATU 192 Records; Mark K. Bowers to David Fox, Esq., September 18, 1972, Box 142 Folder 6, APTA Records.

<sup>442</sup> "Negotiations Continue to Win Job Protections for BART Employees," *In Transit*, May 1968.

Local 192 wanted a resolution to the job issue and representation issue as ACT moved forward with route adjustment plans to align with BART service. The concern that Local 192 President Ed Cordeiro had about BART and job losses centered specifically on the impact of the loss of ACT transbay routes.<sup>443</sup> Cordeiro sent Elliott information on the reconfiguration of bus routes that would take place with the opening of BART. He and Local 192 kept an eye on this since the elimination or change in bus routes could affect the employment of bus drivers. Cordeiro requested additional funds from ATU to hire a specialist to work with ACT on route adjustments<sup>444</sup>

#### **4.3 Inter-Union Rivalry**

In addition to shifting members who could lose jobs over to BART positions, ATU sought to expand its footprint in the Bay Area by representing the new BART workers. As a result of the continuing conversion of transit systems from private to public, ATU membership nationwide increased from 132,554 in 1965 to 140,445 by 1975 due in part to organizing newly public sector workers and also new public transit systems able to hire more workers for expanding systems with bus and rail.<sup>445</sup> Encouraged by ATU, Local 192 attempted to organize BART workers, though they understood from that previous experience that it could take multiple efforts. Unlike the successful effort to organize clerical workers already working at ACT in the 1960s, the fact that BART was a separate agency along with the unresolved issues surrounding 13(c) complicated the

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<sup>443</sup> E. A. Cordeiro to John M. Elliott, August 14, 1970, Box 13 Folder 14, ATU 192 Records.

<sup>444</sup> E. A. Cordeiro to Mr. Earle Putnam, General Counsel, January 18, 1971, Box 13 Folder 14, ATU 192 Records.

<sup>445</sup> Amalgamated Transit Union, *The Amalgamated Transit Union (AFL-CIO/CLC)*, 27.

organizing efforts. Even more problematic for Local 192 was the head start by UPE Local 390 and its refusal to respect ATU's territory.

This was not Local 192's first fight against a rival union from outside of the transit sector. The early 1960s expansion of service meant that ACT had to hire not only drivers and mechanics, but also clerical employees in offices such as the Telephone Information Bureau which doubled its staff in order to handle incoming calls from the public with questions about the routes.<sup>446</sup> In that previous experience, Local 192 had to wage an organizing battle against a non-transit union, the Office Employees Union (OEU) Local 29, and the strategy used by the union led Local 192 president F. Vernon Stambaugh to remark that "Local 29 is going to be quite nasty about this matter."<sup>447</sup> In the end, neither of the two unions could persuade a majority. In May 1963, 40 of the workers voted "no" and Local 192 and OEU Local 29 each received 19 votes for "yes."<sup>448</sup> Local 192 blamed its failure on "propaganda" by OEU Local 29 and an unresolved issue about vacation time.<sup>449</sup>

One reason for the vote failure may have been that ACT kept raising pay and benefits for non-union ACT workers. However, as Local 192 won more generous benefits and pay through arbitration over the objection of ACT in 1965, it argued that the

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<sup>446</sup> "Telephone Information Service Expanded to Give Speedier Service to Transit Riders," *Transit Times*, February 1961, <https://www.actransit.org/transit-times-newsletters>.

<sup>447</sup> F. V. Stambaugh, President to Mr. H. B. Mann, September 14, 1962, Box 4 Folder 4, ATU 192 Records.

<sup>448</sup> "Workers Vote Against Joining Labor Union," *Transit Times*, May 1963, <https://www.actransit.org/transit-times-newsletters>.

<sup>449</sup> [Typewritten notes from clerical workers organizing meeting], November 12, 1965, Box 20 Folder 20, ATU 192 Records; [Handwritten notes from clerical workers organizing meeting], November 12, 1965, Box 20 Folder 20, ATU 192 Records.

clerical workers would gain more by joining. They lost out on pay and fringe benefit increases by not benefiting from collective bargaining.<sup>450</sup>

Using this successful contract negotiation as evidence of the ability of the union to win higher wages and benefits, Local 192 attempted to once again organize the clerical workers in November 1965. By this time, there were a total of 80 positions, most in public relations and information department and in the treasury department.<sup>451</sup> Local 192 leadership directly lobbied the clerical workers, and, among other things, they promised the clerical workers that they would have their own direct representative to union leadership to push for their particular issues. This time about 78 to 80 out of 110 clerical workers signed union cards. On January 26, 1966, the clerical workers voted 61 to 9 to join Local 192.<sup>452</sup>

In the 1970s, with the transition to public transit ownership happening nationwide, ATU officials renewed efforts to push local divisions to organize non-transit workers. A couple of reasons appeared to be behind this move. ATU could bring in members to strengthen numbers for collective bargaining, and non-transit unions had been trying and succeeding in organizing transit locals in other cities. If ATU failed to

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<sup>450</sup> "Directors Vote Employee Salary Boost," *Transit Times*, February 1961, <https://www.actransit.org/transit-times-newsletters>; "Non-Contract Workers Given New Wage Hike," *Transit Times*, November 1965, <https://www.actransit.org/transit-times-newsletters>; [Typewritten notes from clerical workers organizing meeting], November 12, 1965, Box 20 Folder 20, ATU 192 Records.

<sup>451</sup> Alameda-Contra Costa Transit District (STSD#1), February 24, 1966, Box 4 Folder 13, ATU 192 Records.

<sup>452</sup> State of California Department of Industrial Relations Conciliation Service Memorandum of Agreement for Consent Election, January 13, 1966, Box 20 Folder 20, ATU 192 Records; State of California Department of Industrial Relations Conciliation Service Results of Representation Election, January 26, 1966, Box 20 Folder 20, ATU 192 Records; [Typewritten notes from clerical workers organizing meeting], November 12, 1965, Box 20 Folder 20, ATU 192 Records; [Handwritten notes from clerical workers organizing meeting], November 12, 1965, Box 20 Folder 20, ATU 192 Records.



organize these non-transit public sector workers in the transit systems, then there was a strong chance another union would.<sup>453</sup>

Of course, Cordeiro involved himself in the multiple aspects of this action, particularly trying to make sure that Local 192 had a strong position against any encroachment by TWU or SEIU into organizing BART workers. Cordeiro raised concerns about various machinations going on at the time that could hamper ATU's position to organize BART workers. In 1969, ATU Local 1225 in San Francisco had crossed a picket line set up by Automotive Machinists Union (AMU) Local 1305 at Greyhound. The ATU contract specifically prevented Local 1225 from joining the picket line, but when they crossed the line to go to work, this enraged the AMU. Cordeiro disagreed with the way Elliott handled the situation, and he thought Elliott's actions might have played a role in San Francisco Labor Council trying to throw out Local 1225. Elliott clearly spelled out to George Johns of the San Francisco Labor Council that Local 1225 was working under a no-strike clause and that they were not performing work that the machinists do because ATU drives the buses and machinists fix the engines. AMU Local 1305 set up a picket line around the bus garages, so Local 1225 had no choice but to cross the line to get to work. Cordeiro believed that this dispute weakened ATU's negotiation position with regards to the new positions at BART, and that the TWU 250A in San Francisco would take advantage of this situation by taking over Local 192 and Local 1225 and then become the bargaining agent for BART.<sup>454</sup>

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<sup>453</sup> Barnum, *From Private to Public: Labor Relations in Urban Mass Transit*, 16.

<sup>454</sup> Elliott to Mr. George W. Johns, Secretary-Treasurer, July 2, 1969, Box 4 Folder 17, ATU 192 Records; E. A. Cordeiro to Mr. John M. Elliott, International President, July 24, 1969, Box 4 Folder 17, ATU 192

Though TWU had signed on to the 13(c) agreement, that did not mean rumors ceased about other plans. One of the reasons that Local 192 was nervous about BART and which union would represent the workers was that, according to Cordeiro, “John Squires of Local 250A of TWU in San Francisco has been shooting off his mouth saying he is going to swallow Division Local 192 and 1225 to make it one union throughout the whole Bay Area, and he figures he will have BART.” Perhaps part of this concern could be related to the fact that TWU 250A took over the other ATU Division that had represented some of the Muni workers in 1966.<sup>455</sup> Squires never appeared to make a serious move on this supposed plan, but another union did move forward with attempting to organize existing BART workers that had been hired.

Surprisingly, it was not TWU 250A but UPE Local 390 that positioned itself early to represent BART workers. UPE Local 390 had recently become more militant under the new leadership of Paul Varacalli. He took over what had been a relatively weak union and would go on to lead UPE Local 390 (later Local 790) for several decades.<sup>456</sup> Varacalli bargained aggressively with East Bay governments, and union membership expanded in the 1970s under his leadership, much as the SEIU had been expanding under

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Records; Although it took Meaney about six months to look into this situation, he sided with ATU and ordered the San Francisco Labor Council to bring back Local 1225. See In the Matter of the Appeal of Division 1225 Amalgamated Transit Union from its Suspension by the San Francisco Labor Council, January 8, 1970, Box 4 Folder 21, ATU 192 Records.

<sup>455</sup> E. A. Cordeiro to Mr. John M. Elliott, International President, July 24, 1969, Box 4 Folder 17, ATU 192 Records; In March 1966, Muni workers voted for TWU 250 to represent all workers instead of splitting representation with ATU Local 1380. Local 1380 continued representing Greyhound drivers. See State of California Department of Industrial Relations Conciliation Service Certification of Results of Consent Election, March 30, 1966, Box 17 Folder 27, ATU 192 Records.

<sup>456</sup> Eric Brazil, “Leader of Union Fires Accuser,” *San Francisco Examiner*, April 4, 1995.

the leadership of George Hardy in the Bay Area. Hardy had long been a successful labor organizer in the Bay Area and would become SEIU president in 1971.<sup>457</sup>

Cordeiro claimed that he was told that UPE Local 390 persuaded BART employees to join UPE Local 390 by telling them that it was the only union that BART would recognize. He claimed that Varacalli arranged for “plants” that then passed along this false information to new employees.<sup>458</sup> Varacalli, according to Cordeiro, was “really pushing his weight around” and secured support from the *East Bay Labor Journal* and the Alameda County Central Labor Council (ACCLC) in his organizing efforts.<sup>459</sup>

Asking BART employees to leave UPE Local 390 and sign cards for Local 192, Cordeiro made the point that, similar to that of the clerical workers dispute in the 1960s, UPE Local 390 had not represented transit workers in the past.<sup>460</sup> As part of his efforts to recruit BART employees to Local 192, Cordeiro invited them to attend Local 192 meetings.<sup>461</sup> In one flyer used to entice BART workers to join ATU, the Local 192 specifically referred to “its militancy.” Other recruitment materials pointed out that, by 1972, ATU represented the vast majority of U.S. and Canadian transit workers, and they also had a legislative department to work directly on state and federal legislation that impacted transit systems. One example of ATU involvement in legislation was the push for free fare transit. ATU argued that the cost of free fare transit could be made up by

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<sup>457</sup> “Strike OKd for Oakland City Union,” *San Francisco Examiner*, June 4, 1971; “Unions See Strike in Alameda Co.,” *San Francisco Examiner*, May 29, 1970; “Most City Workers Choose Local 390,” *Oakland Tribune*, May 13, 1972; Joan Cook, “George Hardy, 79, Pioneer Leader Of Service Worker Union, Is Dead,” *The New York Times*, September 18, 1990.

<sup>458</sup> E. A. Cordeiro to John M. Elliott, September 28, 1970, Box 13 Folder 14, ATU 192 Records.

<sup>459</sup> E. A. Cordeiro to Mr. John M. Elliott, September 25, 1970, Box 13 Folder 14, ATU 192 Records.

<sup>460</sup> E. A. Cordeiro to Employees of Bay Area Rapid Transit, September 21, 1970, ATU 192 Records.

<sup>461</sup> Union Bulletin, September 29, 1970, Box 13 Folder 14, ATU 192 Records.

fewer expenditures supporting the use of private automobiles. They also made the argument that transit should be supported like other public services without additional cost to the public, such as police, fire, and schools.<sup>462</sup> All of this was an effort to show ATU's mastery over UPE Local 390 on the issue of public mass transit funding.

By January 1971, Cordeiro reported that about 60 out of 100 BART employees had signed UPE Local 390 cards, but there was hope on the horizon because of about 250 new positions at BART.<sup>463</sup> Cordeiro suggested that Local 192 was having trouble getting their members to take BART jobs because of the lower pay compare to ACT. Cordeiro's overall concern throughout the 1970 to 1971 period was that the 1968 13(c) agreement would be useless if UPE Local 390 had already moved in and become the bargaining agent for BART.<sup>464</sup> From Cordeiro's perspective, UPE Local 390's absence from the 1968 13(c) agreement with BART meant that UPE Local 390 would be at a considerable disadvantage with regards to collective bargaining.

Elliott contacted the leadership of the UPE Local 390 parent union, SEIU, directly, then referred the matter to the AFL-CIO. But he feared that UPE Local 390 had a fast start on organizing BART workers, so there was not going to be great success at keeping them out.<sup>465</sup> Elliott saw UPE Local 390's effort to organize BART workers as an illegitimate invasion of ATU's turf and a violation of Article III, Section 3, of the AFL-CIO Constitution because UPE Local 390 activities "directly infringe upon the

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<sup>462</sup> Material Rowland Used in Organizing BART [workers], February 1972, Box 13 Folder 14, ATU 192 Records.

<sup>463</sup> E. A. Cordeiro to Mr. Earle Putnam, General Counsel, January 18, 1971, Box 13 Folder 14, ATU 192 Records.

<sup>464</sup> E. A. Cordeiro to Mr. John M. Elliott, September 25, 1970, Box 13 Folder 14, ATU 192 Records.

<sup>465</sup> John M. Elliott to [unnamed recipients], January 4, 1971, Box 13 Folder 14, ATU 192 Records.

organizing jurisdiction of this International Union.” ATU had a long history of organizing transit system workers and stayed within those boundaries, limiting its growth outside of the transit industry. Furthermore, SEIU had no history with organizing transit workers and understanding the needs of those workers. Elliott pointed to the ATU role in getting 13(c) at the federal level and negotiating with BART in 1968 to agree to 13(c) protections. These 13(c) protections were critically important for Bay Area because BART was highly likely to result in job losses among other transit unions so it was vital for them to have first chance at the BART jobs.<sup>466</sup> SEIU argued that they did nothing improper by signing up BART employees and that their representation of BART employees did not interfere in the issue of 13(c) and displaced workers.<sup>467</sup>

Unlike the common situation of a new public transit authority taking over an existing private system or combining a private system with a new rapid transit system, BART existed as a new standalone rapid transit system. As it barreled towards 13(c) arbitration, Local 192 had inserted itself into an ATU battle on two different fronts with regards to BART. Cordeiro sought information from ACT about job losses in order to successfully arbitrate with BART over position guarantees. He also wanted to prepare for a later battle over representation of workers at BART, an increasingly fraught task with UPE Local 390 aggressively expanding their nascent representation of existing BART workers. The main concern for both ATU and Local 192 was that UPE Local 390 (and SEIU) didn’t know what they were doing with regards to negotiating with a transit

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<sup>466</sup> John M. Elliott to Mr. David Sullivan, September 15, 1970, Box 13 Folder 12, ATU 192 Records.

<sup>467</sup> David Sullivan to Mr. John M. Elliott, November 24, 1970, Box 13 Folder 14, ATU 192 Records.

system, and they were getting in the way of ATU and the other unions that had workers at existing transit systems and companies from taking advantage of 13(c) protections.

#### **4.4 BART, 13(c), and the Preferential Hiring Decision**

The main trigger for public transit officials to complete a local 13(c) agreement with unions had been a new authority, or district, taking over a private system. The situation with BART was different with a completely new system that would, ATU feared, lead to the elimination of members' jobs with no opportunity for them to move to a BART position before that happened, adverse effect. They believed that the 13(c) agreement with BART stipulated that BART must give ATU members and the other union signatories preferential hiring for similar job before non-13(c) unions. The downside of 13(c) led to both sides had their own understanding/interpretation of 13(c) and how the hiring would proceed. This preferential hiring issue was complicated by UPE Local 390 which did not want to see any potential jobs for its members go to ATU locals because of the pay disparity and other perks from the existing union jobs at ACT and the Greyhound services. The stalemate to resolve these differences would lead to the matter going before an arbitrator, a high stakes affair that could lock Local 192 members out of BART jobs with their existing wages and benefits and leave their adversely impacted workers at a disadvantage if they transferred to BART and at the mercy of UPE Local 390, a non-transit union unfamiliar with 13(c).

Stokes was eager to move past the labor disputes according to his terms, begin operations, and bring to fruition his many years of work. In an attempt to follow the 1968 13(c) agreement, BART began the notification process of open positions under

13(c) for preferential hiring in the fall of 1970. A total of 274 Local 192 members filled out applications for BART clerical jobs by April 1971. The jobs all appeared to be clerical workers in support of BART's construction activities and preparing the system for use, rather than the employees that would actually perform the transit work such as train operators and station managers.<sup>468</sup> This all developed too late for Stokes who pointed out that, in addition to resolving the employment issue with operations commencing soon, that Kagel would be appearing before the State Conciliation Service regarding BART union representation. Stokes pointed out that there had been no action on resolving "the extent of employment priority to be accorded employees of existing mass transit systems" since March 1, 1968, which was the supposed deadline for reaching an agreement on hiring priorities before either side could request final and binding arbitration on the matter. With the beginning of BART operations approaching, Stokes stated he would be moving the process out of the agreed upon recess that had been in place since March 1, 1968, because BART needed to be fully staffed for operations.<sup>469</sup> Frustrated that there had been little or no response to his May 1971 request to discuss 13(c) and preferential hiring, he moved ahead with scheduling a June 18, 1971, meeting with Kagel to resolve the preferential hiring issue prior to requesting arbitration.<sup>470</sup>

In September 1971, BART notified the unions involved that it had contacted Kagel about proceeding with arbitration because they had not been able to come to an

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<sup>468</sup> E. A. Cordeiro to Mr. M. K. Bowers, April 30, 1971, Box 13 Folder 14, ATU 192 Records; M. K. Bowers to Signatories to the BART Labor Agreement [...], March 10, 1971, Box 13 Folder 14, ATU 192 Records; M. K. Bowers to Signatories to the BART Labor Agreement Pursuant to Section 13(c) of the Urban Mass Transit Act as Amended, October 27, 1970, Box 13 Folder 14, ATU 192 Records.

<sup>469</sup> B. R. Stokes to All Signatories to the 13(c) Agreement, May 3, 1971, Box 13 Folder 14, ATU 192 Records.

<sup>470</sup> B. R. Stokes to All 13(c) Signatories, June 8, 1971, Box 13 Folder 14, ATU 192 Records.

agreement about preferential hiring according to the 13(c) agreement. The list of organizations notified of this request included organizations other than ATU locals reflecting the potential impact on unions and organizations, like the NAACP, that preferential hiring of ATU union members would have.<sup>471</sup> The bottom line for Stokes was that BART was not interested in offering priority employment before BART began operations and characterized the process as one in which adversely affected transit workers had to go through a process of “arbitration for claims and disputes” after they experienced displacement.<sup>472</sup>

BART Labor Relations Representative Mark K. Bowers believed that BART had been misled about the complexity of the 13(c) requirements. Bowers was not the labor relations representative in 1968, so he attempted to perform clean-up duty. From his perspective, BART should not have had to deal with 13(c) because, as a brand-new system, BART had no plans to acquire any existing private transit systems. In addition, he thought that “organized labor was successful, due in large part to the misunderstanding and complexity of 13(c), to entangle the issues of priority with those of adverse effect to the detriment not only of BART but potentially of national transit as well.” Bowers believed that they had pursued “[a] reasonable interpretation and implementation of priority, and one which we applied in good faith between April of 1968 and April of 1971,” though BART offered those 350 positions at wage levels lower than those at existing transit systems. Bowers thought that the unions suggested to their members that

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<sup>471</sup> B. R. Stokes to All 13(c) Agreement Signatories September 8, 1971, Box 13 Folder 14, ATU 192 Records.

<sup>472</sup> Bay Area Rapid Transit District Policy, August 3, 1971, Box 13 Folder 15, ATU 192 Records.



they should not move over to BART and wait for arbitration instead. All of this caused chaos from his perspective, and he brought up the same points as UPE Local 390 about two different employment tiers, one for union members from existing transit systems and another for existing BART employees. Bowers also didn't like the probationary period that allowed the union members to return to their former transit systems because "these 13(c) employees will have the ability to stay with BART only until such time as recognition is granted, participate in the election, and then return to their former employer."<sup>473</sup>

Like Bowers, Stokes expressed buyer's remorse to the UMTA Administrator Carlos Villarreal. He claimed that they did not know what they were getting into with the 13(c) agreement, and "that the statutory requirements and their past applications are unrealistic and inappropriate then applied to a completely new transit system." Stokes argued "that the unions intend to expand the adverse [effect] provisions of 13(c) at considerable cost to the taxpayer," though he did admit that BART could have an adverse impact on Greyhound workers, but they were reluctant to hire based on purely preferential hiring.<sup>474</sup>

He complained about priority employment for non-adversely affected workers because of the mostly white male workforce, especially Greyhound, but admitted that the other two systems have much more racially diverse workforces. More concerning for Stokes was "the floor for negotiations with whatever labor organization wins an election

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<sup>473</sup> Mark K. Bowers to David Fox, Esq., September 18, 1972, Box 142 Folder 6, APTA Records.

<sup>474</sup> B. R. Stokes to Honorable Carlos Villarreal, November 1, 1971, Box 142 Folder 6, APTA Records; Edward W. Oliver to Mr. John W. Rowland, January 3, 1972, Box 13 Folder 12, ATU 192 Records.

is fixed prior to any negotiations taking place.” Stokes clearly wanted to start at a wage scale of their choosing to control costs which would be difficult with unions dictating the floor. Stokes framed this as “a device for unions in existing systems to gain an organizing and negotiating advantage and forecloses employment opportunities for persons suffering from past patterns of discrimination,” though he had already admitted that ACT and Muni had diverse workforces. He argued that systems like BART should not be subject to the full range of 13(c) provisions, and that the DOT should scrap “priority requirements for non-adversely affected employees of existing transit systems.”<sup>475</sup>

UPE Local 390 viewed all of this as BART capitulating to Local 192 demands and disregarding existing BART employees. The ACCLC Secretary Groulx convinced UPE Local 390 not to strike against BART until he could talk with the BART directors and try to work out an agreement. A UPE Local 390 union bulletin referred to “BART officials and their pussyfooting attitude in dealing with the legitimate complaints of the membership.”<sup>476</sup> However, UPE Local 390 had benefited from BART hiring nonunion employees, some of these hired before the 13(c) agreement, and SEIU targeted them for organizing.<sup>477</sup> UPE Local 390 did not want to lose their favorable position on being the only union organizing BART workers, and, if BART hired workers already in other unions, this would complicate their strategy.

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<sup>475</sup> B. R. Stokes to Honorable Carlos Villarreal, November 1, 1971, Box 142 Folder 6 APTA Records..”

<sup>476</sup> United Public Employees Union Bulletin Local 390, September 11, 1970, Box 13 Folder 14, ATU 192 Records.

<sup>477</sup> Amalgamated Transit Union, *A History of the Amalgamated Transit Union*, 93.

In fact, BART was pushing back on Local 192's projections of job losses. In August 1971, in order to counter Local 192 claims about job losses, BART labor representatives Paul Cooper and Mark Bowers met with Harold Davis and Al Shamoon from ACT to discuss their estimates of the potential for adverse effect on Local 192 members when BART commenced operations. The ACT managers relayed to BART managers that they had discussed this same topic with Local 192 members to try and allay their fears of massive job losses as a result of BART. Essentially, ACT anticipated that there would be 17 additional drivers required when BART opened the first line, and they anticipated job losses of 44 driver positions, which meant that the net loss of driver positions would be 27. ACT didn't anticipate any job losses in the office or mechanical divisions. Cooper calculated that, when taking into account normal turnover, that "[t] union estimates do not appear valid. A very slight or 'zero' reduction in force is probable as attrition and controlled hiring should offset the projected net reduction." Therefore, they did not agree with the job loss estimates put forth by Local 192.<sup>478</sup>

ACT pointed to the January 1971 report on the realignment of all 112 ACT bus lines as evidence of the continuing need for drivers.<sup>479</sup> Of the total 38 transbay routes, ACT proposed eliminating seven transbay lines, reconfiguring five to provide service to BART stations, and using ten other routes to provide service to BART stations as well as

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<sup>478</sup> San Francisco Bay Area Rapid Transit District Inter-Office Communication, September 1, 1971, Box 13 Folder 15, ATU 192 Records.

<sup>479</sup> Alan L. Bingham to East Bay Citizens, January 1971, Box 13 Folder 15, ATU 192 Records.

local and transbay service. They also proposed retaining 16 lines as dedicated transbay service with most operating only during commuting hours.<sup>480</sup>

Cordeiro expressed to Bingham his concern that Local 192 was not being kept informed of all the talks between ACT and BART, especially in regards to the loss of transbay bus lines. Cordeiro wanted assurances that displaced drivers could be trained and compete for positions at BART “in accordance with seniority.”<sup>481</sup> Bingham did not accept Cordeiro’s argument that ACT had made any missteps in keeping Local 192 informed of the negotiations, assured Local 192 that ACT and BART were not in competition and that BART service would not result in job losses but rather additional employment opportunities and equipment upgrades due to ACT creating new service to BART stations from various points in the East Bay.<sup>482</sup> Bingham’s attempts to allay Local 192 fears of job losses did not work.

With regards to BART, ATU viewed their complaints as a smokescreen for denying workers their collective bargaining rights. ATU dismissed the discrimination argument and these actions by Stokes as anti-labor. Elliott criticized Stokes’ 13(c) complaints, which Elliott viewed as an example of the transit industry attempt to strip workers’ rights and simultaneously continue to receive federal funding. At the same time, he painted Stokes as generally incompetent because the BART construction delays and cost overruns under Stokes’s leadership meant that “we have not too much to fear

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<sup>480</sup> Alan L. Bingham to Our Transbay Riders, February 1971, Box 13 Folder 14, ATU 192 Records.

<sup>481</sup> E. A. Cordeiro to Mr. A. L. Bingham, General Manager, October 7, 1971, Box 3 Folder 4, ATU 192 Records.

<sup>482</sup> Alan L. Bingham to E. A. Cordeiro, October 15, 1971, Box 3 Folder 4, ATU 192 Records; Alan L. Bingham to All AC Transit Personnel, July 7, 1972, Box 13 Folder 12, ATU 192 Records.

from his rambling, disconnected dissertation on the evils of giving any consideration whatsoever to the transit worker.”<sup>483</sup>

In March 1971, Cordeiro finally submitted 1,009 names and requested application forms for them to fill out. By submitting practically all the eligible members’ names, he was attempting to meet BART’s deadline. He also expressed concern about whether BART would maintain the members’ current wage scales if BART hired them because the positions described by BART had lower rate of pay. Cordeiro requested in writing “what steps you intend to take to protect employees from adverse effects” because “[a]s we understand your obligations, you must give them comparable wages and working conditions.”<sup>484</sup> Local 192 eventually submitted over two hundred applications, but this was too late for BART’s timetable with operations approaching, and they requested arbitration from Kagel in September 1971.

Local 192 sought preferential hiring for all members, even those that did not fall under adverse impact. BART argued that there had to be some constraints on how many workers they hired or else they might run afoul of the NAACP with a disproportionate number of white male workers, a claim Local 192 viewed as an excuse to back out of the 13(c) agreement. Furthermore, BART didn’t want to admit adverse job loss unless they had proof of such thing happening. Preferential hiring would be more comparable to BART taking over an existing private system, which was not happening, so the two sides

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<sup>483</sup> “Transit Management Playing a Very Dangerous Game,”[In Transit clipping], April 1973, Box 143 Folder 2, APTA Records..”

<sup>484</sup> E. A. Cordeiro to the Bay Area Rapid Transit District, March 4, 1971, Box 13 Folder 14, ATU 192 Records.

had to go to arbitration with Kagel to work out just what preferential hiring meant in this case with respect to adverse job losses. ATU had not experienced this kind of test of 13(c) as BART appeared to want to avoid bringing over adverse employees with full benefits and instead offer whatever wage they wanted for their open positions.

#### **4.5 Arbitration Helps the ATU**

By the fall of 1971, all of the parties involved in the 13(c) agreement began to prepare to present their cases to Sam Kagel. The priority employment hearings wrapped up on December 21, 1971, then the parties sent opening briefs to Kagel in February 1972.<sup>485</sup> The standoff between Local 192 and BART illustrated the stakes in the arbitration. Union workers' ability to move over to BART with wages and benefits in tact was at stake for all the unions in the 1968 agreement. UPE Local 390 was looking at this from the outside as a union not in the agreement. Furthermore, this would set the stage for a representation battle that would lead to a later Kagel decision.

BART wanted to limit 13(c) protections to "enumerated conditions" and disregard expansive language found in the UMTA 13(c) rule. BART attempted to only follow through with the minimum protections found in the 1968 13(c) agreement. For instance, BART wanted to reserve only ten percent of jobs for existing transit system workers, and they argued that other jobs should be reserved for underrepresented workers including

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<sup>485</sup> Paul L. Cooper to All 13(c) Signatories, December 22, 1971, Box 13 Folder 15, ATU 192 Records.

African Americans. BART expressed concerns that by following through with priority hiring, this would only continue a pattern of discriminatory hiring.<sup>486</sup>

Essentially, BART argued two main points. One was that neither 13(c) under the 1964 UMTA nor the 1968 13(c) agreement allowed for unlimited positions to be filled by existing transit union members even before BART began operations and warned that bringing those workers over “with exiting wages, hours, and working conditions on BART is impractical and chaotic.” The second major issue was that this adherence to strict seniority would worsen a white, male dominated workforce and a discriminatory workplace. In this discriminatory workplace argument, BART relied on the demographic makeup of just the drivers and mechanics, although if they had included clerical, then this would have certainly included more women, which makes it appear as though BART was cherry-picking how they were analyzing demographics. They also made an argument similar to UPE Local 390’s which was that there would be two tiers of employees: those with the seniority and benefits of the ATU members and those hired directly by BART without those same benefits. This, BART argued, would “destroy the very flexibility of assignment so necessary to BART’s success.” In other words, BART management wanted to set wages and benefits lower than what existing transit union members enjoyed at area transit systems. Another problem with BART’s stance was that it also excluded ACT from their argument about discrimination against nonwhites and women. BART seemed to be using anti-discrimination laws as a way to keep out ATU rather than a real

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<sup>486</sup> In Arbitration Proceedings Pursuant to Section 13(c) of the Urban Mass Transportation Act, As Amended, Brief of Amalgamated Transit Union and International Brotherhood of Electrical Workers, [1971], Box 13 Folder 12, ATU 192 Records.

desire to promote fair hiring practices. For one thing, they ignored ACT statistics that showed a high rate of minority employment as well as ignored clerical and other jobs that often had more women than men possibly because these jobs did not pay as much as mechanics and drivers, the craft union jobs.<sup>487</sup> BART argued that they would be violating federal equal employment laws in the case of Greyhound which was predominantly white and male for preferential hiring at BART. This indicated that the main problem for BART and UPE Local 390 was with ATU Local 1445, not Local 192.<sup>488</sup>

The NAACP also submitted a statement in support of BART's position. The NAACP outlined multiple times they had expressed their concern that the preferential hiring of union members for BART jobs would violate civil rights of blacks and other minorities. They requested data from the unions so they could have proof of the ethnic composition of the unions which could show evidence of previous discrimination in hiring by the transit agencies and companies.<sup>489</sup>

The labor movement and the civil rights movement in California had not always moved in unison, and the civil rights leaders viewed the unions as more interested in protecting their white members than fighting for equality on issues such as fair housing. In 1958 during the Proposition 18 Right-to-Work campaign, proponents tried to convince

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<sup>487</sup> Opening Brief of San Francisco Bay Area Rapid Transit, March 13, 1972, Box 13 Folder 15, ATU 192 Records.

<sup>488</sup> In Arbitration Proceedings Pursuant to Section 13(c) of the Urban Mass Transportation Act, As Amended, Reply Brief of San Francisco Bay Area Rapid Transit District, [1972], Box 13 Folder 12, ATU 192 Records.

<sup>489</sup> Leonard H. Carter to Mr. B. R. Stokes, General Manager, June 17, 1971, Box 13 Folder 14, ATU 192 Records.



black voters that non-compulsory union membership would open up more employment opportunities for them by reducing the power of racist unions. Another benefit to black workers would be for those in unions since a portion of their wages would no longer go to support racist politics of union leadership. Although Proposition 18 did not pass, it laid bare the conflict between equal employment and the unions maintaining closed shops and seniority systems. This uneasy relationship between civil rights groups and labor was tested once again in 1964 with Proposition 14 vote to end the short-lived 1963 California Fair Housing Law. Much to the disappointment of civil rights groups, union members voted for the repeal in large numbers. Civil rights groups questioned their support for labor if labor did not support their struggle for equal rights.<sup>490</sup> In the 1950s and 1960s, the industrial jobs decreased in San Francisco and increased in the East Bay and this disproportionately benefited white workers. Black workers could not move to some areas of the East Bay due to housing discrimination, and they did not have the resources to commute to those jobs because they required a lengthy and costly commute by public transit or the purchase of a car.<sup>491</sup>

Similar to the struggle over jobs in the Key System the late 1940s and early 1950s, the NAACP wanted more opportunity for black and Latino workers to gain employment in BART instead of all jobs being awarded to mostly white union members. It argued there was high unemployment in the black community of the Bay Area that

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<sup>490</sup> Reuel Edward Schiller, *Forging Rivals: Race, Class, Law, and the Collapse of Postwar Liberalism*, (New York: Cambridge University Press, 2015), 121.

<sup>491</sup> Paul T. Miller, *The Postwar Struggle for Civil Rights: African Americans in San Francisco, 1945-1975*, (New York: Routledge, 2010), 1–3, 5, 101.

justified this preference for people of color before giving union members preference. According to the NAACP, “this agreement could leave the BART system open to a massive civil rights lawsuit” because it would violate the U.S. Supreme Court decision in *Griggs v. Duke Power Company* as well as the 1866 Civil Rights Act. The NAACP specifically called out the past discrimination in unions as another reason not to give union preferences to the union, and they wanted assurances that BART jobs would have a certain number of non-white workers in each job category and that unions should provide the ethnic demographic breakdown of their employees. They suggested that if the unions could show that the hiring preference would be non-discriminatory, then perhaps a lawsuit would not be necessary.<sup>492</sup>

In response, ATU pointed out that ACT had a better record of nonwhite hiring than BART. In the ACT driver category, there were 725 white drivers, 335 black drivers, and 58 drivers of likely Spanish descent based on their surnames. Out of the total Local 192 membership of 1,454, the membership consisted of 357 black members, 68 Spanish surname members, and 16 of American Indian descent. Both the number of drivers and the total union membership consisted of greater than 30 percent nonwhite compared to the 18 percent of nonwhite workforce hired at BART. In the matter of Greyhound, although the workforce had a lower percentage of nonwhites than Local 192 and ACT, the fact of the matter was that Greyhound had a much larger service area, and the low percentage of nonwhites working still exceeded some of the service area. ATU argued

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<sup>492</sup> Statement of Mr. Leonard H. Carter, Regional Director, NAACP[...], November 15, 1971, Box 13 Folder 12, ATU 192 Records.

that the priority system could result in more hiring of blacks by BART than they currently had in their workforce. From the perspective of ATU, there was no discrimination in hiring that could be proven, but, even if BART could prove that, the union argued that this was irrelevant to the 1964 UMTA because the purpose of the act was to preserve the job protections of current transit system employees.<sup>493</sup>

On the matter of how many workers should be hired from which system, ATU suggested that the proper way to do this would not be as BART suggested to allocate jobs equally, but to examine which workers would stand to lose the most from BART operation. In order to make a proper determination, ATU argued that the arbitrator should ask for a list of prospective employees from the existing transit systems to aid in figuring out allocation. Until these employees, particularly Greyhound and ACT, had the opportunity for priority hiring and working at BART, a representation election should not be held. This point was critical to ATU because they pointed to all of the work that went into the 1968 13(c) agreement, and that BART simply brushed that aside and attempted “to unilaterally compose a work force” rather than follow the agreement.<sup>494</sup> This arbitration argued that job losses will be across all departments of ACT, much of it due to the elimination of transbay lines. Additionally, ATU argued that it was not clear that the feeder lines to BART stations would be successful.<sup>495</sup>

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<sup>493</sup> In Arbitration Proceedings Pursuant to Section 13(c) of the Urban Mass Transportation Act, As Amended, Brief of Amalgamated Transit Union and International Brotherhood of Electrical Workers, [1971], Box 13 Folder 12, ATU 192 Records.

<sup>494</sup> Reply Brief of Amalgamated Transit Union and International Brotherhood of Electrical Workers, [May 1972], Box 13 Folder 15, ATU 192 Records.

<sup>495</sup> In Arbitration Proceedings Pursuant to Section 13(c) of the Urban Mass Transportation Act, As Amended, Brief of Amalgamated Transit Union and International Brotherhood of Electrical Workers, [1971], Box 13 Folder 12, ATU 192 Records.

In Local 192 bulletins, in September and October 1971, Local 192 leaders suggested that they might only experience workplace disruptions due to the reconfiguration of service rather than outright job losses. Though ATU brought up the possibility of job losses as the main issue, the other issue of representation no doubt loomed behind all of this. It's likely that ATU believed that BART's unwillingness to follow the 13(c) agreement was merely a ploy to avoid hiring ATU members so that BART could negotiate from scratch with a new union (or no union) and negotiate for lower wages and fewer benefits to try and not burden the system which had already gone over budget in the construction phase. Cordeiro suggested that they should consider refusing to provide service to BART stations if they did not receive a favorable arbitration ruling.<sup>496</sup>

In June 1972, Kagel made a "partial award" decision in favor of the unions in the 1968 13(c) agreement. As a condition of the award, existing ACT workers had to fill out a questionnaire; until that happened, BART could not hire new employees.<sup>497</sup> By July 15, 1972, Kagel had made his full decision based on the union members that could be impacted the most by the elimination of service that overlapped with BART. He ruled that the Peerless Stage (ATU 1225) employees would be given first priority, then Greyhound West (ATU 1471), followed by ACT (ATU), Muni (TWU), and finally Southern Pacific (IBEW) commuter train employees. Based on the questionnaires

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<sup>496</sup> Amalgamated Transit Union Division 192 Bulletin, September 20, 1971, Box 13 Folder 15, ATU 192 Records; Amalgamated Transit Union Division 192 Bulletin, October 28, 1971, Box 13 Folder 15, ATU 192 Records.

<sup>497</sup> E. A. Cordeiro to All Members of Division 192, June 27, 1972, Box 13 Folder 12, ATU 192 Records.

returned, the ruling impacted 1,200 employees: drivers, clerical workers, and maintenance personnel.<sup>498</sup>

Stokes sought to reassure the existing workers that the hiring of these transit union employees would not affect their status, apparently in an effort to tamp down criticism from UPE Local 390 officials who claimed that the incoming union members with their benefits retained from their current jobs would create a two-tiered system of haves and have-nots. Those from existing systems could retain nearly all of their seniority such as pensions, vacation time, and driving shifts, but they would have to start over in rank. The still unresolved issue of which union would represent all of the workers remained, and that decision would be handled by the California State Conciliation Service.<sup>499</sup>

For wages, if the workers brought over wages higher than the BART rate, they were to be “red-circled,” meaning they would have 7 percent added to those rates that would then be placed in the employees’ BART pension plan until the BART wage caught up to the wage brought over from the former position. The arbitrator ruled that Greyhound and Peerless Stages employees would be paid \$5.35 per hour because they were previously paid per mile. This meant that Local 192 employees might not be paid as well as those other ATU union members initially.<sup>500</sup> Local 192 was expecting a 6 percent increase by ACT effective July 1, 1972, so this assurance of full compensation

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<sup>498</sup> “BART Job Priorities Decided,” [newspaper clipping], July 17, 1972, Box 13 Folder 12, ATU 192 Records.

<sup>499</sup> “BART to Hire for Train Service,” [newspaper clipping], July 18, 1972, Box 13 Folder 12, ATU 192 Records.

<sup>500</sup> Partial 13(c) Decision of Sam Kagel, Arbitrator, June 20, 1972, Box 13 Folder 15, ATU 192 Records.

was important.<sup>501</sup> Local 192 enjoyed some of the highest transit wages in the country, which explained their desire to make sure that members did not receive less if they moved over to BART.<sup>502</sup>

ATU warned members interested in applying for jobs at BART to watch out for UPE Local 390 misrepresenting itself as the bargaining unit for BART. Although they had members at BART, UPE Local 390 had yet to become the bargaining agent for BART. They also pointed out that UPE Local 390 had fought against existing transit system union members being able to apply for jobs without first showing evidence that their jobs had been adversely affected. ATU also argued that UPE Local 390 claims of job losses were not accurate, and that their threats to strike and pursue legal action were meant to intimidate Kagel.<sup>503</sup>

UPE Local 390 wrote to Kagel and asked that he reconsider his partial June 20, 1972, ruling in favor of ATU. They argued that bringing in the outside transit workers would continue to bolster the largely white demographic and interfere with the progress that had been made with the BART program to hire from non-white groups. They argued that this new group coming in with higher wages and better benefits would then create a two-tiered, unequal system with a largely white workforce with higher pay and better benefits and a non-white workforce with lower pay and benefits, but in many cases they would be working the same positions. They also pointed out that there was no way to

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<sup>501</sup> Comparison of Hours, Wages, and Working Conditions of Bay Area Transit Organizations, [June 1972], Box 13 Folder 12, ATU 192 Records.

<sup>502</sup> Top Bus Operator Wage Rates Being Paid as of June 1, 1972, Box 13 Folder 12, ATU 192 Records.

<sup>503</sup> Notice to All Members of Divisions 1225, 1471, and 192[...], [July 1972], Box 13 Folder 12, ATU 192 Records.

solve this disparity by collective bargaining because the collective bargaining agent had not been determined and probably would not be by the time BART operations began. They demanded that if any workers came to work at BART through the priority hiring system, then BART workers should receive those same higher wages and more generous benefits.<sup>504</sup>

Local 192 workers had the option of returning to ACT if things did not work out at BART within a six-month period. They were essentially on a leave of absence from ACT.<sup>505</sup> Sixteen Local 192 members transferred over to positions at BART.<sup>506</sup> Approximately one-third of 54 prospective BART job seekers from Local 192 were listed as being from nonwhite populations.<sup>507</sup> In total, 1,105 applications came from all of the unions in the 13(c) agreement following the June 1972 decision. But only 73 applicants out of 600 from ATU locals actually began work at BART.<sup>508</sup>

ATU could claim a victory in the arbitration with all three locals receiving the top three preferences to seek BART jobs. This did not come without costly arbitration and a souring of labor relations with BART, who appeared to be seeking a way to restructure labor relations to favor management priorities of controlling costs by getting out of 13(c) arrangements they agreed to 1968. They attempted to rely on historical animosity between African Americans and labor unions though that did not have much to do with resolving the 13(c) issue as the Kagel ruling indicated since he did not appear to take that

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<sup>504</sup> Levy and Van Bourg to Sam Kagel, Esq., July 3, 1972, Box 13 Folder 12, ATU 192 Records.

<sup>505</sup> Vincent Groves to J. D. Goodman, August 9, 1972, Box 17 Folder 6, ATU 192 Records.

<sup>506</sup> V. G. Bowen to Miss Carol Wolfgang, Editor, September 29, 1972, Box 4 Folder 22, ATU 192 Records.

<sup>507</sup> List of 192 prospective BART employees, [1972], Box 13 Folder 15, ATU 192 Records.

<sup>508</sup> Amalgamated Transit Union, *A History of the Amalgamated Transit Union*, 93.

argument into consideration. The bitter dispute with BART and UPE Local 390 may have led to a reduced number of applicants actually transferring over because of wage issues. If so, this was a win for BART. From ATU perspective, Local 192 had not practiced discrimination and BART sought to get out of its 13(c) by arguing that ATU was racist and would perpetuate that at BART which would expose BART to civil rights lawsuits.

ATU had a lot more skill with 13(c) by this point, understood the stakes of the arbitration, and that a ruling in BART's favor could really deal a blow to 13(c) because then other transit systems could point to that as a reason to challenge local 13(c) agreements everywhere and weaken ATU locals' ability to move to public transit systems with their full wages and benefits. In a sense, the 13(c) process worked as it should have with ATU members receiving wages and benefits and seniority as they moved to BART. The difference was that they were coming from a mix of private and public systems so those at the public system already had high wages unlike situations where financially strapped private systems had been taken over and could immediately offer higher wages.

#### **4.6 ATU and UPE Strike Together**

BART began operations in September 1972 and ACT shifted buses off of some routes that duplicated BART service. As ACT had agreed to, they removed some transbay routes, but they also retained most of them. As Bingham had suggested to Local 192, a service expansion for ACT did occur with the opening of BART. The largest service changes occurred in the East Bay. ACT reorganized many of their routes to serve as feeder lines to BART stations, and they eliminated East Bay express routes that



offered service similar to BART routes. ACT established the East Bay local service in the suburbs and operated it, but a combination of federal and state funding meant that ACT did not have to fund it. BART plans included eventually building stations more accessible to East Bay communities, so BART sought to establish a base of ridership for those future stations. This new ACT service, though, occurred in less populated areas, while ACT gave up service in the more heavily populated areas.<sup>509</sup> ACT found this arrangement with the cities in Contra Costa County difficult to maintain because requests for service changes and other modifications that ACT could not meet. ACT pushed back on county demands because Bingham did not want to add more employees to handle the service, geographically the cities were just too far out from the core service area of the transit district, and ACT thought that BART often ignored suggestions about improving coordination.<sup>510</sup> A major coordination effort took place when ACT had to call in buses to substitute for BART service when President Nixon and Pat Nixon rode BART in September 1972, soon after BART service commenced.<sup>511</sup>

Local 192 members may have had second thoughts about transferring when ACT introduced the promised East Bay feeder service that helped offset the reduction in

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<sup>509</sup> Larson and McCreery, *On Schedule*, 43–44; Alan L. Bingham and Larry Dahms to Hon. Paul J. Fraser, Jr., December 13, 1974, Box 20 Folder 5, ATU 192 Records.

<sup>510</sup> Larson and McCreery, *On Schedule*, 44–45; Johnson and McCreery, *Bus Doctor*, 57.

<sup>511</sup> “Buses Used in Shuttle as President Pays Visit,” *Transit Times*, October 1972, <https://www.actransit.org/transit-times-newsletters>; Along with the additional service in the East Bay, ACT transbay service continued to serve an important function during the rush hour commute, and by 1978, ACT continued to operate important transbay service with 12 routes in non-rush hour and 42 rush hour routes. These routes contributed a large part of the service for the commuters to San Francisco, over half of them using public transit to reach San Francisco from the East Bay. See Alameda-Contra Costa Transit District (Calif. ), *AC Transit History of Lines by Line*, 1978, 5, <https://www.actransit.org/historical-planning-and-scheduling>.

transbay routes.<sup>512</sup> In addition, some serious safety questions about the BART automated train technology emerged. Three weeks after BART began operations, a train ran off of the end of the platform at the Fremont station, derisively known as the “Fremont Flyer.” Investigators found the cause of the accident to be the automated train control system, which had been a major reason for cost overruns and the delay of BART beginning operations. Stokes, already under fire for the cost overruns and delay of the system opening, departed in May 1974 when the Bay Area state legislators insisted on his removal in exchange for BART to receive more state funding.<sup>513</sup> He soon found a position as the head of the ATA successor, the America Public Transit Association (APTA), where he would continue his crusade against 13(c).

ATU President John M. Elliott, a critic of Stokes’s leadership, piled on additional criticism of the automated train control. He ridiculed BART as a tax-funded effort to put transit workers out of work at the same time as the country faced rising unemployment, so for other cities “[t]o spend further billions of dollars to create further unemployment is both stupid and ridiculous.” In addition to threatening transit worker jobs, this automation threatened the lives of passengers, and “[a]ll those responsible for allowing the BART trains to operate under the control of mechanical gadgets instead of under the direct control of a motorman, are guilty of gross negligence.”<sup>514</sup>

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<sup>512</sup> Larson and McCreery, *On Schedule*, 43–44; Alan L. Bingham and Larry Dahms to Hon. Paul J. Fraser, Jr., December 13, 1974, Box 20 Folder 5, ATU 192 Records.

<sup>513</sup> “Troubles Beset Transit System in San Francisco Bay Area,” *The New York Times*, December 10, 1972; Nolte, “B.R. Stokes, Ex-BART General Manager, Dies”; “BART Turns 46: Transportation Gamble Now Indispensable ‘City On Wheels,’” September 10, 2018, <https://sanfrancisco.cbslocal.com/2018/09/10/bart-at-46-transportation-gamble-city-on-wheels/>.

<sup>514</sup> John M. Elliott, “A Kink in Management’s Dream,” *In Transit*, November 1972.

Despite his criticism of the BART engineering shortfalls, Elliott recognized the opportunity and importance of ATU establishing a strong representation presence after years of work. Elliott visited the Bay Area in March 1973, and Local 192 hosted a dinner for him to meet BART workers following the certification by the state of California for clerical, transportation, maintenance, security, and supervisory groups to participate in a representation election. The certification specified that the clerical, maintenance, and transportation units would negotiate together as a joint council. In April, Kagel assisted in planning the BART elections. Cordeiro, a veteran of multiple elections, offered his services. In addition to Local 192, officers in the other ATU Locals 1225 and 1471 and ATU International officers assisted in the push to organize BART workers. ATU established Local 1555, and it won the representation vote for transportation with 142 votes out of a total of 209. UPE Local 390 received the second most with 45 votes. UPE Local 390 performed better with clerical and maintenance workers and won representation for those two groups. As ATU and Cordeiro had feared, UPE Local 390 gained a foothold in the representation battle by signing up BART workers early on, and they ended up with over 800 members in the clerical and mechanical units.<sup>515</sup>

The following year, in June 1973, both Local 1555 and UPE Local 390 threatened to strike over new BART employees lack of equal pay with those who had moved from existing transit systems. The pay gap resulted in some employees being paid more than \$2 per hour more than others. BART management planned to bridge the pay gap, but

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<sup>515</sup> "ATU Scores Victory on BART," *In Transit*, July 1973; BART to TDS members, April 26, 1973, Box 143 Folder 2, APTA Records.

they could not do so all at one time and cited of severe budget constraints as the reason.<sup>516</sup> Although ATU charted the new local as Local 1555 for the operators and terminal employees, the immediate need for negotiations on behalf the local meant that they had to hastily appoint a negotiating committee rather than elect a full leadership slate. The negotiating team rejected the offer by BART, but BART negotiators insisted that their offer be put to a vote by the full membership despite the negotiating committee's rejection of the offer. The membership rejected the offer by a large margin.<sup>517</sup> This synchronicity between the two unions was a remarkable development considering the acrimonious arbitration proceedings. However, once both unions found themselves under the same transit authority, they found common cause over reaching a consistent wage scale.

The negotiations went nowhere as management claimed that union demands would cost \$5 million. After negotiations failed in July 1973, approximately 800 UPE Local 390 workers and 300 Local 1555 workers went on a strike. The strike inconvenienced approximately 35,000 daily BART riders in the East Bay. ACT put special bus routes into service to attempt to make up for the loss of BART trains. The strike resembled the past strikes by Local 192 with massive traffic backups due to automobile traffic over the Bay Bridge, though this time the traffic jams appeared parallel to rapid transit tracks. Additionally, the reduction in commuter bus routes meant that commuters had even fewer options.<sup>518</sup>

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<sup>516</sup> Leonard Blaikie, "BART May Be Hit By Strike," *Oakland Tribune*, June 10, 1973.

<sup>517</sup> "\$8 in Sight for ATU Operators," *In Transit*, September 1973.

<sup>518</sup> "Bay Area Transit System Halted by Strike," *Los Angeles Times*, July 3, 1973.

Although Cordeiro was not part of the negotiating team, he provided assistance with his experience in multiple contract votes and also offered any other assistance the Local 192 office could provide.<sup>519</sup> Both Local 1555 and UPE Local 390 unions dropped the demand for equal wages for both transferring employees and new employees, but BART insisted that the new negotiating point remained too expensive.<sup>520</sup> After the strike had dragged on for almost a month, all sides finally agreed to a three-year contract with a wage increase and a prohibition on strikes or lockouts.<sup>521</sup> The Local 1555 membership voted in favor of the contract 163 to 8 on July 31 and UPE Local 390 voted 304 to 124 in favor. The contract resulted in an immediate raise for ATU 1555 operators from \$5.34 to \$5.98 per hour and projected to be over \$8 per hour in the third year with the cost-of-living adjustments. The contract also included specifications on a host of working conditions and fringe benefits.<sup>522</sup>

The wage increase won by the unions exceeded the Nixon Administration's Economic Stabilization Program standards, but the review concluded that the contract was the result of an attempt to bring those workers up to wage standards found in the rest of the mass transit systems in the Bay Area. Still, new BART employees made 13.3 to 39.3 percent less than the workers who transferred from other systems.<sup>523</sup> Section 13(c) was not mentioned during the negotiations and strike, but 13(c) negotiations led directly

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<sup>519</sup> "\$8 in Sight for ATU Operators."

<sup>520</sup> "BART Talks Collapse as Revenue Loss Rises," *Los Angeles Times*, July 19, 1973.

<sup>521</sup> "BART Unions OK Pact, End Strike," *Los Angeles Times*, August 1, 1973.

<sup>522</sup> "\$8 in Sight for ATU Operators"; George Rhodes, "BART Workers Back on the Job," *San Francisco Examiner*, August 1, 1973.

<sup>523</sup> Paul Varacalli, "Letter to The Forum: Union Chief's Response to Dennis Boaz Letter," *Oakland Tribune*, July 28, 1974.

to the 1973 BART strike because of pay disparity that resulted from the 1968 13(c) agreement being enforced. At the same time, UPE Local 390 ended up representing more divisions at BART than ATU, so they could claim a victory of sorts. Though ATU and UPE had fought over the transferring employees, ATU attempted to get rid of the two-tiered system since it now affected their new members as well as UPE members. Though far fewer existing union members from Local 192 and other unions transferred to BART than perhaps UPE Local 390 President Paul Varacalli feared, Local 1555 joined with UPE Local 390 to strike in a failed attempt to eliminate the two-tiered system Varacalli had raised concerns about.

### **Conclusion**

The bitter arbitration battle left both sides unsatisfied, but ATU ultimately won rights to BART positions and established a new ATU local to represent BART workers. A massive mass transit project meant to reduce automobile use, it also led to jurisdictional labor union dispute and contributed to a backlash of 13(c) as BART management characterized the efforts of Local 192 as holding up the operation of the system over unreasonable demands for BART to hire any Local 192 member, and BART dismissed the adverse impact on jobs that Local 192 claimed because BART had not yet begun operations. In the short term, BART management appeared to be correct as Local 192 members did not appear to have lost much with the introduction of BART service. ACT did make some route reductions in the transbay service, but they successfully retained some routes and expanded service in both Alameda County and Contra Costa County to transport commuters to outlying BART stations. This expansion of service

meant job stability for drivers as well as the other members including mechanics and the clerical departments. The large job losses feared by Local 192 did not happen. The low number of Local 192 members that decided to take BART jobs probably had something to do with the lower pay offered and joining a completely new local. Also, the fact that ATU only gained representation for the operating department meant that workers in other departments would be represented by UPE Local 390, which, considering all of the bad blood that had developed during the drawn-out negotiations, probably did not appeal to those members when they could remain with ACT and benefit from the generous contracts Local 192 managed to win from ACT in the early 1970s. The 1968 13(c) agreement ended up ensuring that Local 192 workers transferring to BART in the operations department continued to receive their current wages as well as provided an argument for UPE Local 390 and Local 1555 to demand the same for other BART workers. Once ATU Local 1555 and UPE Local 390 settled the representation fight, they could focus on negotiating the first contract with BART. Yet this high-profile episode left questions about local 13(c) agreements and the streamlining of the determinations of adverse impact, an issue that would take on even greater importance in the 1970s with operating funds as well as capital funds available from the federal government for publicly owned transit systems. Those transit systems would come to rely on that federal funding more and more as the increasingly poor economy in the 1970s impacted local and state government resources that could be allocated for transit, and elected officials looked to curb budgets in cities like Atlanta.

## CHAPTER 5: LOCAL 192 LABOR MILITANCY, THE LIMITATIONS OF THE STRIKE, AND THE TAX REVOLT IN THE 1970S

### Introduction

By the 1970s, ACT managers had moved a long way away from the early, more cooperative, days with Local 192. The rosy financial outlook of the early and mid-1960s began to darken with the introduction of the Bay Area Rapid Transit (BART) system, cuts to the profitable transbay service, and the need to shift more resources to BART feeder lines in the East Bay in the mid-to-late-1970s. In addition to altering service to meet the demands of BART in the early 1970s, ACT management also found themselves locked into increasingly more expensive contracts with Local 192. The relatively easy negotiations of that first contract seemed long ago by the 1970s when the union went on multiple strikes.<sup>524</sup>

Local 192 president Edward A. Cordeiro led the push for more generous contracts, and ACT agreed to arbitration to resolve disputes. When arbitration results continued to favor Local 192, ACT began to push back on Local 192 demands, particularly for cost-of-living increases. Often tied to the Consumer Price Index (CPI), the cost-of-living increase became a key provision in contracts because it was keeping the value of the pay constant over time if prices increased depending on the baseline year for calculating the CPI. In addition to boosting wages, Local 192 also desired the inclusion

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<sup>524</sup> Nisbet and McCreery, *From Private to Publicly Owned Transit in the Bay Area*, 63.



of the cost-of-living clause to bring their contracts up to the level of the Transit Workers Union (TWU) at the San Francisco Municipal Transportation Agency (Muni).

Local 192 reaped financial rewards from maintaining and improving the cost-of-living clause in contracts, but ACT management, with the encouragement of the ACT board, began to resist the inclusion of the cost-of-living clause. This clause—combined with rising gas prices, legislative actions, and voter initiatives—put the squeeze on the ACT budget by the mid-to-late 1970s. The state legislative actions and voter initiatives were in part due to Local 192 and other public sector unions' hefty contracts and militant activity.

By 1970, 18 percent of the labor force worked in the public sector, and public sector union membership had reached unparalleled heights. Those four million workers did not hesitate to demonstrate this strength by going on strike hundreds of times a total of 478 in 1975, a remarkable increase from 15 in 1958. This union activity in the public sector drew comparisons to the private sector unionism of the 1930s. In the 1960s, some larger cities, including New York City and Philadelphia, began bargaining with public sector unions, and Executive Order 10988 signed by President John F. Kennedy in 1962 allowed for more than 2 million federal workers to participate in collective bargaining. During the same decade, 22 states allowed for public sector collective bargaining. Though these laws represented a step forward for public sector unions, they often included restrictions that private sector unions did not have. Public workers created a strike wave from 1965 to 1975 in response to the inadequacy those existing laws as well as the absence of laws in other states. Labor leaders argued that without the proper

mechanisms for collective bargaining, they could not bargain effectively and the strikes by rank-and-file would continue to occur.<sup>525</sup>

The souring economy also fueled the strike activity in private sectors such as automobile manufacturing, airlines, and mining.<sup>526</sup> One of the reasons for the rise in union militancy against companies was the difficult situation many companies ended up in by the late 1960s. They were unwilling to meet labor demands for wages and benefits at the same level that they had provided in the early 1960s when the economy soared partially due to government spending on the Vietnam War. The war spending began to have much less of a positive effect on the economy by the end of the 1960s and inflation caused prices to rise.<sup>527</sup>

As the 1970s dragged on, states and municipalities ended up in similar situations. Public employee strikes increased both in the number of strikes and the number of workers involved, particularly with regards to establishing collective bargaining rights.<sup>528</sup> Unlike the transition from private to public experienced by mass transit workers, other public employees had to expend more of an effort to establish collective bargaining such as teachers and nurses, so there was somewhat of a different purpose.<sup>529</sup> Perhaps the most significant strike of this period was the 1970 postal strike, an example of a wildcat

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<sup>525</sup> J. A. McCartin, "'A Wagner Act for Public Employees': Labor's Deferred Dream and the Rise of Conservatism, 1970-1976," *Journal of American History* 95, no. 1 (June 1, 2008): 123, 126–27.

<sup>526</sup> Brenner, Brenner, and Winslow, *Rebel Rank and File*, xi.

<sup>527</sup> Brenner, Brenner, and Winslow, 12.

<sup>528</sup> Brenner, Brenner, and Winslow, xi.

<sup>529</sup> Edwards, *Strikes in the United States*, 191–94.

strike by rank-and-file.<sup>530</sup> This strike led to recognition of collective bargaining rights and many beneficial concessions on wages.<sup>531</sup>

The American Federation of Labor-Congress of Industrial Organizations (AFL-CIO) established the Public Employees Department (PED) in 1974 as a result of the large public sector union membership and the need for coordination. A Government Employees Council had existed since 1945, and the PED merged with that existing group. The PED held its first convention in November 1974. AFL-CIO President George Meany urged militancy and that the same tactics used against private employers applied to public workers because “if that guy happens to be the mayor of the city or the governor of a state, it doesn't make a damn bit of difference.” Among other things, the PED sought to keep tabs on “legislative activities at all levels of government.”<sup>532</sup>

The AFL-CIO found it difficult to wrangle public unions' competing interests until it created the PED to organize a cohesive strategy, even so deep divisions remained among the group. The Service Employees International Union (SEIU) and American Federation of State, County, and Municipal Employees (AFSCME) had already been at odds over territory with regards to organizing public sector workers, and the SEIU disagreed with the strategy to draw up an entirely new law protecting public sector unions and advocated for amending the National Labor Relations Act (NLRA) to include public sector unions instead. AFL-CIO in-fighting prevented a cohesive strategy with bad

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<sup>530</sup> Beth L. Bailey and Dave Farber, eds., *America in the Seventies* (Lawrence: University Press of Kansas, 2004), 78–79.

<sup>531</sup> Aaron Brenner, “Rank-and-File Rebellion: 1966-1975” (Ph.D., Columbia University, 1996), 141–42.

<sup>532</sup> “AFL-CIO Establishes Public Employee Dept.,” *In Transit*, December 1974.

feelings between AFSCME President Jerry Wurf and Meaney over Vietnam War policy and support of Democrat George McGovern's presidential campaign in 1971.<sup>533</sup>

Just as important as developing a strategy for organizing would be to push back against traditional anti-labor forces, such as the National Association of Manufacturers (NAM), as well as the growing conservative movement in the 1970s. For instance, the conservative Richard Viguerie, who ran a mailing list and fundraising operation, helped elect Republican Orrin Hatch of Utah to the Senate in 1976, and Hatch soon played a leading role in filibustering labor law reform. However, politicians looking to be elected in either party could potentially be sympathetic to that ideology. One Democratic senator warned that this "radical" movement should not be ignored because it "does not appeal to reason or tradition to make its case" and "appeals to emotion, to elementary fears and raw prejudices."<sup>534</sup> This anti-union activity would contribute to an anti-tax group in California in the 1970s that would, among other things, target public employees as part of the problem with high property taxes, and lead to the passage of Proposition 13.

Local 192 president Edward Cordeiro continued his aggressive stance towards ACT management, and everyone else it seems, and led Local 192 through two strikes in 1970 and 1974 over wages and benefits. A financial scandal and disputes with other members led to Cordeiro's resignation in 1975, and voting irregularities marred the 1976 election. The new president and the first African American Local 192 member to hold that office, John Wesley, unwisely led Local 192 into another strike in 1977-1978, which

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<sup>533</sup> McCartin, "A Wagner Act for Public Employees," 133, 136.

<sup>534</sup> "Union Turns Spotlight on the Radical Right," *In Transit*, October 1978.

ended up being largely unsuccessful against effort a defiant ACT that had to deal with budget constraints. The passage of Proposition 13 in 1978 dealt a financial blow to ACT, beginning a period of transit system contraction.

### **5.1 Cordeiro and the Strike Strategy**

In the early 1970s, Local 192 members continued to be employed in a valuable public service that continued to receive funding. Increased air pollution, overbuilt expressways, and the energy crisis created a climate of support for more mass transit. In addition to commuter routes with riders who might choose mass transit instead of driving, many recognized mass transit's public service role for those who could not drive: the young, the elderly, and the disabled.<sup>535</sup> This public service mission, however, did not mean that Local 192 eased off its demands. Cordeiro proved to be a wily negotiator at the bargaining table with ACT, particularly when it came to securing cost-of-living provisions. ACT sought to restructure the cost-of-living provision as inflation drove up prices more than they expected, but Local 192 wanted to maintain the provision and requested terms more favorable to the union. When ACT balked at these demands, Cordeiro made good on promises to strike despite running the risk of angering the public over public employees causing rush hour mayhem.

The 1950s collective bargaining agreement for the transit district favored Local 192 with discretionary arbitration, collective bargaining, and no specific language on the right to strike.<sup>536</sup> Moreover, some in management, like ACT attorney (and later ACT

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<sup>535</sup> Barnum, *From Private to Public: Labor Relations in Urban Mass Transit*, 1.

<sup>536</sup> Nisbet and McCreery, *From Private to Publicly Owned Transit in the Bay Area*, 65.

president) Robert Nisbet, believed that it was in the best interest of ACT to pay workers well, especially since they had been so underpaid by the Key System.<sup>537</sup> This strategy prevented strikes, but, by the late 1960s, the ACT budget began to show signs of inadequate revenue to support ever expanding wages and benefits even with the rising operating revenues as a result of the service expansion. The main driver of the operating expenses were wages and benefits that, by 1964, consumed 66.3 percent of the total revenue. In September 1965, an arbitration panel awarded Local 192 wages and benefits that increased the ACT budget for personnel by 6.5 percent, leading ACT to raise transbay and children's fares. In 1967, ACT managed to stay in the black due to higher transbay travel, anticipated higher property tax revenue, and reduced diesel fuel costs due to state tax relief.<sup>538</sup>

In 1967, the first major dispute between Local 192 and ACT recalled some of the animosity between Local 192 and the old Key System. ACT offered Local 192 a 15 percent increase in wages and benefits, but Local 192 turned this down because, according to ACT, Local 192 wanted everything to be the same as Transit Workers Union (TWU) Local 250A received from Muni, an unrealistic demand according to ACT. From ACT's perspective, Local 192 backed away from an earlier commitment to

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<sup>537</sup> Nisbet and McCreery, 64–65.

<sup>538</sup> Alameda-Contra Costa Transit District (Calif.), *Annual Report* (Oakland, Calif.: The District, 1962); Alameda-Contra Costa Transit District (Calif.); Alameda-Contra Costa Transit District (Calif.), *Annual Report* (Oakland, Calif.: The District, 1963); Alameda-Contra Costa Transit District (Calif.), *Annual Report* (Oakland, Calif.: The District, 1964); Alameda-Contra Costa Transit District (Calif.), *Annual Report* (Oakland, Calif.: The District, 1965); Alameda-Contra Costa Transit District (Calif.), *Annual Report* (Oakland, Calif.: The District, 1966); Alameda-Contra Costa Transit District (Calif.), *Annual Report* (Oakland, Calif.: The District, 1967); Alameda-Contra Costa Transit District (Calif.), *Annual Report* (Oakland, Calif.: The District, 1968); Alameda-Contra Costa Transit District (Calif.), *Annual Report* (Oakland, Calif.: The District, 1969).

compromise, and ACT also stressed its obligation to run a system for the public good rather than for profit. ACT pointed out that negotiations based on the Muni wages was not good policy because wages were set by city charter that pinned their wages to the two highest systems in the country, one of those being New York City, where the outcome of the 1966 strike left the city paying the transit systems workers very high wages. ACT viewed binding arbitration as the only remaining solution since the union did not accept the ACT offer, and ACT believed that a strike would only result in reducing the ridership, perhaps on a permanent level.<sup>539</sup> A state conciliator arrived to work out a compromise, though Local 192 members participated in a brief strike after the contract expired on May 31. The strike lasted only hours before membership voted to approve the three-year contract that meant bus drivers became the highest paid in the nation. The contract included a cost-of-living adjustment that would begin in January 1969 and potentially raise drivers' wages to \$4.03 per hour rather than the \$4.50 per hour requested by Local 192.<sup>540</sup>

The ACT board voted to increase the transbay fare and East Bay token fares by five cents effective July 1, 1969, because of a projected deficit due in large part to labor costs that made up 76 percent of the budget. These East Bay token fares had been in effect since the Key System, and ACT pointed to the labor as the reason for the fare

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<sup>539</sup> Position of AC Transit District on the Current Wage Dispute, June 1, 1967, Box 16 Folder 6, ATU 192 Records; TWU won significant wage increases of 15 percent over two years which made up most of the estimated \$43 to 70 million contract. In 1968, they also significantly boosted the pension benefit to retirement at half pay for those with 20 years of service and 50 years old. See Freeman, *In Transit*, 335.

<sup>540</sup> Nisbet and McCreery, *From Private to Publicly Owned Transit in the Bay Area*, 63; "AC Transit Workers Get Six Percent Wage Increase in New Contract," *Transit Times*, June 1967, <https://www.actransit.org/transit-times-newsletters>.

increase.<sup>541</sup> Cordeiro denied that wages were to blame for ACT's projected \$4 million deficit for the 1969 fiscal year, pointing instead to problems with collecting fares and other issues.<sup>542</sup>

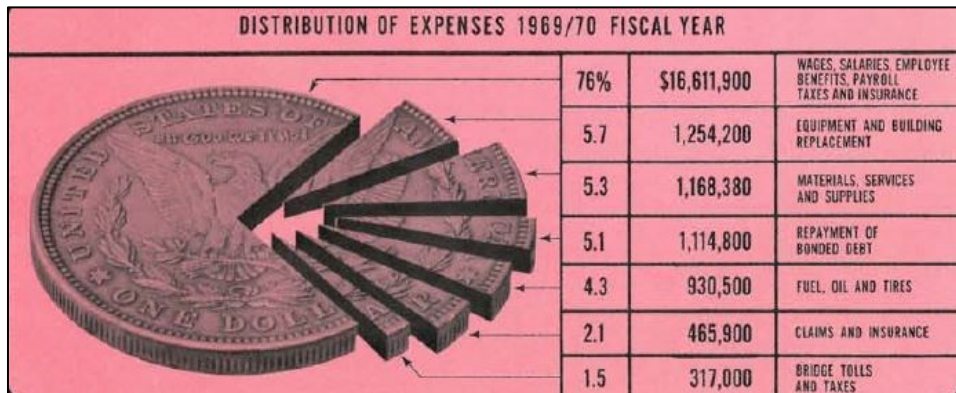


Figure 1: ACT Expenditures 1969-1970 Source: Transit Times, June 1969

By 1970, ACT decided that they could no longer meet union demands. Although the union asked for a lower wage increase than ACT offered, they wanted the wage increase immediately rather than spread out over two years, and they also wanted a larger cost-of-living increase, twice as large as ACT offered.<sup>543</sup> In an April 1970 letter to the Alameda County Central Labor Council (ACCLC) requesting a strike authorization, Cordeiro clearly stated that the “goal is parity with San Francisco.” Cordeiro believed

<sup>541</sup> Kennedy, *The Alameda-Contra Costa Transit District*, 7; “Tax Increase Voted to Meet Costs of Service; Change in Token Rate Avoided”; “Escalating Expenses Lead to Raise in Bus Fares for Some AC Transit Riders.”

<sup>542</sup> Edward A. Cordeiro to George M. Taylor February 13, 1969, Box 3 Folder 5, ATU 192 Records.

<sup>543</sup> “Strike Snarls Freeway,” Oakland Tribune [clipping], June 1, 1970, Box 16 Folder 4, ATU 192 Records.



that if Local 192 voted for a strike before the May 31 deadline, then that would persuade ACT to move towards the Local 192 position.<sup>544</sup>

Cordeiro understood that ACT wanted to avoid a strike, and he sought to use that as leverage. Unlike his predecessor, K. F. Hensel, who had largely met the demands of Local 192 in the 1960s, ACT General Manager Al Bingham pointed out that the labor demands of the new 18-month contract “would represent an increase in our total annual labor cost of nearly seventy percent!” Bingham also made the point that ACT’s offer would be the least expensive in terms of raising the property tax. Bingham suspected ATU wanted to get wages higher than TWU to have the strongest hand in getting support from BART workers for representation.<sup>545</sup> ATU General Executive Board member Merlin Gerkin, in town for negotiations, denied this.<sup>546</sup>

Rather than arbitration, the two sides submitted their claims to a fact-finding panel, though that the panel’s recommendations would not have to be honored by either side as would a decision by an arbitrator.<sup>547</sup> The fact-finding panel did not make much progress to stop the strike, partly due to Local 192 officials walking out of the meeting when ACT officials refused to rule out taking the union to court.<sup>548</sup>

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<sup>544</sup> E. A. Cordeiro to Mr., Richard K. Groulx, April 28, 1970, Box 16 Folder 6, ATU 192 Records.

<sup>545</sup> “Labor’s AC Demands,” [newspaper clipping], [June 1970], Box 16 Folder 4, ATU 192 Records.

<sup>546</sup> “AC Strikers Considering Panel Views,” Oakland Tribune [clipping], June 11, 1970, Box 16 Folder 4, ATU 192 Records.

<sup>547</sup> “Final Try to Avert Monday Bus Strike,” Oakland Tribune [clipping], May 30, 1970, Box 16 Folder 4, ATU 192 Records.

<sup>548</sup> “AC Transit strike appears definite,” [newspaper clipping], [May 31, 1970], Box 16 Folder 4, ATU 192 Records; “Key System Tieup Led to Takeover,” Oakland Tribune [clipping], June 1, 1970, Box 16 Folder 4, ATU 192 Records.

The negotiations failed, and the strike began on June 1, 1970, led by the “militant Division Local 192 president,” as the *Oakland Tribune* referred to Cordeiro.<sup>549</sup> After 11 days of the strike, ACT rejected a proposal from Local 192 arguing that the money didn’t exist to give the wage increases in addition to the cost-of-living formula. Bingham suggested that the strike might be illegal under state law, and that the negotiations should continue after the workers return to their jobs.<sup>550</sup>

The 200,000 daily riders affected by the strike included 35,000 transbay commuters and 27,000 school children. As with other strikes, the captive riders—the elderly, the poor, and the disabled—suffered the most.<sup>551</sup> Despite this inconvenience, one member of the riding public expressed her support to the ACT board of directors for paying Local 192 members the same as Muni because of what she considered the excellent service they showed her.<sup>552</sup>

Nisbet went to court to request a restraining order against Local 192. He argued that a strike by public employees was not allowed under the California Public Utilities Code, in addition to lower court decisions with conflicting views on the legality of public employee strikes.<sup>553</sup> The judge agreed, but Nisbet didn’t seriously pursue using the order

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<sup>549</sup> “Final Try to Avert Monday Bus Strike,” *Oakland Tribune* [clipping], May 30, 1970, Box 16 Folder 4, ATU 192 Records.

<sup>550</sup> “Key System Tieup Led to Takeover,” *Oakland Tribune* [clipping], June 1, 1970, Box 16 Folder 4, ATU 192 Records; “AC Cool on Plans to End Walkout,” *Oakland Tribune* [clipping], June 10, 1970, Box 16 Folder 4, ATU 192 Records.

<sup>551</sup> “Old and Poor Hit Hard by AC Bus Strike,” [newspaper clipping], [June 1970], Box 16 Folder 4, ATU 192 Records; “Massive Traffic Snarls,” *Oakland Tribune* [clipping], June 1, 1970, Box 16 Folder 4, ATU 192 Records.

<sup>552</sup> Mrs. Inez L. Haywood to Board of Directors, June 1, 1970, Box 16 Folder 6, ATU 192 Records.

<sup>553</sup> “AC Talks Off; Lengthy Strike Seen,” *Oakland Tribune* [clipping], June 2, 1970, Box 16 Folder 4, ATU 192 Records; “Massive Traffic Snarls,” *Oakland Tribune* [clipping], June 1, 1970, Box 16 Folder 4, ATU 192 Records.

against the union. One reason was that he didn't see how they would get the entire union thrown into jail for noncompliance, and another reason was that ACT had already had enough negative press coverage due to the strike that they didn't need any more reminders for the public of their inability to resolve the strike. The union challenged the restraining order in the court system, and that resulted in Superior Court Judge Robert L. Bostick siding with the union on their ability to strike.<sup>554</sup> He decided that the transit district law did not specifically prohibit the union from striking. Though Bostick disappointed ACT management with his ruling, the ACT newsletter *Transit Times* credited Bostick with acting as an unofficial mediator to convince both sides to end the strike and then continue negotiations. On June 20, the buses commenced operations after ACT and Local 192 agreed to arbitration based on the fact-finding committee. ACT also agreed to pay an interim wage increase.<sup>555</sup>

In November 1970, an arbitrator ruled in favor of Local 192, and they received a one-year contract with generous raises that would later prove problematic for the ACT budget. One other provision in the arbitrator's decision related to notices to see superintendents for infractions, and the decision specifically stated that they "shall be kept at a minimum." The decision also stated that drivers should be paid for the time they spent talking to the superintendents, unless the discussion related to an accident that

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<sup>554</sup> Nisbet and McCreery, *From Private to Publicly Owned Transit in the Bay Area*, 66.

<sup>555</sup> "Striking Employees Return to Work as Discussions Continue on Labor Contract," *Transit Times*, June 1970, <https://www.actransit.org/transit-times-newsletters>.

the drivers had.<sup>556</sup> This adjustment to discipline procedures had been long sought after by Cordeiro and others.

In March 1971, Bingham sought to alter the contract rather than simply extending it. ACT, he believed, could no longer afford the generous wages and benefits of previous agreements. In addition, ACT notified Local 192 of their intent to use binding arbitration for any issues that they could not work out through the regular negotiation process. Although the transit district law had allowed for this option all along, the ACT board of directors decided to develop a more formal policy.<sup>557</sup>

The 1971 contract negotiations once again collapsed as the union voted to reject the ACT contract offer during a June 22, 1971, meeting.<sup>558</sup> An agreement was eventually reached for a one-year contract and then negotiate on a new two-year contract in 1972. As Local 192 prepared for 1972 contract negotiations, they planned to push ACT to match benefits and working conditions with Muni and Golden Gate Transit, a public commuter bus service to counties north of San Francisco represented by ATU Local 1225. They also wanted to raise wages for the mechanical department. In the pages of the ATU newspaper *In Transit*, driver A. T. “Buddy” Holland made the point that the mechanical department “are union brothers and just because the company tries to play ‘pork barrel’ politics by offering a crumb to the majority (operating) hoping that the

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<sup>556</sup> General Manager to All Personnel, November 18, 1970, Box 4 Folder 18, ATU 192 Records; AC Transit - Division 192 (ATU) Labor Arbitration Award 1970, Box 4 Folder 18, ATU 192 Records.

<sup>557</sup> Alan L. Bingham to Carmen’s Union, Division 192, March 26, 1971, Box 3 Folder 4, ATU 192 Records; Alan L. Bingham to Carmen’s Union, Division 192, Attention: Mr. E. A. Cordeiro, March 26, 1971, Box 3 Folder 4, ATU 192 Records.

<sup>558</sup> E. A. Cordeiro to Mr. A. L. Bingham, General Manager, June 23, 1971, Box 3 Folder 4, ATU 192 Records.

minority (mechanical) will be outvoted is no reason we should fall for such tactics. This is a labor organization and our attitude should be ‘one for all and all for one.’”<sup>559</sup>

Policies coming out of Washington, D.C., further complicated these contract negotiations. The involvement of the Richard M. Nixon Administration in energy policy moved beyond many previous administrations, and Nixon showed that he would take this regulatory stance further when he instituted wage and price controls to combat inflation, a move that directly contradicted his stance in the 1968 campaign. Nixon viewed this support of price controls as a way to assure his re-election.<sup>560</sup> However, Phase II complicated contract negotiations because of the limits on wages imposed by the Pay Board. This impacted unions that wanted to increase their wages to meet rising inflation that meant their contracts negotiated several years ago could be meaningless due to inflation. As a result, unions sought to improve non-wage areas of fringe benefits such as health insurance and pensions.<sup>561</sup>

The wage and price controls did not sit well with ATU local divisions such as Local 192 as they negotiated contracts and then had to postpone wage increases. In order to avoid a cap on what they could potentially earn due to the wage controls, Local 192 won Nixon Administration Price Control Phase II approval for the cost-of-living contract provision that meant they received some of the highest transit wages in the country from

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<sup>559</sup> “192, Oakland, Calif.,” *In Transit*, March 1972; “New Employees,” *Transit Times*, January 1971, <https://www.actransit.org/transit-times-newsletters>.

<sup>560</sup> Jacobs, *Panic at the Pump*, 27–33.

<sup>561</sup> “Negotiating Under Phase II,” *In Transit*, April 1972.

hard fought contract negotiations “and not given through the generous attitude of the company.”<sup>562</sup>

These negotiations proved successful for Local 192 as they achieved an average raise of 6.2 percent for all members in addition to the cost-of-living increases granted after the Pay Board appeal. The increased wage placed the bus drivers among the top six highest paid in the major transit system in the country.<sup>563</sup> In addition, Local 192 won better pension benefits through arbitration in July 1972.<sup>564</sup> While a benefit for employees, this new contract put ACT under additional strain with a budget estimate that forecasted revenue losses as a result of providing additional service to BART stations and losing riders that changed travel patterns in order to only ride on trains.<sup>565</sup>

The two sides required further arbitration to resolve the formula for the retroactive cost-of-living payments, and the arbitrator ruled in favor of Local 192. ACT had to pay a total of \$2.5 million in cost-of-living to Local 192 members. This resulted in each member being paid \$1,050 retroactive pay to October 1972 and \$1.13 per hour in additional pay going forward. ACT disagreed with the arbitrator’s decision, Local 192’s attorney advised them to take the matter to court following the arbitrator’s ruling, and a

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<sup>562</sup> “192, Oakland, Calif.,” *In Transit*, February 1972.

<sup>563</sup> “Workers Get Wage Hike and Improved Benefits,” *Transit Times*, July 1972, <https://www.actransit.org/transit-times-newsletters>.

<sup>564</sup> “Pension Improvements Awarded 192, Oakland,” *In Transit*, October 1972.

<sup>565</sup> “Fiscal Operating Estimate Adopted,” *Transit Times*, July 1972, <https://www.actransit.org/transit-times-newsletters>.

judge ordered ACT to begin the payments. This boosted the pay of drivers to \$6.62 per hour (the highest in the country) and mechanics to \$8.03 per hour.<sup>566</sup>

None other than former BART adversary United Public Employees Local 390 Executive Secretary Paul Varacalli supported the stance of Local 192. In a July 1974 letter to the *Oakland Tribune*, Varacalli pointed out that this dispute over the cost-of-living increase was self-inflicted because ACT accepted it “with a full understanding of its implications.” ACT “were banking on (a) the cost of living tapering off or (b) the federal wage control board to bail them out.” When ACT began paying, they portrayed this as meeting their obligation, but Varacalli found this insufficient because this “should have been received all along during the past year.”<sup>567</sup> Local 192 outmaneuvered ACT in contract negotiations and forced arbitration, and ACT mistakenly believed that economic forces would reduce their obligations to Local 192.

For the upcoming contract negotiations, ACT decided that they had to develop a new strategy because, in addition to the labor contract, ACT faced a bleak financial picture due in large part to fuel prices projected to double in the next year. ACT sought to control this by raising transbay and special service fares, renegotiating the contract with Local 192, and seeking more support from the state.<sup>568</sup> The ACT board of directors thought that the contracts had become much too generous and they would not be able to

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<sup>566</sup> “Court Rules in Union’s Favor; \$6.62 Is Top,” *In Transit*, July 1974; “Cost of Living Allowance Upped; Retroactivity Issue Unresolved,” *Transit Times*, May 1974, <https://www.actransit.org/transit-times-newsletters>.

<sup>567</sup> Varacalli, “Letter to The Forum: Union Chief’s Response to Dennis Boaz Letter”; “Cost of Living Allowance Upped; Retroactivity Issue Unresolved.”

<sup>568</sup> “Transbay, Special Fares Raised to Help Offset Unfunded Deficit.”

afford constantly escalating wages and benefits every two years.<sup>569</sup> Some board members sympathized with the union and wanted to meet their contract demands, but, when they looked over the financial situation of the transit agency, they didn't see how they could meet such high wage demands and still fund the rest of the system.<sup>570</sup> ACT management and the board argued that drivers received the highest wage in the nation at \$6.62 per hour, and that increasing that to meet the union demands would completely blow up the budget and saddle ACT with a \$46.7 million deficit. This added cost would also lead to property tax increases. ACT pointed out that even just the wage increase it offered would be a drag on the budget by forcing ACT to dip into its reserve funds.<sup>571</sup>

In order to reach a contract that they believed to be more reasonable, the ACT board of directors brought in John A. Dash, a Pennsylvania-based labor relations consultant and transit economist, to organize the ACT side of the negotiations. Dash had recently been involved in other negotiations, including some involving 13(c). He encouraged the board to take a hard stand against the union. ACT did not want the strike, but Dash strongly pushed to negotiate a lower contract with the union, which may not have been a good strategy.<sup>572</sup> Cordeiro believed Dash had been brought in because he “has openly expressed hostility to the wage levels and benefits granted transit workers and employees generally on the West Coast.”<sup>573</sup>

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<sup>569</sup> Nisbet and McCreery, *From Private to Publicly Owned Transit in the Bay Area*, 99.

<sup>570</sup> Kimiko Fujii Kitayama, Malca Chall, and Adele Levine, *Nisei Leader in Democratic Politics and Civic Affairs* (Berkeley: Regional Oral History Office, The Bancroft Library, University of California, 1977), 88.

<sup>571</sup> “Strike Shuts down AC Transit,” *Transit Times*, July 1974, <https://www.actransit.org/transit-times-newsletters>.

<sup>572</sup> Nisbet and McCreery, *From Private to Publicly Owned Transit in the Bay Area*, 97, 99; John A. Dash to Mr. Herbert J. Scheuer, June 14, 1971, Box 140 Folder 9, APTA Records.

<sup>573</sup> “AC Strike May Go Past August--Union,” *Oakland Tribune*, August 17, 1974.



They were on the verge of going into arbitration to resolve the contract dispute, but the ACT board of directors did not agree with the union's demands for choosing the arbitration board, and the union voted to strike beginning on July 1, 1974.<sup>574</sup> On July 19, Local 192 held a rally with members and their families then marched to ACT headquarters to demand to see Bingham. Up until this point, Bingham had been relying on the managers to handle negotiations and he had largely stayed out of the discussions. As over 1,000 marchers crowded into the ACT headquarters, the size of the crowd in a small hallway caused windows to break as they chanted "We want Bingham!" Bingham and other managers met with Local 192 leaders, and he assured them that he would be involved in future discussions with the management negotiators. Cordeiro trumpeted this success, and then announced the availability of the first strike relief checks from ATU which members received after three weeks on strike.<sup>575</sup>

A group of citizens organized the AC Transit Get Em Rolling Committee, and they circulated a petition that advocated using the courts to force the Local 192 members back to work while negotiations continued. Businessmen in Oakland and Berkeley also looked to the courts to force workers to return, and they considered using the Meyers-Milius-Brown Act which governed collective bargaining between public agencies and public employee unions. Both of these groups represented the frustration of the 200,000 daily commuters impacted by the seemingly endless.<sup>576</sup> Although BART had begun

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<sup>574</sup> E. A. Cordeiro to Alameda County Welfare Department, [1974], Box 16 Folder 3, ATU 192 Records; Nisbet and McCreery, *From Private to Publicly Owned Transit in the Bay Area*, 96–97.

<sup>575</sup> "Transit Talks to Resume," *Oakland Tribune*, July 20, 1974.

<sup>576</sup> "Petition Asks Court Action on AC Strike," *Oakland Tribune*, August 11, 1974.

operations, it did not have the same coverage as ACT did into the two East Bay counties.<sup>577</sup>

The July negotiations produced a contract offer of a 53 cents per hour increase over a three period to \$7.15 per hour for a basic wage as well as a 26 percent cost-of-living increase over the same period. Local 192 leadership did not fully support the offer, presented it to the membership, and they voted down the proposal 554 to 349. Local 192 held a second vote and this vote also fell short of approval 793 to 727. The strike continued into August with the addition of two other members in the negotiating team, Oakland Mayor John Reading and State Conciliator Thomas Nicolopoulos. Reading began meeting with both sides around August 23 in an informal capacity, and met with both the Local 192 negotiating team and the officers. Meanwhile, the ACT budget drifted into the red due to the lack of operating income, and directors began to consider raising property taxes.<sup>578</sup>

Sensing a situation spiraling out of control, ATU President Dan Maroney had insisted on the second Local 192 contract vote because of reports that the first election had been conducted in a way that unduly influenced members to vote a certain way and had not been done in secrecy. Cordeiro agreed with Maroney's characterization and observed that "many of the members didn't understand provisions of the new contract and some members didn't want them to understand." The Local 192 team that negotiated

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<sup>577</sup> Nisbet and McCreery, *From Private to Publicly Owned Transit in the Bay Area*, 99.

<sup>578</sup> "Strike Continues to Restrict AC Transit Buses from Rolling," *Transit Times*, August 1974, <https://www.actransit.org/transit-times-newsletters>; "AC, Union Will Meet Reading," *Oakland Tribune*, August 24, 1974.

with ACT consisted of both officers and rank-and-file members, and they all thought that the contract was a good deal and encouraged membership to approve it. This proved difficult to do because the “meeting was interrupted by boos, catcalls and thumbs-down gestures while Cordeiro was reading a summary, and other officers tried to defend it.”<sup>579</sup> In addition to the shouting and intimidation during the meeting, not all members used voting booths for privacy, and Local 192 officers not on the negotiating team stationed themselves near the voting area and voiced their displeasure with the proposed agreement. In addition to ordering a second vote, Maroney also requested the State Conciliation Service observe the second election to prevent the sort of behavior that marred the first one. An editorial in the *Oakland Tribune* urged more of the membership to come out to vote since the first election only saw less than 1,000 of the total membership of 1,656 vote.<sup>580</sup>

By August 15, the situation did not appear to be improving, Dash returned to Pennsylvania, and ATU International Vice Presidents Mel Schoppert and James LaSala also returning home. Each side accused the other of misrepresenting the facts. Cordeiro accused Dash of taking control of all aspects of negotiations and taking off the table ACT concessions for higher wages, more generous benefits, and a favorable cost-of-living formula. ACT management argued that Dash served an advisory capacity only, and “[t]hat’s just incredible, because Dash is not in that position. He doesn’t make decisions.”<sup>581</sup>

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<sup>579</sup> “AC Strikers Plan 2nd Vote on Pact,” *Oakland Tribune*, August 3, 1974.

<sup>580</sup> “The Bus Strike,” *Oakland Tribune*, August 4, 1974.

<sup>581</sup> “AC Strike May Go Past August--Union.”

The negotiations finally led to an agreement, and Local 192 approved a new contract on August 30 that improved on the previous base pay offer to \$7.27, though the cost-of-living clause remained largely the same from the first contract offer with the potential for drivers to receive up to \$8.25 per hour. Local 192 members approved the contract by 1,153 to 357. In addition to retaining the \$1.13 per hour cost-of-living increase from the previous contract, Local 192 won additional wage and cost-of-living increases.<sup>582</sup> The contract replaced the cost-of-living formula from the old contract and contained one that would eventually be a “straight percentage increase” based on quarterly increases in the CPI.<sup>583</sup>

Cordeiro expressed confidence that the strike had been worth it to obtain the wage increase and have the highest paid drivers in the country. He pointed out that Local 192 did not get everything they wanted in the area of fringe benefits to match contracts at Muni and Golden Gate Transit. He placed the blame for the strike squarely at the feet of ACT management when he declared that “[i]f management was realistic—and I hope they will be in the future—they could have prevented the 200,000 commuters being inconvenienced.”<sup>584</sup> In addition to drivers, Local 192 members in the mechanical and clerical departments also received raises, and even non-union personnel received raises, which probably would not have happened without the Local 192 increases. Although the benefits did not meet exactly what workers at Muni and Golder Gate Transit received, the

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<sup>582</sup> “Div. 192 Goes over \$7, Ends 60-Day Strike,” *In Transit*, October 1974, 192.

<sup>583</sup> “New Contract Wins Approval,” *Transit Times*, September 1974, <https://www.actransit.org/transit-times-newsletters>.

<sup>584</sup> “AC Strike Over as Drivers OK Pact,” *Oakland Tribune*, August 31, 1974.

new three-year contract did improve dental benefits and vacation as well as improvements payout to pensioners.<sup>585</sup>

Even though the wage increase worked in the favor of Local 192, ACT officials pointed out that with the members lack of pay during the strike, they would not see the benefits of that increase for around 23 months since each driver lost \$2,681.10 on average.<sup>586</sup> However, ACT's strategy to avoid wage and cost-of-living increases by refusing arbitration failed. ACT Board of Directors President William J. Bettencourt proposed creating a committee to look into preventing future strikes because of the public relations damage that ACT now had to address. Although ACT directors raised transbay fares and property taxes, they had already decided to do so because of the financial situation even before the strike settlement. The strike simply delayed the implementation of these measures.<sup>587</sup>

The ACT board of directors chose to avoid raising local East Bay fares because their research showed that this would lead to over 33 percent of the riders abandoning the buses. In the September 1974 issue of the *Transit Times*, the placement of the property tax and fare increase story next to the story on the strike settlement and wages increases was most likely intentional by Bingham to suggest that the immediate effect of the strike settlement were the property tax and fare increases. The story specifically mentions

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<sup>585</sup> "New Contract Wins Approval."

<sup>586</sup> "AC Strike Over as Drivers OK Pact."

<sup>587</sup> "AC Strike Over as Drivers OK Pact."

“labor costs,” although the property tax and fare increases had been approved months ago by the ACT board of directors, but they had not gone into effect due to the strike.<sup>588</sup>

By the mid-1970s, the issue of cost-of-living clauses in contracts had become the key negotiation issue. ACT initially agreed to cost-of-living clauses as a way to minimize regular wage increases. As labor costs increased because of it, Local 192 sought to retain it and make adjustments to it in their favor. The financial picture meant that ACT had to raise property taxes to afford the union contracts without raising fares. The legal framework of the transit district favored the union in contract negotiations with the arbitration provision, so Cordeiro saw no reason to back down from hefty wage and benefit demands. Although this strategy worked in Local 192’s favor, ACT management and state legislators viewed this arrangement as unsustainable and considered how to prevent future strikes.

## **5.2 Impact of Continuing Violence and Workforce Diversification**

In addition to fighting for higher wages, Local 192 sought to respond to day-to-day issues that fell under workplace safety and working conditions. Cordeiro and Local 192 leadership pushed ACT for solutions to bus driver attacks that continued despite the exact fare policy. Although not as widespread as the exact fare problem, the incidents required attention because the spontaneous nature could put the drivers in just as much danger as being robbed. A greater number of those drivers consisted of women, particularly after ACT began to hire women as drivers once again in the early 1970s after

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<sup>588</sup> “Escalating Costs Force Directors to Raise Local Property Taxes,” *Transit Times*, September 1974, <https://www.actransit.org/transit-times-newsletters>.

facing a lawsuit. Though Local 192 did not have much of a role in the hiring issues, they did attempt to resolve issues over dress codes and other matters where they could. In both cases of safety and working conditions, Local 192 found ACT management to be generally receptive to issues being brought forward, but then Local 192 thought that ACT did not follow through fast enough or that their solutions did not meet the need.

Exact fare had proved to be effective for the majority of the driver of attacks, but this did not stop riders attacking drivers over fare disputes or random outbursts of violence. All of the drivers had to be on alert for passenger violence even with the implementation of exact fare.<sup>589</sup> In 1971, the results of the Department of Transportation (DOT) sponsored study begun in 1968 that included ACT and other transit systems, showed that the exact fare policy proved effective across all of the systems, and that other transit systems should also implement it. With regards to continuing issues such as disruptive school children and random attacks, the study suggested that conflict resolution strategies could be more effective than emergency alarms and two-way radios to decrease the likelihood that drivers would unintentionally escalate a situation. By the time the driver used one of those technologies, then they would probably already be in danger.<sup>590</sup>

The American Transit Association expressed alarm at the crime and vandalism as well, and the organization sponsored a study in the early 1970s in order “to quantify the

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<sup>589</sup> Mr. L. F. Bone, President, to Mr. D. J. Potter, Transportation Manager, August 19, 1968, Box 4 Folder 15, ATU 192 Records.

<sup>590</sup> “Assault and Robbery Study Released,” *Transit Times*, January 1971, <https://www.actransit.org/transit-times-newsletters>.

extent and seriousness of crime and vandalism on urban mass transit systems.” What the authors found by studying 37 transit systems was that “the problem of crime on transit systems may be proportionately more serious than has been generally credited,” and this made the transit systems dangerous for workers and riders as well as expensive for transit systems in repairs and insurance costs.<sup>591</sup>

*In Transit* directly addressed the bus crime issues, and how the crime drivers experienced appeared to be random and difficult to identify unlike the issue with robbers demanding money from drivers because they carried change until 1968. Maroney pointed out that ATU was concerned first and foremost with crimes committed against members, but that this crime could impact the well-being of transit systems because it jeopardized the safety of riders. “You can have the best and fastest system in the world, but no one is going to ride it or operate it if they fear they’ll get mugged, raped, or murdered.” He requested crime statistics from all of the locals so that ATU could present it to the federal government and local transit system management as evidence for their safety improvement demands.<sup>592</sup>

Around this time, ATU and allied transit groups pushed for the implementation of free fares which would eliminate the arguments over fares altogether. ATU envisioned free fare transit as part of a nationwide comprehensive plan that included raising the tax on gasoline to 50 cents per gallon, charging commuters who used commuter parking lots \$1.50 more than what they currently paid, and purchasing twice as many transit vehicles

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<sup>591</sup> The Scope of Crime and Vandalism on Urban Mass Transit Systems, Box 69 Folder 6, APTA Records.

<sup>592</sup> “Crime on Transit Systems; Metro’s Dilemma,” *In Transit*, June 1978.



than currently existed.<sup>593</sup> Transit groups also viewed free fare as a strategy to confront the energy crisis during the 1970s.<sup>594</sup>

Legislators in the California State Legislature began to bring up free fare with more frequency in the in the late 1960s and early 1970s, which would work by reducing the cost of running transit because there would be no cost associated with collecting fares and the accounting of that. The operating revenue would all come from taxes such as on gas.<sup>595</sup> Some on the ACT board of directors, like Kimiko Fujii Kitayama, also argued for eliminating fares altogether to make the ACT system attractive to the largest group of people as possible and get the maximum number of people as possible out of their cars. She made the direct comparison to the police and fire departments and thinking about it less as a utility and more as a public service.<sup>596</sup>

Despite these arguments for free fare transit, the immediate reality for Local 192 was that drivers faced ongoing danger related to fare disputes with riders of all ages, not just school age children. Bingham worked with Local 192 on a sign display for buses that clearly stated proper fares for school children and fares for changing zones. Though this sign solution seemed to be more of a superficial change since it was still possible for a driver to get into an argument with a teenager over whether or not the teenager was 17 and no longer eligible for a child fare during school days. These signs did not ultimately solve the problem as disputes and violence flared up again in 1971. Local 192 officials

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<sup>593</sup> "A Solution: No-Fare Transit," *In Transit*, October 1975.

<sup>594</sup> Walter J. Bierwagen to Dear Brothers and Sisters, December 13, 1976, Box 1634 Folder 2, Amalgamated Transit Union, Division 732 Records, L1982-02, Southern Labor Archives. Special Collections and Archives, Georgia State University, Atlanta [hereafter ATU 732 Records].

<sup>595</sup> Nisbet and McCreery, *From Private to Publicly Owned Transit in the Bay Area*, 130.

<sup>596</sup> Kitayama, Chall, and Levine, *Nisei Leader in Democratic Politics and Civic Affairs*, 93.

contacted ACT Assistant General Manager D. J. Potter and others in ACT management to demand a meeting about recent cases of violent behavior by some riders towards bus drivers over the collection of fares. In El Cerrito, a rider pulled a switchblade on a driver when the driver requested additional fare when the bus crossed from one zone into another. Fortunately for the driver, another rider intervened, and the police arrested the rider with the switchblade. Other drivers had not been so fortunate, and they suffered physical assaults. Local 192 proposed a plan for ACT to publicize this problem widely in the Bay Area newspapers and that the public must pay fares and not assault bus drivers.<sup>597</sup>

Drivers did not think that ACT central dispatch operators acted appropriately when they called in such incidents. Instead of taking their reports of threats seriously, drivers viewed dispatchers as dismissive of their concerns which put them in even more danger.<sup>598</sup> In February 1972, a rider injured a bus driver by hitting him on the head in the middle of the day. A supervisor took the driver to the hospital, and, while in route to the hospital, an ACT manager contacted the supervisor to ask that he bring the driver to see him. According to George Garcia, Local 192 vice president and operating agent, the driver had not fully recovered which Garcia thought was outrageous because the manager essentially accused the driver of being at fault, possible because the manager suspected

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<sup>597</sup> Alan L. Bingham to Mr. E. A. Cordeiro, President, October 14, 1969, Box 3 Folder 4, ATU 192 Records; James C. Thomas to Mr. A. L. Bingham, General Manager, August 29, 1969, Box 3 Folder 4, ATU 192 Records; [Unsigned letter] to Mr. D. J. Potter, August 6, 1971, Box 3 Folder 7, ATU 192 Records.

<sup>598</sup> F. R. Duda to Marvin E. Lewis February 18, 1969, Box 3 Folder 5, ATU 192 Records.

that the driver initiated a verbal altercation with the rider. Although this attack occurred during the day, drivers were much more likely to be assaulted at night.<sup>599</sup>

Local 192 officers, along with a representative from the ACCLC held the first meeting with ACT management on November 27, 1972. The union demanded that ACT install plastic shields around drivers or hire security guards for those problematic night routes and publicize these efforts as a deterrent. Additionally, the union asked for better communication with central dispatch to increase the odds of catching the offenders. In a letter to members, Cordeiro praised the drivers that attended the meeting for explaining the problem, and he also thought that ACT expressed a genuine interest in working with the union on a solution.<sup>600</sup>

In December 1972, Cordeiro notified members that he had met with ACT manager Harold Davis a second time about more security on buses, and he pledged to be an aggressive advocate for getting something implemented. Davis said that ACT would study the most problematic routes and target those for the security measures. According to Cordeiro, Atlanta had been the first to implement on-board security with plainclothes police officers, and he had been in touch with them. If ACT did not follow up with plans for security, then Cordeiro pledged to speak out to the public “because they are the taxpayers who are paying for these vandalisms.”<sup>601</sup>

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<sup>599</sup> George E. Garcia to Mr. J. D. Goodman, March 2, 1972, Box 4 Folder 22, ATU 192 Records.

<sup>600</sup> E. A. Cordeiro to Dear Brother, November 29, 1972, Box 4 Folder 22, ATU 192 Records.

<sup>601</sup> E. A. Cordeiro to Members of the Operating Department, December 18, 1972, Box 4 Folder 22, ATU 192 Records; “Atlanta Wins Police Protection,” *In Transit*, December 1972.

Drivers nearly went on strike over the security issue in March 1973. Cordeiro attended a March 28, 1973, meeting of the ACT board of directors because he had not heard from Bingham about a request that ACT begin additional measures to protect drivers. Those two measures included silent alarms for the drivers to alert the police to danger on the buses and a removal of the requirement for drivers to ask for additional fares when crossing zones because these requests sometimes led to confrontations between the drivers and riders. Instead, Local 192 suggested that ACT post the appropriate fare and expect the rider to pay rather than insisting the driver sort it out with the rider. The board did not think Cordeiro's presentation warranted keeping the meeting open any longer, so they adjourned while he was still talking.<sup>602</sup>

Local 192 continued to push for more security, and, in response, ACT hired a private security firm and also installed cameras, though some of the cameras did not actually function because ACT could not afford real cameras on all buses. The cameras served as more of a deterrent rather than actually providing evidence to convict passengers of committing crimes, though the union as well as the public expressed some uneasiness with the cameras as an invasion of privacy.<sup>603</sup> In addition to the cameras, the buses had already implemented two-way radios and emergency alert alarm buttons on buses. The downside of the alarm was that dispatchers had to figure out the location of

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<sup>602</sup> "Transit directors walk out on demand for alarm system," East Bay Labor Journal, April 6, 1973, Box 4 Folder 22, ATU 192 Records.

<sup>603</sup> "Central Dispatch Helps Community in Many Ways," *Transit Times*, January 1973, <https://www.actransit.org/transit-times-newsletters>; Nisbet and McCreery, *From Private to Publicly Owned Transit in the Bay Area*, 113.

the driver in distress based on where the bus should be based on the schedule.<sup>604</sup>

Additionally, the security company could be slow to respond to incidents.<sup>605</sup>

Local 192 identified the collection of zone fares as an ongoing cause for disputes that could quickly escalate into violent confrontations, and they sought changes to that policy. In one case, as a driver collected fare zone fares and walked backed to his seat, several riders attacked him and fractured his jaw.<sup>606</sup> ACT dropped zone fares on local routes in the East Bay after a survey showed that riders were not making many trips between zones, especially with the operation of BART. In addition to removing the possibility of conflict, this would also mean that buses would not be slowed down on the routes due to pausing to collect zone fares from riders. ACT framed it as a cost-savings on “supplies, handling and industrial compensation claims, plus the costs for security services and supervision.”<sup>607</sup>

As with exact fare, eliminating the source of the dispute could be just as or more effective than communication technology and other measures to protect drivers. However, drivers continued to find themselves in dangerous situations with some passengers beyond fare disputes, and so Local 192 continued to push for technology improvements. Though management did collaborate on solutions, Cordeiro found them to be tone-deaf and focused on the bottom line. ACT management viewed their actions as good faith measures short of eliminating fares altogether, something that they never

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<sup>604</sup> Nisbet and McCreery, *From Private to Publicly Owned Transit in the Bay Area*, 113–14.

<sup>605</sup> Nisbet and McCreery, 121–22.

<sup>606</sup> “Fare Zone Elimination Studied,” *Transit Times*, May 1975, <https://www.actransit.org/transit-times-newsletters>.

<sup>607</sup> “Interzone Fare Charges Dropped,” *Transit Times*, June 1975, <https://www.actransit.org/transit-times-newsletters>.

appeared to take seriously, though they also took shortcuts such as installing non-functioning cameras. With the likelihood that they would always have to deal with fares and disputes, Local 192 sought to use any and every tool available to protect drivers and defuse potentially explosive situations.

Bingham used the potential for violence against drivers as a pretext for refusing to resume hiring new women drivers even though women had operated transit equipment as members of the union since World War II. By 1951, 300 women worked for the Key System as drivers and conductors, which was at least a quarter of the total of those positions. During the Korean War, the Key System required a special Defense Production Permit issued by the state under the Defense Production Act that capped the hours women could work to 9 hours per day or 48 hours in one week. One of the main aspects of the permit was that it did not allow women to work more than eight hours and fifteen minutes per day unless they chose to work those overtime hours on a voluntary basis.<sup>608</sup>

By 1956, 125 women worked as drivers, but, in the following year, the Key System management adopted a policy of hiring only men for driver positions. For some of the men drivers, this did not make sense. As one driver argued, the Key System “needn’t like the unhealthy, the unintelligent, or the inexperienced, but they have no justification for denying employment to women as such.”<sup>609</sup> The men in ACT leadership

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<sup>608</sup> Albert Brundage to Mr. F. V. Stambaugh, President, March 28, 1951, Box 17 Folder 22, ATU 192 Records; Defense Production Permit, March 6, 1951, Box 17 Folder 22, ATU 192 Records.

<sup>609</sup> F. V. Stambaugh, President to Mrs. Nealy E. Solberg, July 3, 1956, Box 3 Folder 27, ATU 192 Records; H. Richard Lenchtog to Mr. F. V. Stambaugh, March 28, 1960, Box 4 Folder 8, ATU 192 Records.

that continually supported this policy were Davis and Bingham. Robert Nisbet, the ACT attorney, warned Bingham that this practice would not stand up to a challenge in the courts.<sup>610</sup>

Nisbet found the whole situation completely frustrating. The lawsuit developed as women applied and were turned down, and also women drivers had daughters who applied and they were also turned down. Then Nisbet had to represent ACT in court and argue against hiring women drivers while there were already women that had driven buses in ACT for years since the 1940s and 1950s. A lawsuit, *Pate vs. AC Transit*, resulted. The judge ruled that ACT had to hire more women.<sup>611</sup>

By January 1973, ACT had begun hiring women again, and ACT highlighted the hiring of the first African American women in the *Transit Times*. The new hires consisted largely of black women and they faced verbal harassment by both coworkers and passengers such as sexually suggestive comments and accusations of taking jobs from men. Some of the harassment by passengers escalated into physical assaults. Passenger assaults on drivers were not uncommon on Division 3 and Division 4 routes at night in Oakland and Richmond.<sup>612</sup>

The discrimination also occurred in Public Information (PBX) over dress codes. Supervisor Zada Malinak insisted that women wear dresses, not pantsuits, to give the office staff a uniform appearance. This, she asserted, was appreciated by visitors who

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<sup>610</sup> Davis, *Hard Work Is Not Enough*, 53.

<sup>611</sup> Nisbet and McCreery, *From Private to Publicly Owned Transit in the Bay Area*, 54–55.

<sup>612</sup> “Two Women Succeed in What Were Male Jobs,” *Transit Times*, December 1973, <https://www.actransit.org/transit-times-newsletters>; Davis, *Hard Work Is Not Enough*, 62–65; “2 Charged in Bus Driver’s Complaint,” *Oakland Tribune*, June 12, 1973.

frequently came to observe the PBX office because of the respect people in the transit industry had for it. The representative from ACT acknowledged that PBX was the only department with this dress code and that it was a department policy, not an ACT policy. The ACT arbitrator, General Manager for Operations Robert Shamoon, also suggested that once you allowed pantsuits then women would begin to wear all sorts of different outfits as they did in other departments.<sup>613</sup> In addition to disputes over uniforms, Local 192 went into arbitration and won as a result of 1976 grievance over PBX clerks not being paid for holiday work. The union won the arbitration and in 1978 and employees received holiday pay from July 1, 1973 onward.<sup>614</sup>

This discrimination extended to women involved in other aspects of ACT. According to Kitayama, when she became president of the ACT board of directors in 1975, there was an adjustment period for some men on the board and in ACT because a woman had not been president before. For Bingham it was difficult to even call her “president.”<sup>615</sup> The *Pate* decision led to a written Affirmative Action Plan on July 1, 1975, in order to properly follow a May 1975 consent decree to avoid the past practices of essentially excluding women drivers based on unequal criteria, and additional class actions lawsuits would occur in the 1970s with regards to hiring and promotions of Black and Hispanic employees.<sup>616</sup>

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<sup>613</sup> In the Matter of Arbitration[...]involving the grievance of pant suits, January 10, 1974, Box 12 Folder 12, ATU 192 Records.

<sup>614</sup> Holiday Pay Dispute PBX Personnel, March 13, 1978, Box 12 Folder 24, ATU 192 Records.

<sup>615</sup> Kitayama, Chall, and Levine, *Nisei Leader in Democratic Politics and Civic Affairs*, 89.

<sup>616</sup> Davis, *Hard Work Is Not Enough*, 53–55; Peter Nussbaum to Mr. Bill McCombs, February 20, 1981, Box 15 Folder 12, ATU 192 Records; Peter Nussbaum to Richard K. Windrich, May 7, 1979, Box 15 Folder 11, ATU 192 Records; Leobardo Llamas, et al., Plaintiffs vs Alameda-Contra Costa Transit District, Defendants,



With the continuing violence against drivers and ongoing workplace discrimination, workers benefited from Local 192's persistent demands for solutions, though the violence issues fit much better into Local 192 area of expertise whereas their handling of discrimination complaints were limited to issues like uniforms, not hiring. Local 192 was less effective on discrimination issues tied to ACT hiring policies and promotion which had less to do with union practices and more to do with ACT management. For dealing with hiring and promotion, workers turned to lawsuits to force change. In both cases of workplace safety and discrimination, this highlighted the importance of working conditions that workers expected in addition to their wages and benefits.

### **5.3 Internal Local 192 Politics and the 1977-1978 strike**

Cordeiro's leadership of Local 192 during his multiple terms as president (preceded by his term as vice president and operating agent) illustrated the rank-and-file appreciation of his vocal representation on behalf of the membership. At the same time, his tenacity that proved to be so effective in winning concessions undermined the stability of Local 192. His management style led to accounting irregularities, and his contract negotiation strategy set up his successor for failure in the 1977-1978 strike. Although Cordeiro successfully led Local 192 to victories in contract negotiations in the late 1960s and into the early 1970s, his confrontational behavior and apparent lack of administrative oversight eventually led to his resignation as president in August 1975.

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Consent Decree, August 15, 1979, Box 15 Folder 11, ATU 192 Records; Declaration of Peter Nussbaum in Opposition to Motion to Enjoin Layoff of Hispanics, July 29, 1982, Box 15 Folder 11, ATU 192 Records.

Local 192 reelected Cordeiro as president in 1970 (after facing a rematch by L. F. Bone and another challenger) and in 1972, and he won enough votes in the first round in 1972 that he did not have to face a runoff election which showed the majority of the union backed his success in contract negotiations and general approach to confronting ACT management about discipline issues and safety.<sup>617</sup> The membership elected Cordeiro to a fourth term in the fall 1974 elections, Lloyd Hadden as financial secretary-treasurer, Dave Boerner and Ed Jackson as vice president-business agents, and O. W. Perdue as recording secretary. Jackson, along with Hadden, Oscar Owens and John Wesley, both line executives (shop stewards) were all African American.<sup>618</sup> Except for Cordeiro, these officers won their first elections.

The chaos of 1973 possibly explains this new leadership group, and the fact that membership reelected Cordeiro proved once again the popularity of his agenda. The membership suspended Cordeiro and Mike Chuba, then the secretary-treasurer, from their offices over the lack of proper financial procedures. Local 192 set up a trial committee, and, though the November 1, 1973, trial outcome was disputed, Cordeiro retained the office of president but Chuba did not retain his office. On November 13, ATU President Dan Maroney insisted that Local 192 make changes to their accounting practices. To get started on this process, Local 192 hired an accountant to audit their books. On November 27, the Local 192 Executive Board approved the new policy of strict accounting of the

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<sup>617</sup> E. A. Cordeiro to Mr. A. L. Bingham, General Manager, December 21, 1970, Box 3 Folder 4, ATU 192 Records; "Union Officers Re-Elected to Posts," *Transit Times*, December 1970, <https://www.actransit.org/transit-times-newsletters>; E. A. Cordeiro to Mr. John M. Elliott, December 11, 1972, Box 4 Folder 22, ATU 192 Records; E. A. Cordeiro to All Members of Division 192, December 18, 1972, Box 4 Folder 22, ATU 192 Records.

<sup>618</sup> "192, Oakland, Calif.," [newspaper clipping], [January 1975], Box 16 Folder 4, ATU 192 Records.

financial matters of the union, and the Local 192 membership approved the same policy at the December 3 meeting. Later that month at a union meeting, Cordeiro and Wesley came to blows when Cordeiro cut off questioning by Wesley about the by-laws. Wesley approached the stage when Cordeiro adjourned the meeting after not being able to establish order, and Cordeiro and Wesley began arguing and grabbed each other and had to be separated.<sup>619</sup>

By February 1974, Hadden had replaced Chuba as secretary-treasurer.<sup>620</sup> Hadden complained that “Cordeiro’s abuse has been felt by practically everyone in this office,” and he “burst angrily into my office almost daily, disrupting my schedule and my bookkeepers[’] schedule.” Hadden also revealed that Cordeiro did not want Maroney elected and claimed that if he had been at the ATU convention in 1973 in Florida, then Maroney would have not defeated former ATU President John M. Elliott. In both cases, Hadden argued that Cordeiro should “realize the election in Florida is over and also the election for Financial Secretary-Treasurer of Local 192, Oakland, is over.” By January 1975, Hadden had stopped performing his financial duties at the office and took his work home, which further enraged Cordeiro. Maroney responded to Cordeiro that there was nothing wrong with Hadden working from home, and that some local financial secretaries

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<sup>619</sup> Dan V. Maroney, Jr. to the Executive Board Members of Local Division 192, November 13, 1973, Box 4 Folder 22, ATU 192 Records; Dan V. Maroney, Jr. to Mr. George W. Adams, November 13, 1973, Box 4 Folder 22, ATU 192 Records; George W. Adams to Dear Brother, November 15, 1973, Box 4 Folder 22, ATU 192 Records; Special Meeting By-Laws, December 10, 1973, Box 4 Folder 22, ATU 192 Records; E. A. Cordeiro, President, Mr. Lloyd L. Hadden, February 1, 1974, Box 4 Folder 22, ATU 192 Records; Dan V. Maroney to Mr. E. A. Cordeiro, June 26, 1974, Box 4 Folder 24, ATU 192 Records.

<sup>620</sup> E. A. Cordeiro, President to Mr. Robert Raby, February 4, 1974, Box 4 Folder 22, ATU 192 Records., 192.

did so since there was not always available space for them at the union office.<sup>621</sup>

Meanwhile, the outside auditor was charging extra to untangle Local 192's sloppy bookkeeping.<sup>622</sup>

In August 1975, amid this mess Cordeiro resigned as president, planning to return to driving buses after completion of training.<sup>623</sup> On September 12, with an ATU International monitor looking on, Local 192 elected George Garcia.<sup>624</sup> Cordeiro didn't go easily. By December 1975, he had set up a separate group for Local 192 consisting of himself and Howard V. Dolan as chairmen. Cordeiro's title was Temporary Chairman and Prior President Resigned, and Dolan served as the Co-Chairman of the Organizing Committee of the United Majority Rank and File Members of Local 192. In addition to setting up this competing leadership group, Cordeiro also filed a \$300,000 lawsuit against Hadden and Local 192. Cordeiro attempted to reach out to Maroney for support, but Maroney pointed out that the ATU General Executive Board received charges against Cordeiro, so "we do not believe it would be proper at this time for this office to make further comment."<sup>625</sup> It's unclear how far the lawsuit progressed, but Cordeiro died of lung cancer in August 1977 at the age of 44.<sup>626</sup> Even after Cordeiro left office, the

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<sup>621</sup> E. A. Cordeiro to Mr. Dan Maroney, February 12, 1974, Box 4 Folder 24, ATU 192 Records; Lloyd L. Hadden to Mr. Dan V. Maroney, February 12, 1974, Box 4 Folder 24, ATU 192 Records; Dan V. Maroney to Mr. E. A. Cordeiro, January 28, 1975, Box 4 Folder 24, ATU 192 Records.

<sup>622</sup> John E. Forbes & Company to Edward A. Cordeiro, President, May 29, 1975, Box 3 Folder 8, ATU 192 Records.

<sup>623</sup> E. A. Cordeiro to Mr. A. L. Bingham, July 30, 1975, Box 3 Folder 8, ATU 192 Records.

<sup>624</sup> Edgar S. Jackson to Brundage, Neyhart, Beeson, & Taylor, September 9, 1975, Box 3 Folder 8, ATU 192 Records; George Garcia to Mr. Dan V. Maroney, September 18, 1975, Box 3 Folder 8, ATU 192 Records.

<sup>625</sup> Dan V. Maroney to Mr. E. A. Cordeiro, December 10, 1975, Box 4 Folder 24, ATU 192 Records.

<sup>626</sup> "Former Union Head Dies," *Transit Times*, August 1977, <https://www.actransit.org/transit-times-newsletters>.

lingering financial reporting problems continued into 1977, when ATU threatened to withdraw Local 192's bond if it did not receive Local 192's financial audit report from 1976.<sup>627</sup> By the fall of 1977, Local 192 was keeping detailed financial statements and releasing information each month.<sup>628</sup>

The financial mismanagement and other unattended matters factored into candidates' election platforms. In running for business agent in the 1976 election, Oscar Owens pointed to a number of problems he wished to work on, among those being the poor attendance at meetings and the poor financial condition of the union, both of which he in part attributed to the election of unqualified leaders. As a line executive in Division 4, he did a lot of work on improving communications, such as publishing the *OO Express* newsletter, setting up an orientation session for new employees, speaking with workers on a regular basis, and reducing the high number of disciplinary problems. He also stressed the need for better representation of clerical workers and dispatchers which he believed had not had their voices heard.<sup>629</sup>

As if on cue with these administrative concerns voiced by Owens and other candidates, voting irregularities in the 1976 election brought up more disagreement and accusations. Garcia was in a runoff with Wesley for president in the December 1976 election. Garcia won, but then a recount showed that Wesley won. Orlin W. PerDue and Robert Raby claimed that some of the members in charge of the ballot boxes were drunk

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<sup>627</sup> R. C. Wallace to Mr. John Wesley, Jr., April 1, 1977, Box 4 Folder 24, ATU 192 Records.

<sup>628</sup> Amalgamated Transit Union Division 192 Financial Statement General Account, September 1977, Box 16 Folder 8, ATU 192 Records; Amalgamated Transit Union Division 192 Financial Statement General Account, October 1977, Box 16 Folder 8, ATU 192 Records.

<sup>629</sup> Elect the Double "O" Oscar Owens Business Agent, December 1, 1976, Box 20 Folder 23, ATU 192 Records.

and then ballots went missing during transit, and that they had received death threats for complaining that Wesley received a recount but they did not. PerDue had lost for president, and Raby had lost to Owens for vice-president and business agent for operating and clerical. After an investigation found numerous violations of union by-laws and constitution, Maroney ordered a new election on February 16, 1977, to be supervised by the ATU Vice President, Charles Penman.<sup>630</sup> Apparently, the new election went smoothly, and Penman reported that he thought Local 192 pulled things together despite the reluctance to hold the election all over again.<sup>631</sup> Following the second election in February 1977, the membership elected Owens for vice president and business agent for operating and clerical, and John Wesley for president, the first African American member to hold that position.<sup>632</sup>

Wesley's single term as president and his consecutive losses in 1978 and 1981 might have been due in part to the disastrous 1977-1978 strike that he led Local 192 into that lasted several months.<sup>633</sup> The contract expired on July 1, 1977, and, by November, it had become apparent that Local 192 and ACT would be unable to come to an agreement,

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<sup>630</sup> Orlin PerDue and Robert Raby to Mr. L. L. Hadden, Secretary/Treasurer, December 3, 1976, Box 4 Folder 26, ATU 192 Records; Orlin W. PerDue, Sr. and Robert J. Raby to Mr. Dan V. Maroney, Jr., President, December 9, 1976, Box 4 Folder 26, ATU 192 Records; Amalgamated Transit Union Local 192 Bulletin, Re: Re-Count of Run-Off Election Ballots, December 9, 1976, Box 4 Folder 26, ATU 192 Records; Sharon Moniz, Badge 2115 to Officers and Executive Board of Local 192, December 13, 1976, Box 4 Folder 26, ATU 192 Records; Orlin W. PerDue, Sr. and Robert J. Raby to Mr. Dan V. Maroney, Jr., President, December 24, 1976, Box 4 Folder 26, ATU 192 Records; George E. Garcia to Mr. John W. Rowland, December 30, 1976, Box 4 Folder 26, ATU 192 Records; Dan V. Maroney to Mr. Orlin W. PerDue, Sr., January 5, 1977, Box 4 Folder 26, ATU 192 Records; Dan V. Maroney, Jr. to Mr. John Wesley, Jr., January 25, 1977, Box 4 Folder 26, ATU 192 Records.

<sup>631</sup> Amalgamated Transit Union Local 192 Bulletin RE: Re-Count of Run-Off Election Ballots, February 25, 1977, Box 20 Folder 23, ATU 192 Records.

<sup>632</sup> Amalgamated Transit Union Division 192 Bulletin RE: Election Results, February 25, 1977, Box 20 Folder 23 ATU 192 Records.

<sup>633</sup> I. P. Cordeiro to Whom It May Concern, July 7, 1978, Box 5 Folder 4, ATU 192 Records.

primarily over the pension issue. From the perspective of Local 192, pension plan negotiations were long overdue because ACT and Local 192 had not worked on revising the pension plan to provide for more payout to retirees since 1966. In subsequent years, the pension plan was not addressed during contract negotiations because of all of the other issues that consumed much of the negotiations leaving the matter of pension benefits out of the final agreement. By 1977 Local 192 laid out their position to make sure that the pension plan would be clearly on the table for renegotiation. Local 192 argued that one of the reasons for the decline in payouts was the poor financial administration of the accounts which led to lower rates of return that meant less payouts for retirees. The union also accused ACT of playing older workers off of younger workers during negotiations by waiting until the last minute to negotiate pension payouts because ACT figured that the existing workers would not place the pension payouts to retired workers as a high priority.<sup>634</sup>

Serving as a negotiator on behalf of ACT, Assistant General Manager for Operations Robert Shamoon confirmed that the pension issue had become the focus of the inability to reach an agreement, and he specifically pointed to drivers retiring early to take advantage of generous pensions leaving ACT with filling those positions with inexperienced drivers and other workers who would require training and this would impact operations, so ACT refused to add more to the pension beyond the modifications offered. Wesley dismissed those concerns and argued that the bottom line was about pensioners not having sufficient income from their pensions in retirement and potentially

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<sup>634</sup> Position of Local 192, ATU on the Pension Issue, [1977], Box 16 Folder 8, ATU 192 Records.

“go on welfare or to the poorhouse.” Because of this unresolved issue, Wesley refused to even take the offer to the membership for a vote, though ACT had increased the total contract offer from \$10 million to \$12 million including a raise of 26 cents per hour to \$8.29 retroactive to July 1 for drivers as well as a cost-of-living provision that could potentially put that wage well above \$9 per hour by the end of the three year contract. When Shamoon insisted that Wesley take the proposal back to the membership for consideration, he shot back that Shamoon “may run AC Transit, but I will run 192,” and he said that the negotiating committee could call a strike on behalf of the membership.<sup>635</sup>

The strike began the next morning on November 21. As Local 192 members set up pickets at bus yards and ACT headquarters, the strike left 115,000 daily riders without transportation, including approximately 20,000 commuters to San Francisco and 30,000 East Bay school children. To meet the commuter demands, BART added train cars to boost capacity and announced free parking at the Oakland Coliseum to access the station there. Despite these efforts, car traffic still increased and the rainy weather led to accidents causing backups for the Bay Bridge. Some commuters who used ACT buses to reach BART stations faced long walks.<sup>636</sup>

Meanwhile, State Assemblyman Bill Lockyear began discussions with other Bay Area legislators to consider slashing public funds from ACT during any strike thereby

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<sup>635</sup> Harry Johanesen, “AC Transit Talks Stalled; Strike Tonight,” *San Francisco Examiner*, November 20, 1977; “Idled Buses Crippled Area Mobility,” *Transit Times*, November 1977, <https://www.actransit.org/transit-times-newsletters>.

<sup>636</sup> Don Fortune, “AC Drivers’ Strike Ties up 115,000,” *San Francisco Examiner*, November 21, 1977; Brenda Payton, “An Early Rise for AC Commuters,” *San Francisco Examiner*, November 21, 1977.



reducing the amount of money Local 192 could hope to get from negotiations. Those legislators were likely reacting to the outpouring of complaints by constituents from nearly every city in the East Bay from local officials and private citizens urging a resolution. ACT service had become a vital part of the transportation system for riders beyond the commuters. On behalf of the captive riders who relied on ACT every day, the East Bay mayors pleaded with both sides to return to negotiations, and civic groups on aging also wrote in support of a quick settlement. One private citizen stressed that “[b]us drivers, riders and merchants and their families are all waiting for someone to get off their ass, and get the buses rolling.” Another private citizen pointed out that “[m]any do not even know people with cars that they could get rides with.” Though this citizen also expressed sympathy with the union and suggested that the larger public did not understand “the difficulties AC employees are facing with AC’s short-sightedness and intransigence.” He suggested that Local 192 needed to do a better job of communicating directly with the public to explain their position. Not all citizens were as supportive. Complaining to California Governor Jerry Brown, a bus rider demanded that the state pass emergency legislation to get the buses operating while negotiations proceeded. She argued that “[t]he people’s tax money contributes a very high percent of the cost of operating A/C Transit, so what about the bad use of that tax money while this strike continues and there is no A/C public transportation serving the Bay Area?” Additionally, she questioned the funding scheme for the Local 192 pension plan since they did not have

to contribute to it, and she did not think the union was being reasonable for demanding even more from ACT without having to contribute.<sup>637</sup>

Carey Walker, a bus driver, believed that the lack of financial resources for ACT to meet pension as well as other demands could be tied to the fare remaining the same for so many years. While the local East Bay fare had remained 25 cents since 1962, wages had increased, so that was one main reason for the financial problems faced by ACT. He also suggested that the ACT board of directors was not acting properly by paying for an arbitrator. Instead, he said that the board should be directly involved with negotiations. John L. McDonnell, the president of the ACT board of directors, pointed out that the board did not know enough about labor negotiations to properly negotiate, so the arbitrator and his expertise was necessary to bring about an expeditious end to the strike.<sup>638</sup>

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<sup>637</sup> "AC Talks Impasse?" Oakland Tribune [newspaper clipping], December 21, 1977, Box 16 Folder 8, ATU 192 Records; Don Wagerman to Mr. John Wesley, Jr., November 2, 1977, Box 5 Folder 2, ATU 192 Records; James T. Krause to Mr. John L. McDonnell, November 3, 1977, Box 5 Folder 2, ATU 192 Records; Frank Quesada to Mr. John Wesley, Jr., November 4, 1977, Box 5 Folder 2, ATU 192 Records; Lionel J. Wilson, Mayor to Mr. John Wesley, President, November 23, 1977, Box 5 Folder 2, ATU 192 Records; N. L. Cassidy to Amalgamated Transit Workers Union, November 29, 1977, Box 5 Folder 2, ATU 192 Records; B. Maroni to Amalgamated Transit Union, December 1, 1977, Box 5 Folder 2, ATU 192 Records; Ruth B. Love to Board of Education, December 1, 1977, Box 5 Folder 2, ATU 192 Records; Thomas W. Fryer, Jr. to Mr. John Wesley, Jr., President, January 18, 1978, Box 5 Folder 2, ATU 192 Records; East Bay Division of the League of California Cities to John Wesley, Jr., President, December 2, 1977, Box 5 Folder 2, ATU 192 Records; Fanchon Christner and Arthur Schroeder to Mr. John Wesley, Jr., December 6, 1977, Box 5 Folder 2, ATU 192 Records; Ruth B. Love to Mr. John Wesley, President, December 7, 1977, Box 5 Folder 2, ATU 192 Records; Audrey Selby to the Oakland Tribune, December 7, 1977, Box 5 Folder 2, ATU 192 Records; Art Schroeder, President to Mr. John Wesley, President, December 12, 1977, Box 5 Folder 2, ATU 192 Records; Ilene Weinreb to John Wesley, President, December 16, 1977, Box 5 Folder 2, ATU 192 Records; Virginia Suydam to Edmund G. Brown, Jr., Governor, January 4, 1978, Box 5 Folder 2, ATU 192 Records; Why A.C. Transit Has No Buses on the Street, [undated], Box 5 Folder 2, ATU 192 Records.

<sup>638</sup> John L. McDonnell to Mr. Carey Walker, January 11, 1978, Box 5 Folder 2, ATU 192 Records.

Local 192 and ACT met in December to try and hammer out a deal to bring the strike to an end. The two sides made some progress, but at a meeting on December 20, Wesley confronted ACT over the inclusion of John Dash on their negotiating team. Wesley believed that Dash would just influence ACT to take a tougher stance, just as he had in 1974. At the meeting, Wesley reportedly told Dash to “get your tail out of town if you think the union is going to give in on these issues.” Shamoon then began arguing with Wesley and said that Dash was there just the same as Local 192 had their labor attorney Stanley Neyhart. Wesley said that if ACT had money to pay a fancy consultant, then surely they had enough money to meet the contract demands.<sup>639</sup>

ACT presented an offer on January 15 that many workers found lacking with regards to pensions and other matters. A group of Local 192 members called Concerned Members Local 192 did not think the contract negotiation process had been transparent, they didn’t think they would be receiving the full total cost-of-living increase that they should have received retroactively, and they claimed that there is no increase in base pay. On top of that, the smaller annual percentage increase for new hires meant that they would be even further behind. All of this meant that ACT could hire new workers and pay them less, while current workers would receive less overtime, reducing their income and ultimately their pensions. New restrictions on using sick leave would punish many genuinely ill workers to get at the small number abusing the sick leave system. ACT, they argued, saved money on the backs of workers.<sup>640</sup>

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<sup>639</sup> “AC Talks Impasse?” Oakland Tribune [newspaper clipping], December 21, 1977, Box 16 Folder 8, ATU 192 Records.

<sup>640</sup> Dollar and Cents Breakdown of the January 15th Proposal, [1978], Box 16 Folder 8, ATU 192 Records.

A second group, Concerned Drivers, expressed similar displeasure at the January 15 offer because they did not think the revision in wages would keep up with inflation. In fact, they thought that they might even end up in a worse position than before the strike. Additionally, they had concerns over the pension, sick leave, and wage scale progressions, particularly in the first three years for new drivers and other employees. They suggested that if management was so concerned with costs than they should take a salary reduction.<sup>641</sup>

The union submitted a counter proposal, but reported it had gone nowhere because ACT “will not put another penny into this contract.” Local 192 membership voting against the contract 697 to 397.<sup>642</sup> After the vote for the contract failed on January 16, members met again on January 27 and agreed to a slightly better contract by a vote of 986-811, which included a retroactive cost-of-living increase tied to each worker’s wage rate rather than an identical lump sum. Although the contract had the potential to go up based on the CPI, it would not come close to making up the \$6 million in lost wages due to the strike. After interviewing both ACT officials and union members, the *Oakland Tribune* labor beat writer Mike Libbey concluded that Local 192 had not ended up with significant gains to justify the strike. He said that Wesley had developed an unrealistic strategy based on past union contract victories, and that ACT decided they could not keep meeting all of the union demands as they had in the past. Another related issue was the arbitration award from the early 1970s that locked ACT into paying Local 192 much

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<sup>641</sup> How to Negotiate a Contract!!, [1978], Box 16 Folder 8, ATU 192 Records.

<sup>642</sup> Message to the Members of Local 192, [January 1978], Box 16 Folder 8, ATU 192 Records.

more than they had wanted or ultimately afford. In the end, the 69-day strike only yielded members \$400,000 more.<sup>643</sup>

In an additional effort to bring the strike to a close, Metropolitan Transit Commission (MTC) Executive Director Lawrence D. Dahms reminded ACT and Local 192 about the implications of AB 1107 and additional legislation that could become law in response to the strike, AB 2240. Dahms noted that AB 1107 already required that labor contract increases be covered by increases in revenue. The reason for this, he argued, was that because AB 1107 was meant to provide a stable source of funding in exchange for more constrained contract increases. By continuing to increase labor costs, ACT and other agencies ran the risk of not having enough AB 1107 funds, and he pointed out that the state legislature was not going to pass legislation for more funding. If the strike continued and AB 2240 passed, then ACT could find itself in an even more dire situation because the reduction in property tax revenue could put them in jeopardy of losing federal funding. It's not clear if this put any pressure on the union wrapping up the strike, but it's likely that Wesley made the membership aware of MTC's position and its warning. Considering that the union did not like AB 1107, they probably were not likely to be thrilled with the possible passage of the even more severe AB 2240.<sup>644</sup>

With all of those factors in play, a sense of resignation fell over Local 192, and the second vote on the contract was much more subdued than the first. Some Local 192 members viewed the ACT offer as the best that they would receive as well as concerns

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<sup>643</sup> "AC strikers the big money losers," Oakland Tribune [clipping], February 8, 1978, Box 18 Folder 18, ATU 192 Records; Don Fortune, "AC Buses Roll Tomorrow," *San Francisco Examiner*, January 28, 1978.

<sup>644</sup> Executive Director's Report to the Commission, January 25, 1978, Box 5 Folder 2, ATU 192 Records.

over the threats from the state legislature to cut tax revenue. Members such as mechanic Adrian Moreira voted against the contract because of changes in the sick leave policy and changes in how long a new employee had to work to reach the top pay level. Essentially, though, the contract had not changed much from the initial parameters offered by ACT in the fall which included improved pension benefits, drivers would receive a total of \$8.35 per hour, a cost-of-living increase, new hires would receive full classification in the third year after starting the first year at 70 percent of the classification rate, and the contract would last for three years from July 1, 1977, to June 30, 1980.<sup>645</sup>

Local, regional, and state officials, as well as the local media took little solace in the contract agreement and had become fed up with transit strikes. As public employees, they argued Local 192 members shouldn't be striking at all because that meant that taxpayers were being cheated out of their funding for the system. KRON-TV aired an editorial critical of the strike shortly after it ended. The editorial essentially argued that ACT workers should not be permitted to go on strike because this directly harms the public that pays their wages and benefits.<sup>646</sup> City of Alameda Mayor C. J. "Chuck" Corica agreed pointing out that taxpayers should not be paying for services not received.<sup>647</sup>

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<sup>645</sup> Fortune, "AC Buses Roll Tomorrow"; "AC Buses Getting Ready to Roll," *San Francisco Examiner*, January 29, 1978; Amalgamated Transit Union, Local 192 Special Membership Meeting, January 26, 1978, Box 16 Folder 8, ATU 192 Records; "Strike Ends; Buses Are Operating," *Transit Times*, January 1978, <https://www.actransit.org/transit-times-newsletters>.

<sup>646</sup> KRON Editorial, February 1, 1978, Box 5 Folder 2, ATU 192 Records.

<sup>647</sup> C. J. "Chuck" Corica to the Honorable Board of Supervisors, December 19, 1977, Box 5 Folder 2, ATU 192 Records.

At least Wesley made it through the strike alive. The stress of the strike most likely contributed to Bingham's massive heart attack that caused his death on January 3, 1978. He had high blood pressure and a propensity to resort to angry outbursts when things didn't go his way.<sup>648</sup> After serving as interim general manager for six months, Nisbet became the permanent general manager in July 1978.<sup>649</sup>

Local 192 membership clearly appreciated Cordeiro's mastery of contract negotiations and ability to confront ACT management. At the same time, Local 192 found those same attributes highly problematic when it came to internal union matters. In addition, his success with ACT management saddled ACT with high contracts which began to attract the attention of the state legislature. By the time Wesley attempted to run the same game plan, ACT had restrictions by state as well as budget issues. Wesley came into power at the exact same time that ACT had decided that it would no longer meet all of the demands of Local 192 and overplayed his hand. ACT could simply not afford contracts of previous years, and the budget would only get worse as voters passed Proposition 13, in part a reaction to those same voters fed up with strikes by public employees.

#### **5.4 The State Legislature, Proposition 13, and Financial Constraints**

By the 1970s, the era of transit union friendly legislation had come to an end as labor and other costs associated with operating mass transit soared in the Bay Area and Los Angeles. The California State Legislature began to look at controlling those costs

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<sup>648</sup> Nisbet and McCreery, *From Private to Publicly Owned Transit in the Bay Area*, 86.

<sup>649</sup> John Wesley, Jr. to Mr. Robert E. Nisbet, Box 5 Folder 4, ATU 192 Records.

while also continuing to provide targeted financial assistance. By the end of the decade, these efforts would appear generous compared with Proposition 13 and other measures passed by voters that would land a devastating blow to Local 192's collective bargaining strength.

In 1974, the legislature began assisting Bay Area mass transit systems. This initially began with assistance to BART in the form of operating costs from a special half-cent sales tax on the three BART counties. The legislature then studied providing permanent support for BART because the system had not brought in sufficient revenue from fares after beginning service in 1972. The legislature also examined the situation of ACT and Muni as well, and they found similar problems in all three with regards to escalating costs and "fare revenues[...]not being fully utilized."<sup>650</sup>

The legislature pinned the financial problems on two interrelated policies. One was the expensive labor contracts and the other was the dependence on non-farebox revenue. Once ACT began expanding service in the 1970s, frozen fares began to become a problem because the revenue from state and federal sources could no longer support the union contract and the expanded service. For example, from 1972 to 1978, the top hourly ACT bus driver wage rate increased 63 percent.<sup>651</sup>

In 1977, the legislature came up with stable revenue source in the form of AB 1107. Maroney expressed alarm at AB 1107 as targeting ATU Local 1555, ATU Local

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<sup>650</sup> California. Legislature. Joint Legislative Budget Committee. Legislative Analyst., *A Review of Bay Area Public Transportation Financing*. (Sacramento, Calif.: Legislative Analyst, State of California, 1986), 1, <https://lao.ca.gov/Publications/Detail/2016>.

<sup>651</sup> California. Legislature. Joint Legislative Budget Committee. Legislative Analyst., 19–21.



192, and TWU mass transit unions in the San Francisco Bay Area by restricting the use of Metropolitan Transit Commission (MTC) public funds for mass transit agencies to spend on wages and benefits by mandating “fare level adjustments to offset the full cost of labor settlements negotiated on or after January 1, 1978.” As Maroney put it, “the bill itself, for all practical purposes, destroys collective bargaining.”<sup>652</sup> Maroney was concerned that ACT and BART would use the law as an excuse to set limits for wages and benefits.

The funding gave BART 75 percent of the permanent half-cent sales tax revenue order for it to have a stable revenue source similar to Muni and ACT. The remaining 25 percent of the sales tax revenue went to all of the transit systems specifically for service improvements. The MTC determined how much each system received. In exchange for this additional source of revenue, the transit systems had to “achieve specified ratios of farebox revenue to operating costs.” ATU expressed concern over this language because the law would restrict their collective bargaining power for higher wages. The legislature later amended AB 1107 so that the 33 percent farebox revenue to operating costs ratio would apply to all three transit systems together and that any local contributions could also be included in calculating farebox ratios.<sup>653</sup>

As much as AB 1107 caused problems, an even more problematic law would come from a statewide referendum called Proposition 13 championed by the conservative

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<sup>652</sup> California Legislature - 1977-78 Regular Session, Assembly Bill No. 1107, March 24, 1977, Box 4 Folder 24, ATU 192 Records; Dan V. Maroney to All California Locals, April 22, 1977, Box 4 Folder 24, ATU 192 Records.

<sup>653</sup> California. Legislature. Joint Legislative Budget Committee. Legislative Analyst., *A Review of Bay Area Public Transportation Financing.*, 1-2, 12.

anti-tax activist Harold Jarvis. During the 1970s, California property owners sought tax relief from property taxes used to fund various utility and other districts. Some of the most important political support came from the East Bay suburbs in places such as Fremont. By the early 1970s, residents of Fremont paid more in property taxes than those in Oakland. Part of the reason that residents of Fremont paid such high property taxes had to do with a longtime strategy of placing a higher tax burden on residents in order to attract industries with low business taxes. By the 1970s, this strategy left residential homeowners with, in their view, an unfair tax burden as industrial growth slowed, the value of property increased, and more of the state budget came from property taxes. Conservatives blamed expensive public services, like ACT, as a major reason for these high taxes.<sup>654</sup>

After the consolidated tax rate reached a high of 53.6 cents per \$100 of assessed valuation in the 1975 fiscal year, the ACT board of directors decreased the property tax rate for three consecutive years down to 43.3 cents in Alameda County, 42.9 cents in Contra Costa County, and 33 cents in Special Service District 2 for Fremont and Newark. This reduction was largely due to the increase in the property values, so ACT did not have to maintain the same tax rate as they had in the past, and property owners may not have seen much if anything in a reduction in their overall property tax bill. In Special Service District 1 that included 11 municipalities from Hayward to San Pablo, the property tax increased seven percent.<sup>655</sup>

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<sup>654</sup> Self, "Prelude to the Tax Revolt: The Politics of the 'Tax Dollar' in Postwar California," 155–56, 160.

<sup>655</sup> "Board of Directors Cuts the Tax Rate for Many East Bay Property Taxpayers," *Transit Times*, September 1977, <https://www.actransit.org/transit-times-newsletters>.

ATU expressed concern about Proposition 13. They understood the arguments for tax reform, but they pointed out that Proposition 13 meant that taxpayers would no longer be able to deduct state taxes for public services like transit and that big businesses received the most benefit. Furthermore, with the restraints on spending would most likely result in a financial spiral like transit systems experienced in the 1950s and 1960s with higher fares and service cuts to make up for the loss of tax revenue.<sup>656</sup> The AFL-CIO Public Employee Department (PED), the California State Labor Federation, and the ATU all worked together to rally members to defeat Proposition 13 because of the adverse impact it could have on labor unions such as Local 192 since ACT received so much of its revenue from property taxes.<sup>657</sup>

On June 6, 1978, voters approved Proposition 13 with an overwhelming 67 percent of registered voters voting 64.6 percent in favor to 35.4 percent voting no. Statewide, the passage of Proposition 13 meant the loss of \$7 billion in revenue from property taxes.<sup>658</sup> The passage of Proposition 13 had a devastating impact on the budget of ACT. The ACT board of directors scrambled to come up with funding to replace the reduced property taxes. They raised the local fare from 25 to 35 cents as well as other fares. In addition to raising local fares, ACT also raised transbay fares between 10 and 40 cents, and they raised youth fares from 15 to 25 cents. The fares for the elderly, disabled, BART express, and contract services in Contra Costa County remained

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<sup>656</sup> "Effects of Proposition 13," *In Transit*, August 1978.

<sup>657</sup> Dan V. Maroney to Mr. John Wesley, Jr., April 7, 1977 Box 4 Folder 24, ATU 192 Records; W. Howard McClenana to Mr. Dan V. Maroney, President, March 30, 1978, Box 4 Folder 24, ATU 192 Records; Dan V. Maroney, Jr. to All California Local Unions, April 3, 1978, Box 4 Folder 24, ATU 192 Records.

<sup>658</sup> Ronald L. Soble, "Court Tests Looming for Proposition 13: Proposition 13 to Face Challenge in Court," *Los Angeles Times*, June 8, 1978.

unchanged. The board voted on these fare increases at the July 12 meeting to go into effect on July 23. Fare increases brought in \$5 million for ACT and reconfiguring the transit lines reduced costs by \$2.5 million. They received assurances from state lawmakers that they would receive \$17 million from the state Transportation Development Act (TDA) and \$5.5 million from property taxes. That still only allowed ACT to operate at 60 percent of full operations, and Nisbet feared that if those assurances by state lawmakers fell through for some reason, then ACT could end up suspending operations because the financial model they operated on depended on tax revenue to make up the difference from the farebox. There was no way ACT could operate off of farebox revenues without raising the fares so much that the transit system would be unaffordable.<sup>659</sup>

The dramatic decline in the ability of the ACT board of directors to obtain property tax revenue was evident beginning in the 1979 fiscal year. The new law restricted the property tax rate to 2.6 cents per \$100 of the assessed value of property. Additionally, the funds could only be used for paying off the principal and interest on the bonds used to purchase the old Key System. This bond was scheduled to be paid off by September 1980. In 1979, the ACT board of directors was able to raise the tax percentage slightly to 2.7 percent.<sup>660</sup>

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<sup>659</sup> "Board Seeks Higher Fares, State Aid," *Transit Times*, June 1978, <https://www.actransit.org/transit-times-newsletters>; Ronald L. Soble, "Revenue Losses Hit Special Districts Hard: Dependence on Property Taxes, Lack of Replacement Funds Lead to Deep Cuts," *Los Angeles Times*, October 1, 1978; "Most Fares Increase," *Transit Times*, July 1978, <https://www.actransit.org/transit-times-newsletters>; Alameda-Contra Costa Transit District (Calif.), *Annual Report* (Oakland, Calif.: The District, 1979), 6.

<sup>660</sup> "Board Establishes Tax Rate for 1979 - 1980 to Provide Revenue for Bond Payment," *Transit Times*, September 1979, <https://www.actransit.org/transit-times-newsletters>.

Local 192 looked to some sign of hope with supporting friendly ACT board members. Local 192 supported Roy Nakadegawa for director at large of the ACT board of directors during the election on November 7, 1978. In a congratulatory letter to Nakadegawa, Wesley reminded him of the Local 192 financial contribution to his campaign, and that Local 192 would be sure to contact him in the future if issues they had worker issues to discuss with him. Over his six years on the ACT board of directors for Ward 1, Nakadegawa developed a favorable reputation as “a friend of labor” among Local 192 members because of his willingness to meet with them. At a meeting prior to the election, Nakadewaga pledged to work with management to ensure that Local 192 had more opportunities for input on working conditions and performance expectations as well as worker considerations about the bus operations in general.<sup>661</sup> But even with the friendliest of directors, labor could not do anything about the reality of the gigantic hole in the ACT budget as a result of Proposition 13.

In the 1978 fiscal year, ACT brought in \$21,425,748 from the property taxes. In the 1979 fiscal year, this dropped to \$7,141,667 and could not be used for operations. State financial assistance made up for the loss of \$14 million annually from its budget. That funding, though, was not annually guaranteed. Following the passage of Proposition 13, the legislature passed AB 842 which loosened the restrictions on the AB 1107 sales tax revenue so that transit systems had more flexibility to maintain service levels and avoid cuts which would likely lead to a decrease in revenue. By the 1979 –

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<sup>661</sup> Richard K. Groulx to All Affiliated Unions, September 25, 1978, Box 5 Folder 5, ATU 192 Records; Nakadegawa Endorsed for Director of AC Transit Board, October 5, 1978, Box 5 Folder 5, ATU 192 Records; John Wesley, Jr. to Mr. Roy Nakadegawa, November 13, 1978, Box 5 Folder 5, ATU 192 Records.

1980 fiscal year, this had stabilized with an increase in farebox revenue along with revenue from AB 1107, the TDA, Bay Bridge tolls, and operating funding from the federal and state governments. The situation became tenuous once again following the passage of Proposition 9 in 1980 which appeared to mean that ACT would receive even less from the state. At the same time, the passage of Proposition 11 promised some relief through funds from taxes on oil, but a dedicated funding amount could not be relied upon annually which made planning difficult.<sup>662</sup>

As much as they tried to avoid reducing service, ACT eliminated about 400 hours of service per day out of 6,000 hours. They had to hold hearings about cuts in service, and they also ran afoul of state environmental impact laws because the cuts essentially meant that people would potentially use more cars which would cause more pollution. ACT worked on gaining an exemption from that law that they eventually achieved.<sup>663</sup> ACT faced an inability to hire more employees to the passage of Proposition 13. The shortage of employees to fill positions and the inability to hire led to ACT to notify Local 192 that they had to use supervisors to fill positions, but that they were not trying to purposely violate the contract with Local 192 about not using supervisors in non-supervisory positions.<sup>664</sup> During a meeting between Wesley and an ACT manager about the employee shortage, Local 192 agreed to changes in employee assignments that

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<sup>662</sup> "Nisbet Reports on Props. 9 and 11," *Transit Times*, April 1980, <https://www.actransit.org/transit-times-newsletters>; California. Legislature. Joint Legislative Budget Committee. Legislative Analyst., *A Review of Bay Area Public Transportation Financing.*, 2; Alameda-Contra Costa Transit District (Calif.), *Annual Report* (Oakland, Calif.: The District, 1978), 4, 10; Alameda-Contra Costa Transit District (Calif.), *Annual Report*, 1979, 6; Alameda-Contra Costa Transit District (Calif.), *Annual Report* (Oakland, Calif.: The District, 1980), 14.

<sup>663</sup> Larson and McCreery, *On Schedule*, 82–83.

<sup>664</sup> Warren E. Robinson to Mr. John Wesley, Jr., August 22, 1978, Box 4 Folder 9, ATU 192 Records.

did not follow the contract. This showed the flexibility on the part of Local 192 while also setting ground rules for the changes to avoid misunderstanding since making job assignment changes was not in compliance with the union contract.<sup>665</sup>

Proposition 13 allowed ACT to recoup lost property tax revenue through state surplus funds from the state TDA and Bay Bridge tolls. The state legislature put a restriction on the funds so that agencies could not receive the funds and also pay workers cost-of-living or wage increases during the 1979 fiscal year, which included a year that Local 192 had already bargained for and made an agreement with ACT for increases. In July 1978, Local 192 attorney Stanley Neyhart discouraged Local 192 from going on strike over the cost-of-living increase. He argued that a strike could backfire and that other state employees, including those in transit districts, faced the same issue but had not gone on strike.<sup>666</sup>

As Shamoon explained to Wesley, Local 192 members would still receive a cost-of-living increase, but it would be less than in the current agreement. If agencies went over that amount, then they would be ineligible for state funding which would in turn imperil the federal funding, a potential loss of \$10 million. Without this full funding from both the state and federal governments, ACT might have to lay off employees. Rather than risk this, Local 192 agreed to put the monetary equivalent of the cost-of-living increase into an interest bearing account until ACT received better guidance from

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<sup>665</sup> [D]iscussion between Mr. Wesley of ATU and Phillips[...], March 7, 1978, Box 4 Folder 9, ATU 192 Records.

<sup>666</sup> John Wesley, Jr. to the Membership of Local 192, [July 1978], Box 5 Folder 4, ATU 192 Records; Stanley H. Neyhart to Mr. John Wesley, July 27, 1978, Box 5 Folder 4, ATU 192 Records.

the state.<sup>667</sup> In March 1979, the California Supreme Court ruled the moratorium on the cost-of-living to be unconstitutional, and ACT began paying the increase and also paid workers what they should have been receiving.<sup>668</sup>

Eventually, in 1981, ACT did lay off 65 part time and 50 full time bus drivers due to the ongoing financial problems in the wake of Proposition 13.<sup>669</sup> In May 1982, ACT announced it would cut employees by 140 down to 2,100 as a result of less financial resources from federal, state, and local governments. In addition, Central Costa County began their own bus operations rather than contracting with ACT. ACT also adjusted routes and raised fares to address the shortfall. ACT received some relief from the state when Governor Brown signed legislation, SB 1335 and AB 2551, to provide additional state dollars for the 1983 fiscal year.<sup>670</sup> While ACT and Local 192 welcomed this state support, that would simply not be enough to recover the massive loss of the property taxes. For Local 192 this meant an abrupt end to years of contract wins. Rather than expanding, ACT was undeniably in a state of contraction.

At the same time as Proposition 13 and state legislation hindered ACT financially, ACT leadership changed hands for the first time in ten years. When Nisbet assumed the role of general manager, he decided to take a different approach to communicating with

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<sup>667</sup> Robert J. Shamoon to Mr. John Wesley, Jr., July 24, 1978, Box 5 Folder 4, ATU 192 Records.

<sup>668</sup> "Living-Cost Pay Resumes," *Transit Times*, March 1979, <https://www.actransit.org/transit-times-newsletters>.

<sup>669</sup> Declaration of Peter Nussbaum in Opposition to Motion to Enjoin Layoff of Hispanics, July 29, 1982, Box 15 Folder 11, ATU 192 Records.

<sup>670</sup> "Departments Must Cut, Squeeze, Trim in Response to Financial Short-Fall," *Transit Times*, May 1982, <https://www.actransit.org/transit-times-newsletters>; "Fares Go up to Alleviate Deficit," *Transit Times*, June 1982, <https://www.actransit.org/transit-times-newsletters>; "Governor Signs Bills Providing Transit Aid," *Transit Times*, July 1982, <https://www.actransit.org/transit-times-newsletters>.



the union by asking for more input on the actual operations of the transit agency. This marked a change from the past such as Bingham maintaining a distant relationship and interacting with the drivers on “award” basis, such as awards for driving safety and bus rodeo winners.<sup>671</sup> According to Donald Larson, the manager of research and planning at the time, Nisbet included more of the middle managers in the decision process and allowed them a lot of freedom in carrying out their work whereas Bingham had a much more controlling style of management. This new responsibility occurred at a time when middle managers had to be much more careful with the budget because of Proposition 13.<sup>672</sup>

For instance, the maintenance of bus equipment presented maintenance personnel with additional challenges. The procurement process changed in the early 1970s, and ACT began looking for the lowest bid on buses. Since GM buses cost more, ACT began cycling through several different manufacturers during the 1970s. The lower upfront cost masked the long-term maintenance cost because the buses did not have the same high-quality manufacturing as the GM buses purchased in the 1960s. Furthermore, some of the companies did not honor warranties. ACT expanded its fleet too much from a maintenance point of view, and some of the poor-performing maintenance staff exacerbated the bus maintenance issues because this delayed the return of the buses to normal operations. ACT management did not always like to hear the fundamental problems with the bus maintenance, so many problems went unresolved during the 1970s

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<sup>671</sup> Nisbet and McCreery, *From Private to Publicly Owned Transit in the Bay Area*, 126.

<sup>672</sup> Larson and McCreery, *On Schedule*, 86–87.

and into the 1980s.<sup>673</sup> For instance, the 120 Flexible Corporation buses purchased in 1974 and 1975 might have been the lowest cost for ACT, but, by 1977, they had developed cracks in the front axles.<sup>674</sup>

The maintenance of the buses only became more complicated with the demands for fully accessible buses in the wake of the passage of the Rehabilitation Act in 1973, especially Section 504 that tied federal funding to accessibility. The passage of the federal Rehabilitation Act included Section 504, which stated that mass transit facilities with equipment purchased with federal funds be accessible to riders with disabilities, particularly those who used wheelchairs. Transit management found this to be an unreasonable demand and worked with the American Public Transportation Association (APTA) to get it overturned, but a court ruling upheld that the federal government's requirement. After hearings and pressure from community groups over how to implement an accessibility program, ACT agreed to present to the board a plan to make the entire system accessible rather than just some of the buses, which the disabled community didn't like because that would restrict their ability to choose which bus to ride and get around for employment, shopping, and other needs.<sup>675</sup> The disabled community also did not like the idea of paratransit because, again, it would relegate them to second-

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<sup>673</sup> Johnson and McCreery, *Bus Doctor*, 16–20, 26.

<sup>674</sup> A.R. Lucchesi to Who It May Concern, July 18, 1977, Box 4 Folder 9, ATU 192 Records.

<sup>675</sup> Larson and McCreery, *On Schedule*, 56–57; "Timeline - DRILM - University of California, Berkeley," accessed May 6, 2019, <http://bancroft.berkeley.edu/collections/drilm/resources/timeline.html#1970>; George M. Smerk, "The Transit Act That Never Was: Public Transportation Legislation 1979-1980," *Transportation Journal* 20, no. 4 (July 1, 1981): 31.

class status. They argued that they should be able access a regular bus at any stop just like other riders.<sup>676</sup>

Local 192 disagreed with paratransit service because they viewed it as a backdoor for hiring non-union drivers. In 1976 Local 192 George Garcia wrote to UMTA to express his concern about plans for federal funding for paratransit services. He argued that paratransit services should be part of existing public transit services rather than run separately. Garcia suggested that the plan would “circumvent transit union scale wages” and “unlawfully omit employees from Section 13(c) protection.” Maroney wrote to all ATU locals and encourage them to use the boilerplate letter to send to the UMTA under the local union letterhead. Maroney expressed concern about what the Ford administration might try and push through during the last months of the administration.<sup>677</sup>

Finally, ACT developed a strategy as part of their five-year plan to integrate accessible buses into their annual bus replacement plan. Typically, they acquired 15 to 30 new buses per year, depending on the available funds. They presented their needs to the bus manufacturers and requested all new come with lifts installed.<sup>678</sup> In 1978, ACT began with using lifts on a limited basis in Concord to test out the technology before ordering a large number of buses and using them system-wide. In 1979, ACT placed an order for 175 buses with entry door lifts and the ability to lower to the curb. The first of

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<sup>676</sup> Larson and McCreery, *On Schedule*, 59.

<sup>677</sup> George E. Garcia to Urban Mass Transportation Administration, November 29, 1976, Box 16 Folder 8, ATU 192 Records; Dan V. Maroney, Jr., to All Local Union Presidents, November 23, 1976, Box 16 Folder 8, ATU 192 Records.

<sup>678</sup> Larson and McCreery, *On Schedule*, 60.

these buses arrived in October 1980, and ACT unveiled the new buses in June 1981 along with complete service information.<sup>679</sup>

In addition to the maintenance employees' reservations about adding mechanical assistance to buses, some of the drivers also viewed the lifts as complicating their jobs by potentially causing delays during their runs. Management took a proactive approach by training the drivers on using the lift, using both actual disabled customers and drivers sitting in wheelchairs. The management understood the problems with the wheelchair technology, but they also had to work the technology as best as possible because the accessible buses would be a permanent feature of the system and something the drivers would have to figure out how best to use. The process to integrate accessible lifts into the buses but to also integrate the service in general involved departments across the entire system. Even with all of the other projects and needs, ACT devoted a large number of resources to creating an accessible system. For instance, they worked with the city of Oakland to make sure that once riders using wheelchairs disembarked from the buses that they could maneuver on the sidewalks.<sup>680</sup> While these accessibility improvements opened up ACT to more of the community, the additional costs strained an already tight budget as a result of union contracts, state legislation, and Proposition 13.

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<sup>679</sup> "Wheelchair Lift Gets Thorough Safety Check," *Transit Times*, February 1978, <https://www.actransit.org/transit-times-newsletters>; "New Buses Ordered by District Directors to Meet Needs of Wheelchair Users, Others Too," *Transit Times*, August 1979, <https://www.actransit.org/transit-times-newsletters>; "First of 175 New Buses Arrives," *Transit Times*, October 1980, <https://www.actransit.org/transit-times-newsletters>; "New Equipment Eliminates Bus Steps as Barrier to Boarding," *Transit Times*, May 1981, <https://www.actransit.org/transit-times-newsletters>.

<sup>680</sup> Larson and McCreery, *On Schedule*, 61–62, 65–66.

The financial impact of state legislative actions and ballot propositions ended any illusion Local 192 had about continuing tough negotiations of the early 1970s. The financial patchwork that ACT had to pull together to keep the bus system functioning meant that labor costs would be a main source of that contraction. In addition, the obligations that the system faced for purchasing buses and following federal guidelines also constricted the budget. Although Local 192 members received some relief with the reinstatement of cost-of-living increases, Wesley understood the dire situation and that they would have to be flexible on work rules and other matters with ACT to avoid massive layoffs.

### **Conclusion**

By the late 1970s, stagflation followed by the tax revolt severely disrupted the relationship between ACT and Local 192 as a combination of state legislative actions and voter initiatives severely curtailed the crucial source of funding from tax revenue. This loss of tax revenue meant that the transit system would have to make hard choices about the level of service it provided since the fare box revenue could not provide enough to fully fund the system. At the same time, ACT was expected to provide more service to a larger geographic area and control costs at the same time.

Cordeiro's stance on bargaining for as much as possible combined with ACT agreeing to arbitration that often led to decisions that favored Local 192 had set unrealistic expectations for the Local 192 membership. These high cost contracts attracted the attention of state lawmakers who saw no reason for state tax revenue to go towards transit systems that used such a large portion of their budget on paying these

generous contracts. They attempted to put in some cost constraints through new laws, but they had no intention of doing something as drastic as Proposition 13 which sent public officials scrambling to reduce the damage to special district and other budgets across the state.

Initially, it appeared that both ACT and Local 192 would benefit from the 1970s economic instability because many viewed mass transit as part of the solution to the oil crisis, but that economic instability also put pressure on ACT meeting contract demands and Local 192 ended up going on strike over contract disputes because the economic environment made it increasingly hard for ACT to justify the wage increases mandated by arbitration agreements.

By the late 1960s and 1970s, Local 192 members found themselves in the middle of this charged atmosphere of economic instability, rising public sector labor militancy, and tension between ATU locals and transit management over arbitration and wages. ACT and Local 192 found themselves locked in increasingly difficult contract negotiations. By the end of the 1970s, the new African American president of Local 192 found an unfavorable contract negotiating environment as a result of ACT refusal to meet contract demands and state laws that restricted the amount of funding ACT received from property taxes. ACT and Local 192 ended the 1970s in a remarkably different place than at the beginning of public ownership with blaming and collapse in transit management-labor relations.

The initial success in the early 1970s faded as ACT faced significant challenges that included bus crime, rising costs, and expanding service to meet the demands of the

BART system. Meanwhile, younger, more diverse workers began to challenge Local 192's old guard and their perceived cozy relationship with ACT management. They played a role in shaping how ACT responded to challenges which by the 1970s included long strikes that worked in the short term but became an increasingly poor negotiating tactic by the late 1970s. In particular, the public support for Local 192 that existed in the early 1970s had vanished by the time of the 1977-1978 strike.

## **CHAPTER 6: ATS, LOCAL 732, AND THE MARTA REFERENDUM**

### **Introduction**

By the early 1960s, the Atlanta Transit System (ATS) had settled into a pattern developed in the 1950s to maintain operations and meet labor contract demands by pursuing financial restructuring to create more liquidity. While this strategy maintained service and labor peace, the company began to run a deficit that imperiled the company's solvency. As plans for the creation of a rapid transit system began to materialize and receive consideration from the Georgia General Assembly, ATS management developed their own plan that featured bus technology in hopes that they could be the recipient of federal funds.

In contrast, many boosters of rapid transit envisioned a heavy rail system like the Bay Area Rapid Rail Transit (BART) system in the Bay Area. This plan eventually won support of legislators, and, after multiple attempts, voters approved the creation of the Metropolitan Atlanta Rapid Transit Authority (MARTA). Like both ACT and BART, the next step for MARTA required voter approval of a referendum to fund the new authority so that it could build the rapid rail system and perhaps purchase ATS.

In contrast to Local 192 in the 1950s, Local 732 viewed all of this creation of a public transit agency and their transition to public employment status with some unease. They could not receive verification that they would be able to move over to MARTA, a public transit system, with their collective bargaining rights in tact from ATS, a private transit system. ATU had worked hard to ensure that transit workers could do so under



Section 13(c) as part of the 1964 Urban Mass Transportation Act (1964 UMTA), and Local 732 had no intention of supporting a referendum if MARTA could not guarantee they would allow these rights to transfer.

In the 1950s, ATU viewed with alarm a number of legislative actions at the state and federal level that would limit their ability to resolve contract disputes with private transit systems through arbitration and diminish their ability to strike. Furthermore, the Amalgamated Transit Union (ATU) and Transit Workers Union (TWU) became concerned that members, in becoming city employees, would lose their bargaining rights altogether. In Oakland, Local 192 President Vernon F. Stambaugh called attention to this matter and managed to rally support for favorable labor provisions in the ACTD legislation in the 1950s. During this same time, another issue confronting all unions including ATU was the right-to-work movement that sought to introduce legislation at the state level to restrict union organization and collective bargaining, a possibility due to the Taft-Hartley Act passed by Congress in 1947. Although the labor movement in states like California had enough political support to turn back this effort, conservative politicians in southern states like Georgia supported “right-to-work.” ATU identified the 1964 UMTA as a way to insert labor-friendly provisions in order to protect collective bargaining rights in states like Georgia that had right-to-work laws. This could also lead to something close to a nationwide collective bargaining agreement which would end the disparity between locals at larger and smaller systems so that they could all enjoy the

same working conditions such as a 40-hour work week and 8-hour day.<sup>681</sup> Unlike Local 192, Local 732 transitioned to public ownership after the passage of the 1964 UMTA and benefited from ATU's successful efforts to include labor protections in that legislation for unions in states without labor collective bargaining protection for public employees.

In the early 1960s, ATU Vice President Walter J. Bierwagen viewed the John F. Kennedy Administration's interest in supporting mass transit as a recognition that mass transit had to be concerned with "people rather than profits." At the same time, the ATU had to fight for the labor protections for their people, and the apparent lack of interest in the Kennedy Administration to assist in this endeavor led ATU President John M. Elliott to publicly lambast it and Congress at the 1963 ATU convention. After the Senate passed the UMTA in 1963 following considerable lobbying by ATU and other transportation unions, they turned their attention to the House of Representatives to ensure those

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<sup>681</sup> Statement of A. L. Spradling...on Proposed Amendments to the Fair Labor Standards Act Before a Subcommittee of the Senate Committee on Labor and Public Welfare, March 8, 1957, Box 4 Folder 4, ATU 192 Records; A. L. Spradling to all Divisions of our Association, April 14 1954, Box 3 Folder 26, ATU 192 Records; A. L. Spradling to the Divisions of Our Association in the United States, May 5, 1953, Box 3 Folder 26, ATU 192 Records; Alameda County Voters' League of A.F. of L., [1953], Box 3 Folder 26, ATU 192 Records; Following the California State Federation of Labor Convention in September 1957, they began mobilizing for the fight against right-to-work legislation in California. As part of the public relations campaign, they created a pamphlet to be distributed to unions across the state for members to be able to be knowledgeable and answer questions about the impact of the legislation. See C. J. Haggerty to All Unions and Councils, October 11, 1957, Box 4 Folder 5, ATU 192 Records; The most important issue for labor pushed by right-wing forces was the right-to-work laws. The Central Labor Council of Alameda County raised a lot of money to fight Proposition 18, the right-to-work law, defeated in November 1958. The Central Labor Council of Alameda County successfully raised over \$200,000 to mount a campaign against the law, including \$2,000 from Local 192. This indicates that the unions took the threat of a Right-to-Work law seriously. See Robert S. Ash to [Central Labor Council of Alameda County unions], March 11, 1959, Box 4 Folder 6, ATU 192 Records.

protections remained in the final bill. In June 1964, a version of the UMTA with labor protections supported by ATU passed the House.<sup>682</sup>

In the early 1960s, courts had refused to intervene in a Florida case in which Dade County (Miami) had taken over a transit operation and restricted workers' rights to bargain and strike. This situation provided a perfect case for ATU to push for the 1964 UMTA to include Section 13(c)<sup>683</sup>, "a provision which guaranteed that any time federal funds were allotted to public transit systems, workers employed by said system would not see their wages, benefits and working conditions, plus any other job rights, jeopardized or curtailed."<sup>684</sup> The inclusion of 13(c) would play an important role in the transition to public ownership and the use of federal funds by public transit systems. When the federal transit legislation began to make its way through Congress, ATU successfully lobbied to have 13(c) added to the 1964 Act, which more or less stated public transit employees would have the bargaining rights given to their unions under the National Labor Relations Act (NLRA). Although 13(c) had been sought to protect unions when transit systems became completely owned by public agencies, it also applied to private companies accepting federal capital and operation aid as well. If union officials reported problems between labor and the company, the Department of Labor (DOL) could hold up

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<sup>682</sup> "A Discussion of the Urban Mass Transportation Act"; Excerpts from the Remarks of W. J. Usery, Jr., Assistant Secretary of Labor Prepared for Delivery before the Amalgamated Transit Union Convention in New York City, September 10, 1969, Box 3237 Folder 23, W. J. Usery, Jr. Papers, L1985-12, Southern Labor Archives, Special Collections and Archives. Georgia State University Library, Atlanta [hereafter Usery Papers].

<sup>683</sup> Section 13(c) was originally designated as 10(c) in the 1964 act, then redesignated 13(c) in the 1966 amendment. See Urban Mass Transportation Act of 1964; Urban Mass Transportation Act of 1964, amendment.

<sup>684</sup> Amalgamated Transit Union, *The Amalgamated Transit Union (AFL-CIO/CLC)*, 25.

requests for funds until the issues were resolved.<sup>685</sup> The passage of the legislation provided some good news for officials in ATU locals which had experienced an uptick in unauthorized wildcat strikes. In April 1964, ATU stressed the importance of going through the proper channels to resolve issues perhaps because they wanted to show that they were honest partners in this new era of federal funding for transit and would follow future regulations appropriately as public employees.<sup>686</sup>

By 1964, a lobbying group, the Urban Passenger Transportation Association (UPTA), had formed and included concerned citizens, municipal officials, transit management, commuter railroads, and organized labor. The Lyndon B. Johnson Administration moved transit aid to the top of the legislative priority list as they realized the support of mass transit meshed well with other ideas associated with the Great Society programs such as health care and civil rights. Johnson signed the Urban Mass Transportation Act into law on July 9, 1964.<sup>687</sup>

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<sup>685</sup> Amalgamated Transit Union, *A History of the Amalgamated Transit Union*, 90–91; Barnum, *From Private to Public: Labor Relations in Urban Mass Transit*, 30–32; Transit systems in Detroit and St. Louis experienced labor problems in the 1950s due to state laws that restricted municipal employees from going on strike. See *Monthly Labor Review*, June 1951, 713; *Business Week*, October 22, 1955, 174.

<sup>686</sup> O. J. Mischo to All Officers and Members, April 9, 1964, Box 3 Folder 1, ATU 732 Records.

<sup>687</sup> George M. Smerk, *Urban Mass Transportation: A Dozen Years of Federal Policy* (Bloomington: Indiana University Press, 1974), 55–56; Richard Davies, *Age of Asphalt: The Automobile, the Freeway, and the Condition of Metropolitan America* (Philadelphia: Lippincott, 1975), 36; The Urban Mass Transportation Act of 1964 continued the important policy set forth in the Highway Act of 1962 that required the consideration of alternatives to the automobile. The act also expanded the scope of the Housing Act of 1961 in three ways. The Housing and Home Finance Administrator (later the administrator of the Urban Mass Transportation Administration) was given greater control over which cities received funds. The low interest rate loans provided under the 1961 Act would continue. But, probably most importantly, the act provided long-term aid by matching local funds by two-thirds for most any transit related improvements besides public highways. The long-term funds were meant for large capital projects, but there were also short-term funds that didn't require as much planning up front to qualify. See Smerk, *Urban Mass Transportation: A Dozen Years of Federal Policy*, 56–57.

As transit workers moved into the public sector, they joined a rapidly expanding unionized workforce. During this time in the early 1960s, public sector employees joined unions in greater numbers than ever before, and ATU saw an opportunity to influence the collective bargaining rules of transit employees if they worked for public transit authorities. In 1962, President Kennedy issued Executive Order 10988, which authorized limited collective bargaining for many federal workers. While the executive order did not cover state workers, local public sector organizers viewed the order as sign of support, and this likely influenced ATU's push for 13(c) in the UMTA 1964 Act because they had more confidence it would be enforced by the federal government. From 1966-1976, when transit systems largely shifted from private to public, the number of public sector workers in unions numbered nearly doubled. Despite AFL-CIO President George Meany's pessimism in 1959 that workers could ever successfully bargain with state governments, 33 states allowed collective bargaining and 49 percent of state workers worked under collective bargaining agreements by 1981.<sup>688</sup>

The future of the new era of public transit employees continued to look bright when, on September 8, 1966, President Johnson signed the amended UMTA. Although the programs begun by the 1961 and 1964 Acts received \$375 million, this amount paled in comparison to the \$24 billion spent on roads, airports, and water transportation during the same period of time. The 1966 UMTA provided for \$150 million for capital improvements during 1967 to 1969 in addition to more money for demonstration

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<sup>688</sup> Isaac, McDonald, and Lukasik, "Takin' It from the Streets," 63-64; For more on the rise of public sector unions and activity in the 1960s and 1970s, see McCartin, "A Wagner Act for Public Employees."

programs. The 1966 UMTA also released funds to assist in studies of planning, engineering, and management.<sup>689</sup>

This federal legislation occurred at the same time that political and business leaders in Atlanta worked on state legislation to create the Metropolitan Atlanta Rapid Transit Authority (MARTA). Initially envisioned as a separate entity from ATS, changes to the legislation permitted MARTA to take over the ATS and allowed MARTA to use federal grants to acquire the existing private system. For MARTA, this made coordination of the bus and the rail system easier than in the East Bay where ACT, particularly in the case of transbay commuter service, operated as a competing, rather than complimentary, transit system to the Bay Area Rapid Transit District (BART). Due to ACT's status as an existing public system, BART did not seriously pursue acquiring ACT.<sup>690</sup>

ATU had become aware of the importance of paying close attention to these matters based on experiences of locals such as Local 192 that had been involved in public transition prior to the 1964 UMTA. This matter of retaining collective bargaining and other rights allowed under 13(c) was particularly important in right-to-work states like Georgia.<sup>691</sup> As the mass transit legislation worked through the Georgia General Assembly, Local 732 consulted with ATU on strategy to ensure the legislation included

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<sup>689</sup> Smerk, *Urban Mass Transportation: A Dozen Years of Federal Policy*, 58, 66–68; Herbert Roof Northrup and Alan M. Voorhees, *Frontiers of Urban Transportation: The Labor Problem in Urban Transit; the Planning Process in the 1970's* (Philadelphia: University of Pennsylvania Press, 1971), 2.

<sup>690</sup> Nisbet and McCreery, *From Private to Publicly Owned Transit in the Bay Area*, 56, 74.

<sup>691</sup> This term refers to laws enacted at the state level under Section 14(b) of the Taft Hartley Act to restrict the ability of labor unions to organize and operate. Southern state governments in particular enacted such laws. See Melvyn Dubofsky and Joseph A. McCartin, *Labor in America: A History* (New York: John Wiley & Sons, 2017), 337, 374.

those rights they had as part of a private transit system. When voters finally approved the referendum in 1971 to allow MARTA to purchase ATS and build the rapid rail system, Local 732 played an important role in supporting the referendum because it included important labor provisions.

### **6.1 Atlanta Growth and ATS**

Without being absorbed by a public transit authority, in the 1960s, ATS managed to function while also successfully negotiating with labor demands to avoid strikes, but ATS struggled to match that growth with adequate service due to the limits of private financing. Throughout the 1960s, though, a push largely by politicians and business groups led to a series of state legislative actions to allow for a public transit authority to build a rapid transit system that would operate independently of ATS. ATS also presented their own vision for expanding mass transit in the rapidly growing Atlanta metropolitan area.

Atlanta experienced a boom in both in population and economic activity in the 1960s. The workers in the 1.175 million greater metropolitan population contributed to the region's transportation, communication, manufacturing, and government (both state and federal) sectors. Nonagricultural employment increased from 320,300 to 474,000 jobs from 1955 to 1965, and as the economy grew, so did the pay that workers took home. Workers welcomed the rise in wages since the cost-of-living had also increased, especially from 1964 to 1965. In addition to wages, they experienced a rise in fringe

benefits as well.<sup>692</sup> Improving mass transit made sense because of gridlock in and out of downtown on a daily basis.<sup>693</sup>

The suburbs north of Atlanta in north Fulton County, Cobb County, and Gwinnett County experienced rapid growth due to a number of factors. Federal highway and housing policies, white flight from Atlanta partially in response to desegregation of public spaces, and people moving from outside of the Atlanta metropolitan area resulted in communities that were overwhelmingly white and more affluent than the city. As Kevin Kruse observed, the language and character of segregation “could be easily shared by middle-class whites who had no connection to the segregationist past but who gladly took part in crafting the suburban future.”<sup>694</sup>

By the early 1960s, ATS buses transported a third of the commuters in and out of the city on 120,000 trips.<sup>695</sup> As an effort to modernize the system and save money, ATS President Robert Sommerville announced plans in 1962 to replace all of the trolley buses with diesel buses. His plan included purchasing over 200 diesel buses for \$6 million and partly offset the cost through the sale of the overhead copper wire used to power the trolley buses. In order to purchase the diesel buses, ATS requested approval from the state public service commission to take out a \$5.3 million loan. Sommerville said that

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<sup>692</sup> Donald M. Cruse and United States. Bureau of Labor Statistics. Southern Regional Office, *Atlanta, Ten Years of Growth, 1955-65* (Atlanta, Ga.: Dept. of Labor, Bureau of Labor Statistics, Southern Regional Office, 1966), 1–2.

<sup>693</sup> “We Can Go No Further Without Rapid Transit,” [clipping], August 1, 1961, Box 6 Folder 20, ATU 732 Records; “Transit Need a Grim Truth, Jaycees Told,” [Atlanta Constitution clipping], July 28, 1961, Box 6 Folder 20, ATU 732 Records.

<sup>694</sup> Kruse, *White Flight*, 244–45.

<sup>695</sup> Concept and Progress of Metropolitan Atlanta Regional Rapid Transit Study, October 3, 1962, Box 6 Folder 20, ATU 732 Records.



the company leased 270 trolley buses, more trolley buses than they actually required, because of the repair problems that resulted in a significant number being regularly out of service. Diesel buses would be more reliable and provide better service, and this also meant that ATS only had to maintain one type of vehicle. Sommerville believed that these conversion plans received positive comments from elected officials and community leaders, in part, because of the removal of the overhead wires and poles. He also cited the failure of the 1962 vote on the state constitutional amendment to allow the creation of a transit authority to operate a rapid transit system as another reason to ensure that ATS provided a reliable system in the near future since uncertainty existed with regards to a new rapid transit system.<sup>696</sup>

In addition to reducing maintenance costs, the benefits to passengers were that they could ride the bus without transferring at the end of the power line like they had to with trolley buses. The company also turned to buses to deal with the lower population density and keeping costs as low as possible. In 1954, ATS operated 364 miles for a population of 525,300 and in 1963 this grew to 797 miles for 667,600, which mean that the system grew 119 percent for a population that only grew 27 percent. For this low density, buses worked better from a financial standpoint because of no electrical infrastructure to maintain. This lower density meant that ATS looked for ways to utilize those buses as much as possible. Following rush hours, 44 buses ran “Servants Limiteds”

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<sup>696</sup> “Atlanta System Will Replace Trolley Bus Lines With New Diesel Fleet by End of Next Year,” Passenger Transport [clipping], November 16, 1962, Box 161 Folder 13, APTA Records; “Atlanta goes 100% motor coach,” [General Motors advertisement] May 28, 1964, Box 161 Folder 10, APTA Records; “Atlanta Will Eliminate Trackless Trolley Lines,” [clipping], July 14, 1963, Box 161 Folder 10, APTA Records.

to transport maids and other domestic workers out to the suburbs. The service also operated in the evenings to return those to the stop workers downtown.<sup>697</sup>

ATS continued in the 1960s as it had in the 1950s by attempting to reduce its financial costs to maintain and expand operations. However, the company was running out of options to do so. At the same time, political and business leaders began to move on to other solutions to meet the mass transit needs of the growing Atlanta region, much as a similar group had done in Oakland in the 1950s. They would eventually settle on supporting the creation of the Metropolitan Atlanta Rapid Transit Authority (MARTA).

### **6.2 Local 732 and ATS Contract Issues and Other Matters**

Even with the changes to reduce operation costs, ATS did not have the same level of financial flexibility enjoyed by the property tax-supported ACT which could simultaneously expand service, purchase new equipment, maintain low fares to attract customers, and meet union contract demands. With these financial impacts on expanding service and lack of equivalent ridership increase, ATS looked to cut costs with regards to labor contracts. They went through several contentious negotiations with Local 732 in the 1960s. The negotiations did not require arbitration, but the two sides did not reach agreements easily, and Local 732 nearly went on strike twice.

In 1960, Local 732 successfully negotiated for a wage increase in a three-year contract. After weeks of negotiations, workers received a 26-cent per hour wage increase

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<sup>697</sup> "Atlanta goes 100% motor coach," [General Motors advertisement] May 28, 1964, Box 161 Folder 10, APTA Records.

that would be implemented over the three years of the contract. This meant that drivers could potentially make \$2.26 per hour in the third year of the contract.<sup>698</sup>

In 1963, Local 732 again negotiated with ATS for weeks but could not reach an agreement over wages and vacation benefits. Eventually, Local 732 leadership called on the members to accept the offer presented to them which ATS had deemed their final offer.<sup>699</sup> Local 732 members voted to go on strike, but they accepted the contract without following through on that threat. The wage increase, 25 cents per hour, a slightly lower increase than the 1960 contract, but they did receive more vacation days and a new benefit for bereavement leave.<sup>700</sup>

In June 1966, negotiations once again came down to the wire before management and labor came to an agreement that ended the potential for a strike.<sup>701</sup> In 1966, the union worked under a strict no-strike clause with ATS and the ATU leadership advised them how to negotiate contracts so that workers could still potentially strike if a contract did not meet their approval.<sup>702</sup> An agreement was reached on a three-year contract, and, by the final year of the three-year contract, drivers could earn up to \$2.84 per hour, a 33-cent per hour increase. The 33-cent per hour increase was much more than the 9-cent per hour increase proposed by ATS. Local 732 had wanted an increase of 80 cents per hour as well as a shorter contract term, but they agreed to this contract because ATS improved vacation and health insurance benefits.<sup>703</sup>

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<sup>698</sup> Lee Simowitz, "Transit Workers Get Raise," *Atlanta Constitution*, June 22, 1960.

<sup>699</sup> "Transit Union Voting Today To Choose Contract or Strike," *Atlanta Constitution*, June 27, 1963.

<sup>700</sup> "Trolleys Keep Rolling as Union Accepts Pact," *Atlanta Constitution*, June 28, 1963.

<sup>701</sup> "A Difference of 71 Cents Stalls Transit Talks Here," *Atlanta Constitution*, June 21, 1966.

<sup>702</sup> John M. Elliott to Mr. W. W. Haley, August 3, 1966, Box 3 Folder 1, ATU 732 Records.

<sup>703</sup> Lee Simowitz, "Bus Drivers Win 33-Cent Increase," *Atlanta Constitution*, June 24, 1966.

Local 732 had established an effective working partner with ATS president Robert Sommerville, but that came to abrupt end when, in March 1968, Sommerville died unexpectedly when he suffered a fatal heart attack while recuperating from an earlier one. An editorial in the *Atlanta Constitution* praised him for challenging MARTA's plans for the rapid transit system "like the proverbial bull in the china shop" and he broke "some crockery, but when it was all put back together again MARTA emerged much stronger and less inflexible."<sup>704</sup>

Local 732 noted in *In Transit* the productive working relationship they had with Sommerville, describing him as "a great friend to the working man, and too, a great friend to labor." They also pointed to William P. Maynard, his successor, as someone they could work with as well.<sup>705</sup> This praise of both Sommerville and his successor marked a real change from past Local 732 relationships with Georgia Power Company (GPCO) transit management, and Maynard had been a longtime employee of the transit system back to the GPCO days. He started out as an equipment engineer in 1945, and he received a promotion to assistant general manager in 1954. In 1962, he became the assistant to the president, then executive vice president and general manager in 1964. The drivers had become accustomed to encountering Maynard on the buses as a frequent rider.<sup>706</sup>

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<sup>704</sup> "Bob Sommerville: Catalyst Still," *Atlanta Constitution*, April 2, 1968.

<sup>705</sup> "732, Atlanta, GA.," *In Transit*, November 1968.

<sup>706</sup> Margaret Hurst, "Maynard Elected President of Atlanta Transit System," *Atlanta Constitution*, April 4, 1968.

With Maynard, Local 732 continued to have success with contract negotiations. In 1969, Local 732 again won a three-year contract that increased their wages by 64 cents on the base wage rate to \$3.55 per hour. This agreement represented a compromise between the two sides with Local 732 asking for 90 cents per hour and ATS asking for 45 cents per hour. The members voted 472 to 166 in favor of the contract that also included a cost-of-living increase.<sup>707</sup>

Like other private transit systems, ATS struggled to meet all of the union demands for wage increases, and ATS navigated these negotiations, in part, by offering more in fringe benefits rather than wages in attempt to control personnel costs. The negotiations, though, showed that Local 732 wanted to continue to increase wages well beyond what ATS found reasonable. For ATU, these contract negotiations illustrated an ideal labor-management relationship. Although Local 732 did not receive everything they wanted, they avoided costly arbitration and strikes. ATU wanted a continuation of this situation if a public transit authority took over ATS which looked increasingly likely as the 1960s progressed. ATS perhaps believed they would soon benefit from some combination of state and federal funding as it began to run out of options to restructure which impacted maintenance and increased calls for MARTA to buy ATS as the system became run down.

### **6.3 Path to MARTA in the 1960s**

The efforts to create a rapid transit system laid bare various tensions in Atlanta and the region. State and local officials had different ideas of proper funding, and the

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<sup>707</sup> "Bus Drivers Sign New 3-Year Pact," *Atlanta Constitution*, June 27, 1969.

white residents in the suburbs in Atlanta wanted nothing to do with a public transit system in their counties. Questions also swirled about whether ATS would be part of this new authority or if it would become the operator of the system in a contractor situation.

Among the most important to try to move the plans for rapid transit forward would be Atlanta Mayor Ivan Allen, Jr. Allen began his mayoral career in 1962 and distinguished himself immediately when he made several moves towards desegregation and equality in city services, such as the removal of “white” and “colored” signs in city hall, hiring practices in the fire department, and allowing Black police officers to arrest white suspects, though he also bowed to pressure from segregationists and allowed the construction of a barrier between white and Black residential areas in southwest Atlanta, later ruled to be unconstitutional. Allen settled into the traditional Atlanta mayor role of simultaneously leaving race relations unresolved and enabling the city’s growth. He pushed for an increase in downtown construction projects during his eight years in office, and he brought in professional sports teams in baseball, football, and basketball. A new mass transit system fit into this plan of making Atlanta into a major city.<sup>708</sup>

By the early 1960s, groups had begun releasing plans on creating a mass transit system to meet the needs of the growing metropolitan area. The Metropolitan Transit Commission had released several plans in the 1950s that pointed to the need for a long-term rapid transit plan. The successor to that group, the Atlanta Regional Metropolitan Planning Commission released the *Atlanta Region Comprehensive Plan - Rapid Transit*

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<sup>708</sup> Bradley R. Rice, “Ivan Allen Jr. (1911-2003),” in *New Georgia Encyclopedia*, accessed August 1, 2019, <https://www.georgiaencyclopedia.org/articles/government-politics/ivan-allen-jr-1911-2003>.

in 1961 that called for the creation of a public authority to operate a 60-mile system estimated to cost \$215 million. ATS also released its own plan *Rapid...Atlanta* that described a smaller 16-mile system that would use a “carveyer” system in the downtown area that would transport riders in elevated cars. The report also recommended a public authority would hire ATS to operate this new system, a similar arrangement in the failed state legislation in the 1950s.<sup>709</sup> In addition to arguing for government funding for the construction of rapid rail and operating costs paid by the riders, it also outlined how ATS would redesign routes and service to coordinate with the new rapid rail service. In a statement to the U.S. Senate in April 1962 in support of the UMTA transportation bill, Sommerville pointed out that, despite equipment upgrades and improvements, ATS was losing customers even as the area population increased. He stated that this was in large part due to the number of people that used private automobiles for commuting, though he also argued that ATS continued to be an important part of daily transportation needs for those without automobiles such as domestic workers.<sup>710</sup>

In 1962, the Georgia General Assembly involved itself, first by creating a commission and then hiring Parsons, Brinckerhoff, Quade, and Douglas (PBQD) to plan the system.<sup>711</sup> PBQD studied the creation of a rapid transit system in Atlanta and presented a proposal for a \$300 million system of six lines. The Georgia General

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<sup>709</sup> United States Congress. Office of Technology Assessment, *An Assessment of Community Planning for Mass Transit: Volume 2-Atlanta Case Study* (Washington, D.C.: U.S. Congress, Office of Technology Assessment, 1976), 23.

<sup>710</sup> Statement by Robert L. Sommerville, President, Atlanta Transit System to Senate Subcommittee on Housing, Washington, D.C., April 25, 1962, Box 6 Folder 20, ATU 732 Records.

<sup>711</sup> United States Congress. Office of Technology Assessment, *An Assessment of Community Planning for Mass Transit: Volume 2-Atlanta Case Study*, 23.

Assembly passed a constitutional amendment in 1962 that permitted the creation of transit authorities, but voters in a statewide election voted against that. In 1964, the Georgia General Assembly passed a constitutional amendment for the five metro Atlanta counties to vote on in November 1964. If the voters agreed, then the Georgia General Assembly would pass an enabling act for the creation of the actual transit authority. Transit boosters succeeded the second time in 1964 when the constitutional amendment vote occurred only in the counties potentially affected by the system. Boosters of the constitutional amendment had not yet put forward plans to take over the ATS or create a competing bus system.<sup>712</sup>

In March 1965, the Georgia General Assembly passed the Metropolitan Atlanta Rapid Transit Authority (MARTA) Act, then the counties voted on participating in the new authority. The vote produced mixed results. Confusion over vote tabulation occurred in DeKalb and Fulton Counties because the City of Atlanta straddled both counties. Cobb County voters turned down inclusion in MARTA, though there had been indications that voters would do so.<sup>713</sup>

The vote revealed a split in the region's support of a mass transit system. Atlanta downtown business boosters supported the MARTA rapid rail project to make Atlanta a "real" big city. They saw the rail system as an important part of the redesign of downtown in areas located near the planned rapid rail stations. The plans included

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<sup>712</sup> United States Congress. Office of Technology Assessment, 23; Larry Keating, *Atlanta: Race, Class, and Urban Expansion* (Philadelphia: Temple University Press, 2001), 117; Henry L. Taylor to Mr. Eugene B. McCaul, March 18, 1964, Box 115 Folder 2, APTA Records.

<sup>713</sup> Dick Hebert, "Georgia Elects 17 GOPs and 8 Negroes; All Counties Except Cobb Okay Transit," *Atlanta Constitution*, June 17, 1965; United States Congress. Office of Technology Assessment, *An Assessment of Community Planning for Mass Transit: Volume 2-Atlanta Case Study*, 23–24.



zoning laws to restrict construction to high density simultaneously reducing automobile dependence and improving the traffic flow of automobiles which would reduce the need for new road construction.<sup>714</sup>

The suburban counties viewed MARTA with suspicion because of the potential to open up the suburbs and surrendering their segregated residential areas and facilities to federal laws. Cobb County Commissioner Emmett Burton proclaimed that he would turn the Chattahoochee River into a piranha-filled obstacle.<sup>715</sup> Despite these setbacks, enough voters approved of supporting MARTA. As in Oakland and ACTD, a much tougher fight awaited proponents when they had to convince skeptical voters to support a funding package to build rapid rail and acquire ATS.

#### **6.4 Local 732 and the 1968 MARTA Referendum Vote**

Just as ATS navigated uncertain terrain with MARTA, Local 732 had reservations about another management upheaval like the early 1950s and surrendering a relatively stable relationship with ATS management. Unlike Local 192 and the Key System, Local 732 had a much better relationship with ATS, and Local 732 turned out to be a much more reluctant partner. They had been keeping an eye on developments with regards to the proposed rapid rail system, especially the potential impacts on members' jobs. In the beginning, ATU did not support the 1962 constitutional amendment since the plan for the transit authority did not include details about the continuation of collective bargaining. Bernard Cushman, the ATU General Counsel, warned Local 732 that the rapid rail

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<sup>714</sup> Keating, *Atlanta*, 113–14.

<sup>715</sup> Kruse, *White Flight*, 248.

system supporters appeared likely to continue to push a constitutional amendment that would not have labor protections. Cushman said that ATU would need counter “propaganda designed to elicit support for a transit authority which will not be empowered to engage in collective bargaining.”<sup>716</sup>

In 1963, Local 732 dispatched its attorney, Thomas Carter, to the Georgia State Senate to argue for the retention of collective bargaining for those employed by the new rapid transit system. The union worried about problems that workers could have with the new system management because it would not be run by a private company. The union also worried about bus drivers and mechanics losing their jobs because the existing number of buses and routes would not be necessary with rapid transit a similar concern to the BART impact on Local 192 members. Among other arguments, Carter brought up Executive Order Number 10988 concerning collective bargaining rights for Federal employees. Cushman cautioned against using that because “employees of publicly owned transit facilities enjoy a system of labor relations closer to that prevailing in the private industry.”<sup>717</sup>

Between those initial votes on the constitutional amendments and the 1968 funding referendum, the 1964 UMTA Act had passed with 13(c) protections. In June 1968 ATU President John M. Elliott answered concerns from the new Local 732

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<sup>716</sup> Bernard Cushman to Mr. J. W. Hardegree, January 21, 1964, Box 3 Folder 5, ATU 732 Records; Bernard Cushman to Mr. J. W. Hardegree, January 27, 1964, Box 3 Folder 5, ATU 732 Records.

<sup>717</sup> Bernard Cushman to Thomas L. Carter, Jr., Esq., December 19, 1963, Box 6 Folder 20, ATU 732 Records; Thomas L. Carter, Jr. to Bernard Cushman, General Counsel, December 11, 1963, Box 6 Folder 20, ATU 732 Records; Thomas L. Carter, Jr. to Mrs. C. E. Foster, December 12, 1963, Box 6 Folder 20, ATU 732 Records; Memorandum on Rapid Transit and Collective Bargaining, December 11, 1963, Box 6 Folder 20, ATU 732 Records.

president, Curtis J. Jacobs, about protecting worker rights through state legislation in time for the November 1968 bond referendum. He advised that there was little chance of such a law protecting transit workers passing, but he pointed out that MARTA would have trouble existing without federal assistance. The use of federal funds meant that MARTA would have to meet and agree to 13(c) requirements.<sup>718</sup>

Jacobs had recently won the election for president, defeating the incumbent W. W. “Bill” Haley in the December 1967 election with his supporters reciting the slogan “Everything is Jake” that reflected a desire for “peace and harmony” in Local 732. Along with Jacobs, several other members defeated incumbents for leadership positions in the 1967 election. A Navy World War II veteran, Jacobs began work for GPCO as a mechanic in 1944 and would prove to be a popular president, winning re-election multiple times in the 1970s.<sup>719</sup>

During last minute discussions in October 1968 between MARTA General Manager H. L. Stuart and Jacobs, Stuart assured Jacobs that MARTA would be honoring 13(c) such as seniority and arbitration. In return, the MARTA manager requested a no-strike clause and for the union to support the rapid rail system. Stuart also pointed out that with more buses and routes to supplement the rail system that there would be more job opportunities, but he also indicated that the plans for MARTA and ATS had not been

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<sup>718</sup> John M. Elliott to Mr. C. J. Jacobs, June 7, 1968, Box 3 Folder 2, ATU 732 Records.

<sup>719</sup> “732, Atlanta, GA.,” *In Transit*, April 1968; “Mr. Curtis J. Jacobs,” *Atlanta Constitution*, April 30, 1991; C. J. Jacobs to Mr. John Rowland, December 7, 1976, Box 1634 Folder 2, ATU 732 Records; “732, Atlanta, Ga.,” *In Transit*, March 1974.

finalized, so Local 732 still could not determine if they would become part of MARTA or if they would lose jobs.<sup>720</sup>

Jacobs dismissed assurances by Stuart that Local 732 workers would have adequate labor protections without state legislation, and he encouraged both the Atlanta Labor Council and the Georgia State AFL-CIO to oppose the 1968 funding referendum, which they did. Additionally, Jacobs publicly expressed support for an expanded rapid bus system that could be constructed faster and at a cost far below rapid rail.<sup>721</sup> Though Jacobs raised cost issues, the absence of collective bargaining rights in the state legislation drove the objection to the referendum. In addition, Local 732 raised concerns about adverse effect if MARTA competed with ATS rather than purchasing and taking over the ATS operations, a similar concern expressed by Local 192 in their dispute with BART management on priority employment.

Local 732 placed an advertisement in the *Atlanta Constitution* that stated the opposition by the Atlanta Labor Council and the Georgia State AFL-CIO and urged voters to not support the referendum. The advertisement warned that homeowners and renters would end up paying for the system for decades through property taxes, an argument similar to that made by the Contra Costa County Central Labor Council during the ACTD bond vote. They also framed the new system as one in which Local 732

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<sup>720</sup> [C. J. Jacobs] to Mr. H. L. Stuart, October 29, 1968, Box 6 Folder 9, ATU 732 Records; H. L. Stuart to Mr. C. J. Jacobs, October 23, 1968, Box 6 Folder 9, ATU 732 Records; H. L. Stuart to Mr. C. J. Jacobs, President, October 25, 1968, Box 6 Folder 9, ATU 732 Records; H. L. Stuart to Mr. C. J. Jacobs, President, October 30, 1968, Box 6 Folder 9, ATU 732 Records; Dick Hebert, "Atlanta Can Plan Realistically on Transit Aid, Officials Say," *Atlanta Constitution*, November 1, 1968.

<sup>721</sup> Special Meeting, October 22, 1968, Box 6 Folder 18, ATU 732 Records; "Atlanta Labor Council and Georgia State AFL-CIO Oppose Rapid Transit as Proposed in Referendum," [clipping, October 1968], Box 6 Folder 9, ATU 732 Records.

members would lose collective bargaining rights and other working conditions under MARTA in addition to losing ATS jobs because of the competition from MARTA. “This kind of thing is what causes marching, strikes, and demonstrations. We certainly don’t need any more of these things in our country.”<sup>722</sup> If the referendum passed without labor provisions, then Local 732 threatened they would be forced into adding to the upheaval of the late 1960s that included civil rights protests, sanitation strikes, and anti-Vietnam War demonstrations.<sup>723</sup> Although not outspoken in their support of those strikes, demonstrations, and protests, Local 732 seemed to suggest that the labor peace that had prevailed between them and transit management could come to an end under a public system management that did not guarantee collective bargaining and other rights. They could just as easily contribute to the upheaval as any other group. Despite the years since the last strike, this policy of labor-management cooperation encouraged by the ATU leadership could change if the state removed their rights.

This lack of labor support would prove to be a final nail in the coffin of a lackluster campaign for the referendum. Since 1966 MARTA had run a public relations campaign that included speakers sent out to present to community groups, a newsletter, and hiring a public information director. They also displayed a rapid transit vehicle similar to the one that would operate in San Francisco. Although they had this multi-year public relations campaign, the actual political campaign for rallying support for the referendum in 1968 lasted for a much shorter period of time. MARTA officials had to

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<sup>722</sup> “Vote No on Rapid Transit,” *Atlanta Constitution*, November 3, 1968.

<sup>723</sup> McCartin, ““Fire the Hell out of Them,”” 73–77; Stone, *Regime Politics*, 70–71, 75; Van Gosse, *Rethinking the New Left: An Interpretative History* (New York: Palgrave Macmillan, 2005), 93.

make a major recalculation of the total system cost because of what had happened in San Francisco with the BART cost inflation. This then required further discussion with local governments to figure out the cost share before they could present a final figure to the public for the campaign.<sup>724</sup>

A private group that supported MARTA, Rapid Transit Now!, did not produce campaign brochures until mid-October in 1968, hampering plans to deliver the brochures to voters' homes. This resulted in a more limited system of volunteers handing out brochures in public. When MARTA officials received airtime on radio and television to discuss the positive aspects of expanded mass transit, opponents complained that they should also have equal time to present their argument against it. This provided opponents with the opportunity to sow doubt among voters that the MARTA plan had not properly evaluated less expensive options.<sup>725</sup>

The support for the rapid transit system was simply too shallow in part due to MARTA public relations not reaching enough of the voting public and those efforts also not explaining the technical process. Some of the misunderstanding about the technical aspects had to do with the lack of detail in the MARTA campaign literature. For instance, some voters didn't even know about the feeder bus system that would take riders to rapid transit stations. This point was especially crucial to garner support from the Black community since they expressed concern that their neighborhoods had too few

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<sup>724</sup> Matthew A. Coogan et al., *Transportation Politics in Atlanta: The Mass Transit Bond Referendum of November, 1968: With Comparisons to Referenda in Los Angeles, San Francisco, Seattle, and Washington, D.C.* (Cambridge, Mass.: Harvard Law School, 1970), 108–10.

<sup>725</sup> Coogan et al., 112–14.

stations compared with white neighborhoods. They especially did not like that MARTA rapid rail would not extend to the Perry Homes housing project. Both the radical Metropolitan Atlanta Summit Leadership Congress and the moderate Atlanta Summit Leadership Conference, opposed MARTA based on the belief that their views had been ignored in the planning process, and that whites in support of MARTA viewed them as reliable voters rather than true partners. An example of this lack of outreach was MARTA hiring a Black liaison to the Black community immediately before the election rather than weeks or months prior.<sup>726</sup>

MARTA supporters had disagreed about holding the vote for MARTA in November 1968 or waiting until 1969 to hold a special election. Those who favored a special election in 1969 believed that the focus on a single issue would be more likely to convince voters rather than the competing issues of a general election. The MARTA board moved forward with the November 1968 plan despite the presidential election.<sup>727</sup> Sensing a doomed campaign, Mayor Allen thought that the 1968 vote would be too rushed, and he did not express full public support.<sup>728</sup> In addition, the plan that the MARTA board presented to the public in 1968 contained several problems: no plans to include the bus system, notifying the public only a few months prior to the vote, and a funding plan supported by property taxes.<sup>729</sup>

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<sup>726</sup> Coogan et al., 115, 118, 122–23.

<sup>727</sup> Coogan et al., 111.

<sup>728</sup> Coogan et al., 24–25, 119.

<sup>729</sup> Truman A. Hartshorn, *Metropolis in Georgia: Atlanta's Rise as a Major Transaction Center* (Cambridge, Mass.: Ballinger Pub. Co., 1976), 39.

In November 1968, voters rejected handing the bond-issuing authority to MARTA by 58 to 42 percent in Atlanta, 64 to 36 percent in Fulton County, and 54 to 46 percent in DeKalb County.<sup>730</sup> A coalition of labor unions, the Black community, and conservative voters prevented its passage despite the strong support from the areas most populated by the white business elite. In particular, Black voters rejected it by 2-to-1, and this showed their ability to pressure the white business elite for better terms on such projects that they found unacceptable.<sup>731</sup> Additionally, the use of the property tax to fund the system was not viewed favorably by homeowners of diffuse demographic groups.<sup>732</sup>

Local 732 along with other unions proved to be a major reason for the vote failure. Local 732 specifically did not see how their collective bargaining rights would be preserved under the new system. Elliott congratulated the Local 732 on their efforts to defeat the November 1968 bond proposal for MARTA. Elliott argued that the union should not support funding for MARTA executives who will “secure finances which will in turn assure them of establishing for themselves well-paying jobs” while Local 732 members have few or no guarantees for collective bargaining rights.<sup>733</sup>

Several different conservative individuals and groups campaigned against the rapid transit system. Although they did not coordinate their activities under an umbrella organization, they did present similar arguments about the financial underpinnings of the plan. Alderman G. Everett Millican had served in Atlanta area politics for decades,

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<sup>730</sup> “Rapid Transit Fails By Heavy Margin,” [newspaper clipping], November 6, 1968, Box 2 Folder 13, ] ATU 732 Records.

<sup>731</sup> Keating, *Atlanta*, 122.

<sup>732</sup> United States Congress. Office of Technology Assessment, *An Assessment of Community Planning for Mass Transit: Volume 2-Atlanta Case Study*, 17–18.

<sup>733</sup> John M. Elliott to Mr. W. L. Boyd, November 11, 1968, Box 3 Folder 2, ATU 732 Records.



beginning as an alderman in 1927 and later as a state senator representing Fulton County. Throughout his career, he had made efforts to reduce what he saw as government waste, particularly through consolidating city services and reducing the number of elected offices.<sup>734</sup>

Millican voiced concerns about financing and expressed skepticism with the reliance on federal funds and how they might not be available in the future as planned. He advocated alternative proposals for expanding expressways and dispersing businesses from the central core. He also questioned converting ATS from private to public since it would no longer pay franchise fees nor be under the regulations of the Georgia Public Service Commission (PSC) like other utilities.<sup>735</sup> The other two critics, conservative conspiracy organization the John Birch Society and segregationist Georgia Governor Lester Maddox, agreed with Millican's assessment and raised concerns about MARTA's accountability to the public and whether the cost of the system could balloon far beyond the estimates provided by MARTA.<sup>736</sup>

As governor, elected in 1966, Maddox made his objections to MARTA known by vetoing amendments to the MARTA Act in April 1968 that the Georgia General

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<sup>734</sup> Gail Epstein, "'Elder Statesman' G.E. Millican Dies," *Atlanta Constitution*, February 10, 1979.

<sup>735</sup> "Millican's Opposition to Proposed Rapid Transit Bond Issue," [Newspaper clipping, 1968], Box 6 Folder 9, ATU 732 Records; "To the Voters of Atlanta, Fulton and DeKalb," [Newspaper advertisement clipping, 1968], Box 6 Folder 9, ATU 732 Records; "Will Rapid Transit Serve You...Where You Live?? Get the Facts!!," [Newspaper advertisement clipping, 1968], Box 6 Folder 9, ATU 732 Records; "Government Gets Reins on MARTA," [Newspaper clipping, 1968], Box 6 Folder 9, ATU 732 Records.

<sup>736</sup> Coogan et al., *Transportation Politics in Atlanta*, 116–17; Jeet Heer, "John Birch Society," in *St. James Encyclopedia of Popular Culture*, ed. Thomas Riggs (St. James Press, 2013), 90; Justin Lystron, "Lester Maddox (1915-2003)," in *New Georgia Encyclopedia*, accessed August 1, 2019, <https://www.georgiaencyclopedia.org/articles/government-politics/lester-maddox-1915-2003>.

Assembly overwhelmingly passed.<sup>737</sup> Maddox didn't like the amendments because he and others believed that low interest rates would lead to MARTA selling a large amount of bonds thereby placing a financial burden on taxpayers. He also didn't like allowing MARTA to take over ATS or any other private system. MARTA officials protested that this would restrict how long it would take to sell bonds and end up costing taxpayers more because of construction delays.<sup>738</sup> In 1969 Maddox vetoed another amendment similar to those passed in 1968, and he stressed his opposition to funding MARTA through property taxes.<sup>739</sup>

Perhaps MARTA should have done more to advertise their procurement of new buses as an example of how they could make improvements without burdening tax payers. MARTA leased buses to ATS, and then planned to use ATS payments on the lease to repay the loan. MARTA approved of this new method of acquiring buses in May when the board worked with a local bank on a loan for the buses, and then accepted the low bid from General Motors in June. In July 1968, the ten new buses purchased by MARTA arrived in Atlanta to be leased and operated by ATS. MARTA officials explained that the new buses included modern air conditioning and advanced engine design to operate more effectively in a variety of traffic conditions. The buses also fulfilled MARTA's goal of providing a balanced transit system of both rapid rail and buses.<sup>740</sup> Of course, a problem with pursuing this model without federal funding was the

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<sup>737</sup> United States Congress. Office of Technology Assessment, *An Assessment of Community Planning for Mass Transit: Volume 2-Atlanta Case Study*, 24.

<sup>738</sup> "Governor Vetoes Transit Changes," *Atlanta Constitution*, April 13, 1968.

<sup>739</sup> Achsah Nesmith, "Charter Panel Gets Go Ahead," *Atlanta Constitution*, April 30, 1969.

<sup>740</sup> "MARTA-ATS Buses Arrive," *Rapid Transit Progress*, June-July 1968, Box 6 Folder 21, ATU 732 Records.

distinct possibility that ATS would be unable to generate the revenue to meet the repayment obligations.

This funding situation would not be sustainable for building a rapid rail system. The MARTA movement failed with a bad public relations campaign, a reluctant coalition, and an unfriendly governor undermining the process. MARTA boosters would need to regroup and hope for a more favorable political climate in the future. Local 732 showed their strength in the process and that they would not be willing partners since they had a good relationship with ATS, unlike Local 192 and Key System. They clearly understood their power to make demands for collective bargaining in a public system as Local 192 had done with the creation of ACTD.

### **6.5 Bus Crime and Financial Problems**

As the political movement for MARTA stumbled along, the situation for ATS became increasingly dire. As in Oakland, a surge in crime on buses presented an image of a dangerous transit system, the last thing a bus system with an increasingly poor financial situation needed. Workplace safety was among a number of issues that rank-and-file transit workers began to raise with more frequency by the late 1960s and early 1970s.

The hard currency drivers carried had long made drivers targets for robbery. In the early 1930s, Atlanta bus drivers and trolley operators experienced a surge of hold-ups during the Depression. This continued to be a regular occurrence in the following years, particularly at the end of the trolley lines, though serious injury did not occur and the company was more concerned with bus drivers carelessly losing the money. This issue

escalated dramatically in 1959 when robbers shot and killed a trolley operator, and armed robbery increased in the 1960s.<sup>741</sup> The robberies had become so frequent that the concerns about driver safety had led to a shortage of drivers at night because drivers simply quit rather than work night shifts.<sup>742</sup> From April through May 1968, the bus drivers faced increasingly dangerous situations with armed robberies on the buses. In several robberies of the change boxes, bus drivers were beaten with pistols before being robbed and one was shot twice.<sup>743</sup>

In October 1968, ATU dispatched Vice President R. C. Wallace to Atlanta to work with Local 732 on a solution to robberies after Local 732 contacted ATU for assistance. Wallace had experience with how other locals had confronted this problem, particularly using the exact fare system like the one in Oakland, so he could provide guidance to Local 732 on working with ATS on a solution.<sup>744</sup> ATU called a meeting for October 24, 1968, to discuss the rash of bus driver robberies; the union discussed whether drivers should refuse to carry the cash that made them such a tempting target. “Since we can’t seem to obtain adequate protection for our members, while we are working for our livelihood, it is time we take action on this matter.”<sup>745</sup>

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<sup>741</sup> Martin, *Mule to MARTA*, 178; John Gerson to Mr. J. P. Thomas, President, February 2, 1954, Box 275 Folder 16, ATS Records; Warren Bosworth, “\$5,000 Reward Posted in Slaying of Bus Operator,” *Atlanta Constitution*, February 16, 1959.

<sup>742</sup> Angel Castillo, “Exact Fare System Deters Robberies on City Buses,” *Atlanta Constitution*, December 25, 1969.

<sup>743</sup> Atlanta Police Department Offenses Against Property [completed forms], April 9-May 25, 1968, Box 5 Folder 13, ATU 732 Records.

<sup>744</sup> John M. Elliott to Mr. R. C. Wallace, October 11, 1968, Box 3 Folder 2, ATU 732 Records.

<sup>745</sup> Special Meeting, October 22, 1968, Box 6 Folder 18, ATU 732 Records.

Attempts to deter the crimes or capture the perpetrators failed. The two-way radios installed on the buses on the most problematic routes did not deter criminals even though bus drivers had direct contact with the dispatchers. The cash rewards offered by ATS for information about the robbers produced some leads, but nothing that satisfied Local 732's concerns about the safety problem. Local 732 stated that the drivers would not carry \$100 in change. ATS also became aware that about half the night drivers carried handguns, which made a dangerous situation even more alarming. With drivers refusing to carry change, armed drivers, increasing rates of robberies rather than elimination of robberies, ATS approached the Public Service Commission (PSC) for permission to change the policy. The ATS asked that passengers either have the required fare or that they would have to accept a voucher if they overpaid. Passengers could still purchase tokens ahead of time to use on the buses. When ATS requested this change in November 1968, the exact fare plan was already in use in other major cities, including Oakland. The PSC agreed and ATS implemented the exact fare plan on December 1. Riders had to have the exact fare, or they would receive no more than five dollars in the form of a refund slip that they would have to turn in to the ATS offices. As had occurred in other cities such as Oakland, the plan essentially eliminated the bus driver robberies.<sup>746</sup> Editorials in local newspapers supported this change, and Tom O. Duval, the ATS superintendent of transportation, marveled at the change, and also noted the improved

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<sup>746</sup> "Sad, But Necessary," Atlanta Constitution [clipping], November 20, 1968, Box 2 Folder 13, ATU 732 Records; "Exact Fare OK'd for Buses," [newspaper clipping, November 1968], Box 2 Folder 13, ATU 732 Records; "101 Robberies Bring Showdown," [newspaper clipping, November 1968], Box 2 Folder 13, ATU 732 Records.

boarding times as an unintentional benefit.<sup>747</sup> Even with the exact fare plan, drivers remained vulnerable to random and unprovoked attacks, such as issuing reminders about the bus rules. By October 1969, ATS had established a group to address school bus vandalism.<sup>748</sup>

Even with addressing the bus crime issue, this could not solve the main ATS structural problems. Unlike ACT in Oakland, ATS did not have a property tax revenue stream which created a need to fund the system through higher fares. ATS argued that the rising labor and other costs of operating the system coupled with the decline in revenue required them to ask for another fare increase so that they could maintain something close to reliable service for the riding public. Organizations speaking on behalf of riders, such as the Legal Aid Society and the Fulton County Democratic Party, insisted on no more fare increases and reduced fares for senior citizens. They argued that these fare increases harmed the most vulnerable in the community that depended on transit every day including domestic workers, school children, college students, and the elderly. They argued that the PSC was not allowing for enough hearings to understand the ATS demands for fare increases and if the company genuinely needed the fare increase to 35 cents to operate or to make a profit.<sup>749</sup>

Rider advocates also criticized the routing of the bus system as inadequate because of the hub-and-spoke system that routed all buses into a central area downtown

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<sup>747</sup> Castillo, "Exact Fare System Deters Robberies on City Buses"; Henry Taylor to Mrs. Ruth Tabor, Editor, November 29, 1968, Box 74 Folder 6, APTA Records.

<sup>748</sup> T. O. Duvall to All Employees, General Order No. 69, October 27, 1969, Box 3 Folder 15, ATU 732 Records.

<sup>749</sup> "Meetings Will Protest Atlanta Bus Increase," *Atlanta Voice*, August 24, 1969.

where riders transferred to another bus. This system did not serve those riders who needed to travel across the city without going through downtown. With the fare increases, riders would pay more for a transit system that did not serve their needs in an urban area no longer concentrated in downtown Atlanta.<sup>750</sup>

In addition to rising fares, riders also had to deal with inadequate infrastructure. An incident that occurred at a downtown bus stop illustrated this issue. A dispute on February 15, 1971, developed into a small riot with fights and property destruction. The incident was traced back to the uncovered and overcrowded downtown sidewalk areas where riders had to wait for buses. To make matters worse, those frustrated riders often found arriving buses packed tight. MARTA pointed to the rapid rail system as a solution to meet the demand for mass transit.<sup>751</sup>

The PSC believed a private bus system dependent on making a profit was simply no longer possible and that Atlanta needed either some sort of heavy tax relief or direct support of the current bus system. One commissioner noted the futility of continuing to raise fares as the ridership declined and the importance of public operation to halt the cycle of decline and raising fares.<sup>752</sup> Supporters of public funding included UMTA Administrator Carlos Villareal who encouraged MARTA to buy ATS because otherwise it would cease to exist.<sup>753</sup>

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<sup>750</sup> Application of Atlanta Transit System, Inc., and its wholly-owned subsidiary, Metropolitan Transit System, Inc., for authority to increase certain fares, March 4, 1971, Box 1629 Folder 105, National Domestic Workers Union (U.S.) Records, L1979-24, Southern Labor Archives. Special Collections and Archives, Georgia State University, Atlanta. [hereafter NDWU Records].

<sup>751</sup> "Too Many People Wait For Too Little," *Atlanta Voice*, February 27, 1971.

<sup>752</sup> Application of Atlanta Transit System, Inc., and its wholly-owned subsidiary, Metropolitan Transit System, Inc., for authority to increase certain fares, March 4, 1971, Box 1629 Folder 105, NDWU Records.

<sup>753</sup> Bob Hurt, "Buy Bus System, U.S. Asks," *Atlanta Constitution*, December 16, 1970.

The PSC ordered ATS to investigate government tax relief as well as offering the company for sale to a government transit agency, and, in January 1970, the state tax commission acted on the relief request and removed the three percent sales tax on transit fares. By March 1970, MARTA began studying the acquisition of ATS, although the ATS president pointed out at the PSC hearing in March 1971 that he knew such action would not come immediately and argued that the fare increase must be allowed so that the transit system could continue to operate in its present form.<sup>754</sup>

As a result of the dire financial situation, ATS submitted a 5-cent fare increase from 35 to 40 cents to the PSC in November of 1970. ATS argued that the spiraling labor and other costs of operating the system coupled with the decline in revenue required them this fare increase to maintain reliable service. ATS estimated that they would operate at a loss of \$1 million without the fare increase. Maynard, the president of ATS, pointed out that the system had operated for 16 years without making a profit. The PSC itself recognized the problems with operating the ATS in the current climate of inflation, and ultimately did allow for a fare increase, with the exception of school children fares.<sup>755</sup>

The riding public expressed skepticism such as in an editorial in the African American newspaper *Atlanta Voice*. The author dismissed the ATS claims of financial insecurity by pointing to the parent company of ATS, Southeastern Capital Corporation,

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<sup>754</sup> Application of Atlanta Transit System, Inc., and its wholly-owned subsidiary, Metropolitan Transit System, Inc., for authority to increase certain fares, March 4, 1971, Box 1629 Folder 105, NDWU Records.

<sup>755</sup> Application of Atlanta Transit System, Inc., and its wholly-owned subsidiary, Metropolitan Transit System, Inc., for authority to increase certain fares, March 4, 1971, Box 1629 Folder 105, NDWU Records.



and that the company made enough in profits to pay a dividend to shareholders. In his view, there was no need to pay “40 cents to ride one of those lurching monsters.”<sup>756</sup>

By the early 1970s, the situation for ATS had become exceptionally dire. After solving the crime problem, the financial problem presented a daunting challenge. The solutions to those financial problems, other than raising fares, had appeared to have been exhausted, and ATS could no longer maintain the system. Although the drivers had benefited from the ATS financial plan, they now operated on an increasingly dilapidated system with unhappy riders. Although they no longer had to fear the bus robberies, there was now the possibility that the bus system might collapse.

### **6.6 New Mayor, New Governor, and the Final Push for MARTA**

A successful vote to fund MARTA needed both the labor and the Black communities. A change in city leadership aided in building that coalition. In 1969, voters elected Sam Massell the first Jewish mayor. Ben Massell, Sam’s uncle, had been a well-known developer in the Atlanta building industry. Massell was elected with strong support from the Black community, and he saw the passage of MARTA as a way to maintain that support. He proposed a busway for connecting Perry Homes, a public housing community populated largely by African Americans, with the rapid rail system and funding the system through an income tax rather than a property tax.<sup>757</sup> Along with Massell, voters elected Maynard Jackson as Vice Mayor, and he would go on to become

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<sup>756</sup> “Something’s Fishy About That Bus Fare Hike,” *Atlanta Voice*, May 13, 1971.

<sup>757</sup> Keating, *Atlanta*, 125; “Sam Massell | New Georgia Encyclopedia,” accessed October 3, 2019, <https://www.georgiaencyclopedia.org/file/7439>.

the first Black mayor of Atlanta in 1973 when he ran against Massell and won.<sup>758</sup>

Jackson had been one of the most vocal critics of ATS fare increases and their impact on the Black community. Jackson argued that “[i]f the Atlanta Transit System is unable to pay its bills without continuously and callously raising its bus fares then it ought to get out of the business.” Those who had to depend on the ATS unreliable service on a daily basis were the least able to afford the fare increases, and “the pleas of the elderly and the working poor for relief from outrageous bus fares have received a lot of mouth, but [no] action.”<sup>759</sup>

As part of their efforts to build up support for MARTA in the Black community, MARTA hired Morris Dillard, an opponent of the 1968 referendum and who had worked for the NAACP. Dillard worked specifically with Black community groups for input into how the system could best meet their needs, and he cited fares as one of the most pressing issues. If MARTA did not lower fares, then the new system could end up losing even more business without reasonable fares to attract passengers.<sup>760</sup> Although the white neighborhood groups focused more on design aspects of the system and construction, they also agreed on the need for lower fares.<sup>761</sup>

Another constituency, organized labor, also required a different strategy by MARTA to gain their support. The lack of collective bargaining protections was a major reason that Local 732 did not support the 1968 referendum. To bring Local 732 in as a

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<sup>758</sup> Bradley R. Rice, “Maynard Jackson (1938-2003),” in *New Georgia Encyclopedia*, accessed August 1, 2019, <https://www.georgiaencyclopedia.org/articles/government-politics/maynard-jackson-1938-2003>.

<sup>759</sup> “Vice Mayor Says People Milked By Fare Increase,” *Atlanta Voice*, March 13, 1971.

<sup>760</sup> “Seeks Out Transit Wishes of Community,” *Atlanta Voice*, January 16, 1971.

<sup>761</sup> J. Lowell Ware, “From the Desk of the Editor,” *Atlanta Voice*, July 24, 1971.

supporter, MARTA officials supported including collective bargaining protections in the revised state legislation.<sup>762</sup> Massell also sought to shore up support among labor by his appointment of John Wright, President of the AFL-CIO Atlanta Labor Council, to the MARTA board when Massell essentially pushed out MARTA Board Chairman Rawson Haverty, a move some construed as retribution against Haverty for not supporting Massell's mayoral campaign. In the past, labor representatives did not ever receive these posts, so this was a significant move and showed the importance that Massell placed on winning over the labor vote. Wright would go on to become MARTA board chairman in 1975 and serve until 1978 when he resigned to run for a seat on the Fulton County Commission. Although Wright had obvious ties to labor, he maintained distance over matters concerning contract negotiations while on the MARTA Board.<sup>763</sup>

The election of Jimmy Carter as governor in 1970 proved to be a pivotal moment in pushing MARTA through, though Maddox remained in power as the lieutenant governor. Maddox used his power in the state senate to shape the legislation, particularly on the funding of the system. There seemed to be no doubt that Maddox would have scrapped rapid transit if he had been governor instead of Carter.<sup>764</sup> Maddox denied that he tried to kill the legislation, and he claimed he supported rapid transit, but he clearly did not really have a grasp on how all the moving parts were essential to making the bus system improvements to bring in riders before the beginning of rapid rail. He thought

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<sup>762</sup> United States Congress. Office of Technology Assessment, *An Assessment of Community Planning for Mass Transit: Volume 2-Atlanta Case Study*, 18.

<sup>763</sup> "Massell Ousts MARTA Chairman," *Atlanta Constitution*, January 5, 1971; Sharon Bailey, "Contract May Scuttle MARTA Fare," *Atlanta Constitution*, April 9, 1975; Sharon Bailey, "Union Asks MARTA For 'Final Offer,'" *Atlanta Constitution*, June 27, 1978; Keating, *Atlanta*, 125.

<sup>764</sup> Bill Collins, "Rapid Transit Bills Edge Past Senate," *Atlanta Constitution*, March 7, 1971.

that the sales tax would end up with \$1 billion extra which would amount to a slush fund, but this money was essential because of the inflation and cost overruns experienced by BART meant that MARTA wanted to have more money for unexpected inflation.<sup>765</sup>

Carter made a deal to remove state sales tax support but to boost local sales tax support to one cent, with the idea being that people from all over the state visit Atlanta and would spend money and pay the sales tax.<sup>766</sup> Maddox strong-armed the senate to allow for the one-cent sales tax to go down to half cent after 10 years and only for capital costs.<sup>767</sup> The house passed the legislation that permitted MARTA to purchase ATS in addition to other measures to allow MARTA to receive federal funding and the adjustments to the bonds that Maddox had twice vetoed as governor in the late 1960s.<sup>768</sup> In March 1971, Carter completed the process by signing the bills.<sup>769</sup>

In April 1971, MARTA released a statement that clearly outlined their intentions for purchasing ATS and transitioning Local 732 members into the new public system. The proposed plans included establishing the bus routes as a feeder system for the rapid rail system, and an improved bus system that would reach areas that had been receiving inadequate service. The two-pronged approach included two plans: one short-term and one long-term. The short-term improved the bus system by making route and equipment upgrades, and the long-term plan integrated the enhanced bus service with the rapid rail

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<sup>765</sup> Alex Coffin, "Maddox Hits Transit Plan," *Atlanta Constitution*, March 26, 1971.

<sup>766</sup> University of Georgia. Department of Political Science, *Mass Transit Management: Case Studies of the Metropolitan Atlanta Rapid Transit Authority: Final Report* (Washington, D.C.: Technology Sharing Program, U.S. Dept. of Transportation, 1981), I-15, II-2.

<sup>767</sup> University of Georgia. Department of Political Science, I-15.

<sup>768</sup> "Transit Bill Voted in House," *Atlanta Constitution*, February 16, 1971.

<sup>769</sup> United States Congress. Office of Technology Assessment, *An Assessment of Community Planning for Mass Transit: Volume 2-Atlanta Case Study*, 25.

for a balanced system. With the plans, MARTA sought to improve the transit system everywhere so that it would be a more attractive option, particularly to commuters who owned cars. Assurances by MARTA for a smooth transition process included a contract for the period in between private and public ownership and that “ATS employees will become employees of MARTA.”<sup>770</sup>

This time, Local 732 found MARTA’s assurances of labor protections to be convincing enough and they threw their support behind the November 1971 referendum. MARTA also received the support of another important union, the National Domestic Workers Union (NDWU). The NDWU proved to be effective community partners to encourage a strong turnout in favor of the plan. Increasingly poor bus service and high fares particularly affected the members of that union, and takeover and infusion of funds into the bus system appealed to them.<sup>771</sup>

With the labor vote appearing to be more secure, Black support for the 1971 referendum required changes to the MARTA plans to provide adequate service to predominantly their neighborhoods.<sup>772</sup> MARTA changed the plans for rapid rail, in part, to meet a key demand. The Black community disapproved of an east-west busway to predominantly Black areas while white areas enjoyed north-south rapid rail. MARTA altered the plans to include an east-west rapid rail line and an extension to Perry Homes. MARTA also stressed the importance of upgrading ATS to make the proposal acceptable

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<sup>770</sup> Transit System Purchase Policies, April 6, 1971, Box 6 Folder 9, ATU 732 Records; Henry L. Stuart and Terrell W. Hill to Mr. C. J. Jacobs, President, December 3, 1971, Box 1634 Folder 3, ATU 732 Records.

<sup>771</sup> [National Domestic Worker’s Union of America flyer in support of MARTA], October 29, 1971, Box 1629 Folder 107, NDWU Records.

<sup>772</sup> Keating, *Atlanta*, 114.

because many in the Black community used the bus system and desired new equipment to replace the rundown fleet.<sup>773</sup>

The MARTA supporters needed every last one of those votes to pull off the narrow victories in Fulton County 55,736 to 53,725 and DeKalb County 39,441 to 36,100. The attention paid to the Black community aided in increasing their support, though they did not overwhelmingly vote in favor. White voters in higher income Atlanta neighborhoods made the difference by voting in favor.<sup>774</sup>

As expected, Clayton County and Gwinnett County voters overwhelmingly rejected the opportunity to join MARTA. White voters in the southern sections of Fulton County and DeKalb County viewed the rapid rail system as another way to desegregate housing and public spaces, much like voters in Clayton County and Gwinnett County. Clayton County and Gwinnett County officials publicly argued that the main issue for voters was the additional sales tax to pay for a system that would not serve their needs because of the lack of stations and the subsidizing of the 15-cent fare since residents in those counties would not ride the bus, though this could have been a not-so-subtle way to say that whites did not want to subsidize the bus fares for Blacks.<sup>775</sup>

The main opponents of the rapid rail system expressed displeasure over the outcome and pledged to continue the fight against it. They raised issues about how the vote took place with paper ballots and proponents distributing misleading information.

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<sup>773</sup> Stone, *Regime Politics*, 100; United States Congress. Office of Technology Assessment, *An Assessment of Community Planning for Mass Transit: Volume 2-Atlanta Case Study*, 24–25.

<sup>774</sup> Alex Coffin, “Voters in Fulton, DeKalb Okay Rapid Transit Plans,” *Atlanta Constitution*, November 10, 1971; Reg Murphy, “Middle, Upper Income Whites Put It Over,” *Atlanta Constitution*, November 10, 1971.

<sup>775</sup> Coffin, “Voters in Fulton, DeKalb Okay Rapid Transit Plans”; Phil Gailey and Frank Wells, “MARTA Vote Said Milestone,” *Atlanta Constitution*, November 10, 1971.

Millican went as far as suggesting that Atlanta officials programmed the traffic signals to create traffic jams on purpose so that voters would be more inclined to support mass transit. The head of the Truth About MARTA Committee, Bernard McIlhany, hinted at future legal proceedings to probe the financial underpinnings of MARTA.<sup>776</sup>

Despite these threats of legal action, a great sense of optimism existed following the passage of the 1971 referendum. The MARTA General Manager Henry L. Stuart and MARTA Deputy General Manager Terrell W. Hill expressed their appreciation for the support of Jacobs and Local 732 during the campaign to pass the bond. The gentlemen proclaimed that they were “now well on our way to developing the world’s finest transportation system and residents of the metropolitan area will be proud of its greatly expanded and improved services.”<sup>777</sup>

### **Conclusion**

The bus system purchased by MARTA would require extensive refurbishment and upgrades. Between the time of the 1968 and 1971 votes, the ATS fell into an even more severe state of disrepair. Although the bus system would be an integral part of the new transit system by providing service to the rapid rail stations, the wrangling over the rapid rail planning and financing delayed the ability of MARTA to assume control of ATS. Rather than striking, ATU advised Local 732 to put political pressure on officials to ensure collective bargaining rights under 13(c) which would, in turn, allow MARTA to receive federal funding and flexibility to continue operations and meet labor contract

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<sup>776</sup> Gailey and Wells, “MARTA Vote Said Milestone.”

<sup>777</sup> Henry L. Stuart and Terrell W. Hill to Mr. C. J. Jacobs, President, December 3, 1971, Box 1634 Folder 3, ATU 732 Records.

demands. This period of time provided Local 732 with some leverage to ensure that their collective bargaining rights would be preserved as they made the transition to the public employee sector.

Local 732 turned out to be a reluctant, yet pivotal, partner in the push for public transit. They had managed to squeeze out wage hikes and increased benefits from ATS and saw that ability to collective bargain under threat by MARTA. They were a key constituency that MARTA had to win over to finally pass the bond in 1971. This was a contrast to Local 192 that embraced the movement to public ownership because the president F. Vernon Stambaugh secured collective bargaining rights in the state legislation that created the transit district. By withholding their support during the 1968 referendum, Local 732 put pressure on MARTA to revise the transit legislation to guarantee collective bargaining rights by the time of the 1971 referendum. The overall effort to pass the referendum played out in more of a similar fashion as it had in Oakland and the East Bay. On the vote to pass the referendum, ACT supporters also had to target the referendum to those voters where the transit system would operate and, following the referendum vote, fend off lawsuits from anti-tax groups. Although Local 732 was slower to embrace public transit than Local 192, its decision to finally do so was as every bit as important for shaping MARTA in Atlanta as Local 192's stance was for shaping ACT.



## **CHAPTER 7: MARTA BEGINS OPERATIONS AND MEETING EXPECTATIONS OF LOCAL 732 AND THE PUBLIC**

### **Introduction**

The successful referendum vote in 1971 meant that the long-planned rapid rail transit system could now become a reality. More importantly for the members of Local 732 and the bus riders was that the Metropolitan Atlanta Rapid Transit Authority (MARTA) could purchase the Atlanta Transit System (ATS) and fund much-needed improvements in equipment and infrastructure which would lead to a system with better service. The transition to public ownership, though, would be uneven with MARTA facing lawsuits over the referendum vote, workers adjusting to their new roles as public employees, and contract negotiations became more intense with Local 732 looking to achieve more with a financially secure transit system and MARTA wary of being perceived as careless with taxpayer money.

Local 732 leadership not only had to deal with a new MARTA management during contract negotiations, but also with an increasingly group of militant workers. They expected better wages and benefits after throwing their support behind the 1971 referendum. As Local 732 president Curtis Jacobs appeared unable to meet this demand, Local members sought to push him out either at the ballot box or by trial.

MARTA had to meet the demands of riders to maintain low fares and improve the service. They had to attract new ridership, but also give the mostly Black riders who had voted for the transit system improved equipment and service along with a fare reduction as promised. In order to meet these rider expectations, they relied heavily on the local

sales tax voters approved in the 1971 referendum as well as federal capital and operating grants which depended on continuing to honor Section 13(c) as well as Congress continuing to fund mass transit grants and the President signing legislation.

The 1970s presented ATU with plenty of challenges with shifting political winds in Washington, D.C., for support of mass transit and collective bargaining. Following the resignation of Vice President Spiro Agnew, Gerald R. Ford accepted that position in the Richard M. Nixon Administration, and, with the resignation of Nixon on August 9, 1974, this left ATU with the prospect of dealing with a new Ford Administration. With an unresolved fiscal crisis, Ford had little room for political maneuvering with the economy in terrible shape and high gasoline prices.<sup>778</sup> Ford had been no friend of labor nor of legislation that aided mass transit as a Republican member of the U.S. House of Representatives in the late 1960s. As expected, the Ford Administration advocated for cutting operating subsidies from the National Mass Transportation Assistance Act (NMTAA) legislation, and ATU attributed this, in part, to the easing of the oil crisis that made supporting mass transit less of a priority. ATU stressed the importance of Democrats gaining seats in the November 1974 midterm elections to ensure that the federal legislation included the operating subsidies. An editorial in *In Transit* stated, “For now, we will exert all efforts to defeat President Ford’s recommendation on mass transit subsidies. It definitely is not a better idea.”<sup>779</sup>

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<sup>778</sup> Jacobs, *Panic at the Pump*, 131–33.

<sup>779</sup> “Editorials,” *In Transit*, September 1974.

Unlike previous mass transit legislation that only included capital funding, the NMTAA bill included funding for capital and operating grants for both urban and rural mass transit projects and systems. The capital grant required 25 percent contribution from local and state governments for 75 percent from the federal government, while the operating assistance required each contribute 50 percent. The bill also continued the 13(c) protections.<sup>780</sup> Ford made his opposition known publicly at a speech at the Sixth International Conference on Urban Transportation in Pittsburgh, Pennsylvania. He admitted that transit systems required assistance, but he did not like the current model of federal grants and “feeding the fires of inflation by busting the federal budget.” The NMTAA originally totaled \$20 billion, and the Ford Administration orchestrated a reduction to \$11 billion, and Ford stated he did not want the \$11 billion transit bill passed by the House to increase at all in the Senate. Also, he didn’t like the idea of shifting money from the Highway Trust Fund for local mass transit operating subsidies that would mean a greater federal role in local transit and “greater costs and less efficiency.”<sup>781</sup>

The American Public Transportation Association (APTA), which had feuded with ATU over 13(c), was among the groups pushing for operating assistance. With greater use of mass transit as a result of the energy crisis, transit systems required operation funding in addition to capital costs. This would aid transit systems to meet the heavy demand during morning and afternoon commuting periods when they experienced much

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<sup>780</sup> Fact Sheet for Mass Transportation Act of 1974 HR 12859, August 6, 1974, Box 3 Folder 4, ATU 732 Records.

<sup>781</sup> “Ford Rejects Any ‘major’ Federal Role in Transit,” *In Transit*, October 1974.

of the ridership increase. APTA also pointed to conservation of natural resources going forward with greater use of mass transit.<sup>782</sup>

The likelihood of NMTAA passing increased when the November 1974 midterm elections resulted in devastating losses for the Republican party as Democrats won a theoretically filibuster-proof majority of 61 seats in the Senate.<sup>783</sup> Overwhelming Democratic majorities that passed the NMTAA led to Ford signing the \$11.8 billion six-year funding bill consisting of \$7.8 billion for capital costs and \$4 billion for operating costs. The act provided flexibility for transit authorities to use the operating funding for capital costs which would give them access to more federal funding since the government matched 80 percent to 20 percent local contribution for capital grants and only matched 50 percent for operating grants.<sup>784</sup>

ATU President Dan V. Maroney hailed the bill as a boost for mass transit systems to fund operations as well as a boost for ATU member employment. In 1973 Maroney, a Greyhound bus driver, defeated John M. Elliott, only the third president in ATU history, marking the first time an incumbent was defeated. After Maroney's election, some restructuring of the relationship between headquarters and the local divisions did take place, but there was no great upheaval as happened in other unions when the old guard was defeated.<sup>785</sup> For instance, Maroney did not deviate from the traditional ATU view of

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<sup>782</sup> Gas Shortages Expected to Boost Transit Ridership Operating Aid, New Equipment Needed, December 11, 1973, Box 74 Folder 6, APTA Records.

<sup>783</sup> Jacobs, *Panic at the Pump*, 131–33.

<sup>784</sup> "\$11.8 Billion Mass Transit Legislation Is Signed," *In Transit*, January 1975; James M. Naughton, "Democrats View Their Victory as Spur to Legislative Moves; Ford Asks Responsible Action: Economy Is Issue," *New York Times*, November 7, 1974.

<sup>785</sup> Barnum, *From Private to Public: Labor Relations in Urban Mass Transit*, 18–19; "\$11.8 Billion Mass Transit Legislation Is Signed," 8.

the importance of binding arbitration. In a March 1974 statement, Maroney argued that binding arbitration and avoiding strikes was even more important now that transit systems directly received taxpayer money. He did remark on the need to update the arbitration process to avoid frustration between transit management and locals.<sup>786</sup> While Maroney acknowledged arbitration as an important tool of contract negotiations, he also noted that it could be overused by public sector unions if they don't want to go on strike or are prohibited from doing so. He argued that if management and labor continuously resort to arbitration as a way to avoid hard choices during collective bargaining, then that could lead to unproductive and expensive arbitration proceedings by a third-party that might not leave locals with the best outcomes.<sup>787</sup>

While mass transit systems and ATU members enjoyed increased funding for public transit, operations, and capital costs, ATU understood that the ground underneath them had changed due to issues surrounding arbitration. Local 732 would be one of the unions to test out how much they could push a public transit system to increase wages and other benefits, and Local 732 used wildcat strikes as well as arbitration to make MARTA meet their demands while MARTA began to struggle financially even with the additional grant funding from Urban Mass Transportation Administration (UMTA) to supplement the local sales tax funding. ATU wanted compromise at the bargaining table, instead Local 732 resorted to strikes and arbitration.

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<sup>786</sup> Barnum, *From Private to Public: Labor Relations in Urban Mass Transit*, 96.

<sup>787</sup> "Arbitration," *In Transit*, April 1974.

### **7.1 Transition to MARTA**

Following the purchase of the Atlanta Transit System (ATS) in February 1972, MARTA began operating ATS on March 1. MARTA moved quickly to reduce the bus fare from 40 cents to 15 cents, a promise repeated by MARTA officials leading up to the 1971 referendum vote. Rather than the property tax used by ACT, the new one percent sales tax in DeKalb County and Fulton County and the City of Atlanta made the fare reduction made possible and attracted ridership. In addition to subsidizing the fares, the tax also funded physical improvements of the current bus system and future costs of the rapid rail system. MARTA officials also worked to secure capital funds from UMTA to supplement the local funding. In conjunction with the new rapid rail service, MARTA planned to increase fares to 20 cents in 1979, 25 cents in 1980, and 30 cents in 1981, and the sales tax would decrease to one half of one percent.<sup>788</sup>

Over the course of the first year of operations, passenger numbers increased 6.4 percent, revenue increased 6.2 percent, and vehicle miles increased 10.6 percent. The passenger numbers averaged closer to 6 million per month, similar to the numbers from the mid-1950s.<sup>789</sup> Based on a survey conducted by MARTA, transit officials discovered that approximately 50 percent of the new transit riders were traveled by choice on the buses rather than drive. This shift from a largely captive ridership was important for the future success of the transit system. The survey also revealed some demographic changes

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<sup>788</sup> Report: The Effect of Fare Reduction and Service Changes on the Ridership Patterns in the Atlanta Region, [1973], Box 1629 Folder 5, NDWU Records.

<sup>789</sup> Status Report on Short-Range Transit Improvement Program, Period Ending September 30, 1973, Box 1629 Folder 5, NDWU Records.

in the ridership with more male riders and white riders from higher income levels. The new riders also indicated that they would have decided to ride the bus even if the fares had not been decreased all the way to 15 cents, and that they were inclined to continue to use transit once fares returned to 40 cents.<sup>790</sup>

In April 1973, MARTA reported that the combined sales tax revenue and fare revenue of \$4.5 million exceeded expenditures of \$2 million (excluding capital expenditures). MARTA pointed to their fuel price negotiations which meant that they paid several cents lower per gallon than other transit systems. They trumpeted the increase in passenger numbers compared to April 1972 as a success and revenue passenger numbers that increased 19 percent. The system expanded service miles by 34 percent which also contributed to this ridership and revenue increase.<sup>791</sup>

The healthy revenue stream demonstrated the importance of the sales tax. During the first year of operations from approximately March 1972 through June 1973, the revenue from sales taxes totaled \$47.5 million while revenue from fares brought in just under \$9 million, and UMTA capital grants contributed nearly \$70 million.<sup>792</sup> From July 1972 through December 1973, MARTA revenue of \$34 million included \$25.4 million from sales tax receipts and \$4.7 million from fare box revenue. What remained after expenditures MARTA put towards system improvements.<sup>793</sup> Although the revenue and

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<sup>790</sup> Report: The Effect of Fare Reduction and Service Changes on the Ridership Patterns in the Atlanta Region, [1973], Box 1629 Folder 5, NDWU Records.

<sup>791</sup> The MARTA Third Friday [newsletter], May 18, 1973, Box 9 Folder 1, ATU 732 Records.

<sup>792</sup> "The Revenues to Fund the Program Will Come From the Following Sources," *The MARTA Third Friday*, July 20, 1973.

<sup>793</sup> Metropolitan Atlanta Rapid Transit Authority Statement of Receipts and Disbursements for the Six Months Period Ending December 31, 1973, Box 1634 Folder 3, ATU 732 Records.

total passenger numbers increased in 1973, the farebox revenue decreased compared to 1972 because the fare decreased to 15 cents. This justified the need for the sales tax revenue to maintain the fare that attracted passengers and expanded the system.<sup>794</sup>

The upgrade of the bus system, called the Short Range Transit Improvement Program, included plans to purchase new buses and bus shelters, construct two new bus maintenance facilities, and open three park-and-ride lots. Altogether MARTA would buy 490 new buses, and 125 of those began operation in January 1973. These new buses increased the total size of the fleet to 603. Additional UMTA funding, along with funding from the sales tax, supported the long range plans for rapid rail construction and provided \$48 million to purchase land for right-of-way, \$30 million for utility relocation work, and \$20 million for design work.<sup>795</sup>

At the groundbreaking for the Brady Avenue maintenance facility on May 1, 1973, MARTA and government officials, including Georgia Governor Jimmy Carter, wore hardhats and grabbed shovels for the ceremonial groundbreaking. At the ceremony, UMTA Administrator Franck C. Herringer praised the work that MARTA had done since taking over ATS. The reduction in fares and the expansion of the system had brought in more passengers. He declared that “MARTA could serve as a model for the entire country.”<sup>796</sup> In September 1976, the opening of the Browns Mill maintenance facility

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<sup>794</sup> “1973 Ridership Wrap-Up,” *The MARTA Third Friday*, January 18, 1974.

<sup>795</sup> “MARTA Budget Set for Capital Project,” *The MARTA Third Friday*, July 20, 1973; “January 9, 1973...A Blustery Day for Buses,” *The MARTA Third Friday*, July 20, 1973; “A Grant for ‘Never a Better Purpose,’” *The MARTA Third Friday*, July 20, 1973.

<sup>796</sup> “The Brass Turned Out at Brady Avenue,” *The MARTA Third Friday*, July 20, 1973; “Show of Fare Play,” *The MARTA Third Friday*, July 20, 1973.



marked the near completion of the \$57 million short range program to upgrade the bus system after purchasing ATS.<sup>797</sup>

ATU trumpeted the lower fares and increased business in *In Transit* as proof that “passengers go up when fares go down.” This in turn benefited Local 732 members due to “the increased number of runs and the job security such increased work provides for the future.” In addition to Atlanta, decreases in fares in Sacramento, California, and Minneapolis-Saint Paul, Minnesota, also led to increases in passenger numbers, and they encouraged members to support policies that reduced or eliminated fares.<sup>798</sup> This boost in ridership provided evidence for then-ATU President John M. Elliott’s statement before Congress in which he advocated for free fare and complete public support for transit rather than simply fare reduction.<sup>799</sup>

Elliott contrasted the expense of federal support for complicated projects such as the “people mover” with the more practical idea of a federal demonstration grant of providing fare free transit in Atlanta based on the recent success of ridership gains with the lowering of fares due to sales taxes. Essentially, the sales tax revenue made up for the loss of the fare revenue, so Elliott suggested going all the way by zeroing-out fares to see what happens. He mocked the people mover as another example of a “window-dressing” project, and that companies involved in the construction of the people mover were the real beneficiaries rather than the public which did not benefit from reduced traffic, pollution, and other benefits from strengthening existing transit systems. This

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<sup>797</sup> “Browns Mill Facility Opened,” *The MARTA Third Friday*, September 17, 1976.

<sup>798</sup> “Lower Fares Mean More Work for ATU,” *In Transit*, June 1972.

<sup>799</sup> Amalgamated Transit Union, *A History of the Amalgamated Transit Union*, 95.

matched similar criticism by Elliott about BART following the “Fremont Flyer” accident when he also complained about expensive mass transit infrastructure construction and attempts to reduce costs by getting rid of drivers.<sup>800</sup>

In Atlanta, the fare reduction tied directly into the future rapid rail system because MARTA needed to reconstitute a ridership that would then use the new rapid rail system along with a reconfigured bus system. Following the 1971 referendum, the 15-cent fare came under threat because of lawsuits. If successful, the lawsuits had the potential to remove the sales tax as a source of revenue, and MARTA signaled that they would have to raise the fare as a result. Atlanta Mayor Sam Massell cautioned against such a move after so many had voted on MARTA based on that fare guarantee.<sup>801</sup> MARTA disclosed these lawsuits to UMTA as part of the grant application process because a decision in favor of the plaintiffs could reduce the amount of money available to MARTA to match the federal funds for planning and building the rapid rail system.<sup>802</sup>

In February 1972, the lawsuit Everett Millican and Atlanta Alderman Henry Dodson brought against MARTA moved to the Fifth U.S. Circuit Court of Appeals following a December 1971 ruling by U.S. District Judge Sidney O. Smith that dismissed the lawsuit. Millican and Dodson brought the lawsuit because they claimed “voting irregularities, intimidation of voters by pro-rapid transit workers passing out literature at

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<sup>800</sup> “What a Price to Pay,” *In Transit*, December 1972; “BART Turns 46”; Elliott, “A Kink in Management’s Dream”; The people mover system consisted of rubber-wheeled automated vehicles on fixed structures separated from traffic. Elliott may have been specifically referring to the over-budget people mover system to connect the three West Virginia University campuses in Morgantown, West Virginia. See Ralph Blumenthal, “‘People-Mover’ Faces Reprieve At Campus of West Virginia U.,” *New York Times*, April 17, 1975.

<sup>801</sup> University of Georgia. Department of Political Science, *Mass Transit Management*, II–5, II–6.

<sup>802</sup> R. Williams Ide, III to Mr. Frank C. Herringer, December 3, 1973, Box 1634 Folder 4, ATU 732 Records.

the polls and lack of [constitutionally] guaranteed due process of law in state courts.” Another lawsuit filed by their same attorney demanded a recount that resulted in an increase from a 461 vote margin to a 471 vote margin in favor of rapid transit.<sup>803</sup> The ruling in favor of MARTA by the Fifth U.S. Circuit Court of Appeals at the end of May 1972 essentially signaled the end of the court challenges to MARTA.<sup>804</sup>

The end of the lawsuit threat meant that MARTA could proceed with obtaining critical federal funding for rapid rail construction. In December 1973, MARTA applied for an initial \$291.3 UMTA grant for the rapid rail system, and, in November 1974, MARTA officials received some good news when they learned that the U.S. Congress passed the NMTAA. MARTA officials hoped to receive \$1.5 billion of that in the form of federal grants to fund 80 percent of the project. The remaining amount would come through the sales tax and bonds. With estimates for the construction of the rapid transit system rising to over \$2 billion, officials advocated extending the one cent tax past 1982 when it was scheduled to drop to a half-cent. Officials argued that extending the tax would enable the local governments to issue more bonds to cover rising costs without interrupting the construction schedule.<sup>805</sup>

MARTA received a \$3.9 million grant in July 1975 from UMTA to purchase 60 more buses, including 10 articulated models. By November 1974, the majority of buses

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<sup>803</sup> Alex Coffin, “Court to Hear MARTA Appeal Case,” *Atlanta Constitution*, February 2, 1972.

<sup>804</sup> Chuck Bell, “MARTA Vote Ruled Legal by U.S. Court,” *Atlanta Constitution*, June 1, 1972.

<sup>805</sup> Alan F. Kieper to Mr. Frank C. Herringer, Administrator, December 10, 1973, Box 1634 Folder 4, ATU 732 Records; “MARTA to Apply for \$291 Million UMTA Grant,” *The MARTA Third Friday*, December 21, 1973; Sharon Bailey, “MARTA to Seek Extension of One-Cent Tax,” *Atlanta Constitution*, November 23, 1974.

at each of the three garages had air conditioning. Despite the acquisition of new buses, those that had yet to be replaced experienced various problems.<sup>806</sup>

One goal of the bus system was to establish a service for commuters that they would later use with rapid transit. The park-and-ride lot was one way to accustom riders to such a system. By July 1975, MARTA had opened its second park-and-ride lot, this one in north Fulton County. The first one opened in DeKalb County, and, after six months, it was operating at near capacity.<sup>807</sup>

The drivers played an important role in this transition as the front line of public interaction. To persuade drivers to brush up on their public relations skills, MARTA hosted an event in August 1975 featuring “[t]wo of Eastern Airline’s lovely ladies...for your education and enjoyment a special customer-relations and grooming program.”<sup>808</sup> In addition to the public face drivers also alerted supervisors to mechanical malfunctions on older buses such as broken speedometers and rear doors malfunctioning, though Local 732 President Curtis J. Jacobs complained to MARTA that management appeared to ignore the notifications.<sup>809</sup>

Along with equipment and shelter improvements, MARTA added new services such as a traffic watch and special school bus routes. MARTA began the traffic watch program on September 2, 1975, that included on the route reports from bus drivers of

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<sup>806</sup> J. R. Williams to Mr. R. E. Barrett, Mr. J. A. Kennedy, Mr. M. M. Phillips, December 5, 1974, Box 1634 Folder 4, ATU 732 Records; Percentage Assignment of Air-Conditioned Buses by Garages, November 21, 1974, Box 1634 Folder 4, ATU 732 Records.

<sup>807</sup> “Second Park-Ride Lot Opens,” *The MARTA Third Friday*, July 18, 1975.

<sup>808</sup> Thomas O. Duvall to All Operators, August 5, 1975, Box 1 Folder 8, ATU 732 Records.

<sup>809</sup> J. R. Williams to Mr. R. E. Barrett, Mr. J. A. Kennedy, Mr. M. M. Phillips, December 5, 1974, Box 1634 Folder 4, ATU 732 Records.

general traffic conditions as well as major incidents. The program worked by bus drivers radioing in to MARTA dispatchers who then would then give that information to radio stations for reporting during the morning and afternoon commutes.<sup>810</sup>

MARTA provided school bus service with dedicated routes, although this caused extra work for drivers since they had to watch out for children in ways they did not with regular passengers. Some buses operated multiple routes while others might complete a school bus route, then return to a regular route.<sup>811</sup> Despite the MARTA buses with school bus signs on the front and rear and the use of the bus emergency flashing lights, cars did not stop even though it was against the law to do so when buses released children. Because of this problem with cars ignoring the law and the lack of police to do anything about it, Duvall reminded the drivers that “one way we can prevent this from happening is to WARN THE CHILDREN NOT TO CROSS IN FRONT OF THE BUS.” Duvall stated that these techniques had worked for the past five years, so with the new school year starting, he thought he should issue this reminder once again since this “could prevent some crippling ACCIDENTS or DEATH.”<sup>812</sup> For the 1975-1976 school year, MARTA made public outreach efforts and upgraded the signage on all of the buses to improve safety. A public service campaign on radio and television reminded riders that MARTA buses are just like regular school buses if they have their school bus signs displayed.<sup>813</sup> MARTA management saw these services as important for the taxpayers

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<sup>810</sup> T. O. Duvall to All Operators, August 21, 1975, Box 1 Folder 8, ATU 732 Records; “MARTA Traffic Watch,” *The MARTA Third Friday*, September 1974.

<sup>811</sup> E. H. Myers to All Radio Dispatchers, October 20, 1975, Box 1 Folder 8, ATU 732 Records.

<sup>812</sup> Thomas O. Duvall to All Operators, Special Notice, September 2, 1975; Thomas O. Duvall to All Operators, General Order No. 213, September 2, 1975, Box 1 Folder 8, ATU 732 Records.

<sup>813</sup> “MARTA School Bus Safety,” *The MARTA Third Friday*, December 19, 1975.

that voted for the funding for the new public system. They needed public support to continue their goal of building the rapid rail system and maintaining a viable bus system that would later connect to that rapid rail system was key to the overall success of MARTA.

The dedicated school bus routes ended in August 1977 when MARTA began to allow any rider onto a bus operating on a school bus route in accordance with new UMTA regulations. The new “tripper service” would no longer display any school bus signs on the front or back, but they would have basic route numbers for the tripper service. Duvall stressed that drivers should continue to be mindful of the school children to ensure their safety as much as possible.<sup>814</sup>

The student transportation service was a special challenge for drivers, but MARTA also made overall safety a key personnel program. One of the first programs implemented by MARTA was a rigorous driver training program. The driver training appeared to be effective as MARTA won APTA mileage safety awards and driver safety competitions also sponsored by APTA in the 1970s. Valtman also recognized the drivers for meeting mileage goals without accidents, and MARTA held its own bus rodeos, or safety competitions.<sup>815</sup>

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<sup>814</sup> Thomas O. Duvall to All Operators, General Order No. 77-11, August 29, 1977, Box 1 Folder 9, ATU 732 Records.

<sup>815</sup> “MARTA Receives ‘Special Citation’ Safety Award at APTA Conference,” *The MARTA Third Friday*, June 20, 1974; “MARTA Bus Operators Are Number One,” *The MARTA Third Friday*, June 18, 1976; “MARTA Earns Top Safety Spot for Second Time,” *The MARTA Third Friday*, May 1977; Donald F. Valtman to All DTO Employees, April 7, 1978, Box 1 Folder 9, ATU 732 Records; C. L. White to Mr. T. O. Duvall, January 9, 1978, Box 1 Folder 9, ATU 732 Records; “MARTA Holds Bus Rodeo,” *The MARTA Third Friday*, August 20, 1976; “Owens Number Two,” *The MARTA Third Friday*, November 1976; C. L. White to All MARTA Personnel, August 2, 1979, Box 1 Folder 11, ATU 732 Records.

As effective as safety training could be, some drivers did not always adhere to safety and other rules. MARTA sent out a notice that warned drivers not to speed when they might be tempted to do so in the newer buses that could go much faster than older models. They pointed out that police officers would issue speeding tickets. Additionally, they also claimed, perhaps as subterfuge, that they had “equipped our radio supervisors with a very accurate radar device and speed is being checked frequently on all lines.”<sup>816</sup>

Operations management issued multiple notices for reminders about picking up passengers on express routes, proper attire, failing to pull up to the curb, and completing mileage cards and transfer envelopes.<sup>817</sup> These infraction notices did not go unchallenged, so MARTA allowed review of personnel file by the employee. They put in place multiple steps to do so and some restrictions, such as not allowing employees to remove documents and protecting the privacy of individuals that reported incidents. Also, the employees had to review these files on their own time such as during lunch.<sup>818</sup> Drivers that wanted to protest the classification of their accident could meet with G. T. Cole, the Assistant Division Manager, to issue a formal protest. MARTA then set up a date and morning and afternoon time slots for drivers that had had accidents in the past several months to meet in Cole’s office.<sup>819</sup>

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<sup>816</sup> G. T. Cole to All Operators, General Order No. 196, November 4, 1974, Box 1 Folder 13, ATU 732 Records.

<sup>817</sup> Thomas O. Duvall to All Operators, General Order No. 241, December 1, 1976, Box 1, Folder 7, ATU 732 Records; Thomas O. Duvall to All Operators, General Order No. 239, October 28, 1976, Box 1, Folder 7, ATU 732 Records; Thomas O. Duvall to All Operators, General Order No. 235, September 23, 1976, Box 1, Folder 7, ATU 732 Records; Thomas O. Duvall to All Operators, March 24, 1976, Box 1, Folder 7, ATU 732 Records.

<sup>818</sup> Special Notice to All DTO Represented Employees, May 20, 1976, Box 1, Folder 7, ATU 732 Records.

<sup>819</sup> C. L. White to Mr. G. T. Cole, October 2, 1975, Box 1 Folder 8, ATU 732 Records.

Although MARTA had managed to achieve the public funding victory MARTA management believed that Local 732 had an important role in the newly refurbished ATS. Drivers needed to match what MARTA promised to provide along with new equipment and expanded service. The accountability to the public was something that MARTA wanted to make sure that they instilled in the drivers because of the contentious campaigns to support MARTA funding and the aftermath. Although drivers found some of the new regulations onerous, for their part, drivers appeared to understand the importance of safety and the safety awards illustrated that commitment, though the focus on minor driver infractions echoed the early transition problems experienced by Local 192 and ACT.

## **7.2 Disruptive Passengers**

In order to follow these procedures for safe driving, drivers themselves demanded a safer work environment. The bus drivers faced a rise in passenger disruptions on buses in the fall of 1972. These disruptions had been going on ever since MARTA took over.<sup>820</sup> On September 24, 1972, some Local 732 members met with MARTA management to discuss potential solutions. Local 732 wanted MARTA to hire security personnel for the buses to prevent the attacks. W. L. Boyd, the Local 732 Financial Secretary, argued that MARTA already had plans for a security force on the rapid transit system, so they should go ahead and hire them and put them on the buses that have the most problems.<sup>821</sup> By October, MARTA announced plans for the installation of radios on

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<sup>820</sup> (Mrs.) Dorothy Bolden to Mr. Alan Keiper, October 6, 1972, Box 1628 Folder 104, NDWU Records; Terrence Lee Croft to E. Lundy Baety, Esq., September 28, 1973, Box 1628 Folder 104, NDWU Records.

<sup>821</sup> DeWitt Rogers, "City Bus Union Asks Protection," *Atlanta Constitution*, September 25, 1972.



buses. This would allow drivers to communicate directly with the central dispatcher.

Maynard declined the Local 732 requests for armed guards, most likely due to cost. He did point to a half dozen hand-held radios, route adjustments, and increased MARTA security for routes where drivers had faced the greatest threats to their safety.<sup>822</sup>

According to Dorothy Bolden, the head of the NDWU, some of this may have been due to drivers lack of restraint and inadvertently escalating situations. She noted that domestic workers had observed a variety of behavior and that bus drivers should also be expected to act courteous if that was being asked by the passengers. Bolden herself sued MARTA after a bus driver deliberately closed the door on her arm and then drove the bus away from the stop with her still trapped.<sup>823</sup>

In the fall of 1972, MARTA had agreed to hire plainclothes transit police officers on buses to combat attacks on drivers, an important victory for Local 732 because the strategy had not been widely implemented. MARTA further pledged to equip all buses with two-way radios and place security guards on problematic routes. Jacobs and most of the membership expressed satisfaction with these efforts, but other members thought that additional measures should include protective shields for the drivers “and deputizing drivers in order that they may legally carry guns,” a tactic employed by the old Georgia Power Company that resulted in bus drivers shooting and killing riders which MARTA had no interest in reviving.<sup>824</sup> On February 8, 1974, Kiepper and Motorola signed a

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<sup>822</sup> “Buses to Get 2-Way Radios,” *Atlanta Constitution*, October 5, 1972.

<sup>823</sup> (Mrs.) Dorothy Bolden to Mr. Alan Keiper, October 6, 1972, Box 1628 Folder 104, NDWU Records; Terrence Lee Croft to E. Lundy Baety, Esq., September 28, 1973, Box 1628 Folder 104, NDWU Records.

<sup>824</sup> “Atlanta Wins Police Protection”; E. A. Cordeiro to Members of the Operating Department, December 18, 1972, Box 4 Folder 22, ATU 192 Records.

\$1.86 million agreement to install two-way radios as well as emergency alarms and other equipment for as many as 860 buses as part of a larger \$6.18 million UMTA capital grant.<sup>825</sup> By April 1975, buses had silent alarms that drivers could activate with their heel under the seat, but MARTA stressed that drivers should only activate it when they were in emergency situations and to remain silent because the alarm had no voice communication capability.<sup>826</sup>

The Georgia General Assembly passed a law that addressed conduct on public transit and took effect on July 1, 1976. The law made a number of activities misdemeanors including disrupting the bus driver, entering through the rear door to avoid paying fare, playing music through a device without an “earphone,” and littering. A first time offender could face a \$50 to \$100 fine, then any violation after that could result in more fines or up to ten days in prison. Duvall sent out guidance about enforcing the law, and instructed drivers that if they notice such behavior to tell the passenger that they violated state law. If the rider “does not take action to correct the violation (pick up litter, use earphones with the radio or cassette, or pay his/her fare) you should continue your trip and report the violator to Central Dispatcher by radio. The Dispatcher will immediately dispatch a MARTA supervisor and the police to intercept your bus along the route.” Duvall stressed the importance of this law to “make our buses cleaner and more desirable for our customers,” but he also warned against drivers taking matters into their own hands which could only lead to more problems.<sup>827</sup>

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<sup>825</sup> “Two-Way Radios for 860 Buses,” *The MARTA Third Friday*, February 15, 1974.

<sup>826</sup> T. O. Duvall to All Operators, April 23, 1975, Box 1 Folder 8, ATU 732 Records.

<sup>827</sup> Thomas O. Duvall to All Dispatchers and Supervisors, June 23, 1976, Box 1, Folder 7, ATU 732 Records.

Even with this change in the law, drivers didn't view it as dramatically changing their day-to-day encounters. In 1975, the fare collection process continued to be a source of some contention between labor and management. In February and October 1975, Duvall sent out orders to remind drivers of multiple tasks to keep in mind. The problems all appeared to stem from passengers not having the correct number of coins for the fare, which had led to passengers boarding for free, drivers making change out of their own pocket, passengers placing dollar bills in the fare machine that could not process paper money, and drivers not checking that the correct amount of fare had been deposited into the machine in the inspection plate.<sup>828</sup>

The fare collection issues led to discipline disputes between MARTA and Local 732. MARTA disagreed with an arbitrator's decision in the case of driver Willis Maurice Martin who had been accused of stealing fares after a MARTA investigator reported that he placed fares into his pocket. Martin argued that he had been making change for customers, not stealing fares, though MARTA specifically prohibited drivers from handling fares.<sup>829</sup> A similar dispute over collection of fares arose between the union and the MARTA management in December 1977. Local 732 officials argued that the drivers did not receive enough protection on buses and that resulted in passengers boarding without paying fares. Drivers worried that they risked personal injury if they pressed the issue too much. MARTA management indicated that they thought drivers simply let

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<sup>828</sup> Thomas O. Duvall to All Operators, General Order #202, October 29, 1975, Box 1 Folder 8, ATU 732 Records.

<sup>829</sup> Sharon Bailey, "Union Protests Driver Firing," *Atlanta Constitution*, June 10, 1976; Thomas O. Duvall to All Operators, General Order 77-19, December 15, 1977, Box 1634 Folder 9, ATU 732 Records.

people board for free so that they would not be troubled by collecting fares and holding up the boarding process and delaying the route time.<sup>830</sup>

MARTA did consider further reducing the need to handle fares with the introduction of rapid rail. The fare collection MARTA decided to implement with the rapid rail system would be designed to encourage the use of a monthly pass that would be read magnetically at rail stations and shown to bus drivers. However, riders would also be able to use coins and tokens as well, but the plan was to not have any fare vending machines nor change machines in the MARTA stations. They did look at moving to an honor system like in continental Europe but decided to use fare gates at stations and presenting passes on buses.<sup>831</sup>

MARTA planned for a police force for the rapid rail system, but did not mention if that same force would be used for buses. The focus appeared to be on the rapid rail transit because that was where they wanted to attract new customers that may not have had much experience riding on public transit and would need assurance of safety, though MARTA stressed that there was a greater fear of danger on rapid transit systems than actually existed.<sup>832</sup> By June 1979, MARTA had their own professionally trained police force that could be dispatched to assist bus drivers with problem riders.<sup>833</sup>

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<sup>830</sup> C. J. Jacobs to Mr. Thomas O. Duvall, December 21, 1977, Box 1634 Folder 9, ATU 732 Records; Thomas O. Duvall to Mr. C. J. Jacobs, President, January 16, 1978, Box 1634 Folder 9, ATU 732 Records.

<sup>831</sup> "Fare Collection Approved," *The MARTA Third Friday*, April 1977.

<sup>832</sup> "Security and the MARTA System by MARTA Board Member Dr. J. E. Lowery," *The MARTA Third Friday*, March 19, 1976.

<sup>833</sup> Thomas O. Duvall to All Operators, General Order 79-21, August 2, 1979, Box 1 Folder 13, ATU 732 Records; Metropolitan Atlanta Rapid Transit Authority, *Annual Report* (Atlanta, Ga.: Metropolitan Atlanta Rapid Transit Authority, 1980); "Transit Police comply with standards," *MARTA Transit Times Bulletin*, June 1, 1979, Box 31 Folder 3, ATU 732 Records.

Along with success in attracting riders and upgrading equipment, MARTA and Local 732 experienced challenges in labor-management relations. MARTA expected the drivers to closely adhere to policies in order to maintain and grow that ridership in anticipation of the rapid rail system. Local 732 expected MARTA to be responsive to their safety and fairly apply the rules. This relationship would be further tested by contract negotiations throughout the 1970s.

### **7.3 1973 Strike**

In addition to disputes over day-to-day working conditions, MARTA would find itself at odds with Local 732 over contracts that governed wages and fringe benefits. What soon became clear was that the success MARTA experienced could be impacted by labor contracts if they became an unaffordable part of the budget as had occurred at ACT in Oakland. The ATU Local 732 and MARTA began having disputes over the contract in 1972, which culminated in a six-day wildcat strike in 1973. “Wildcat strikes” were most common during the late 1960s and 1970s. These strikes consisted of workers deciding to go on strike without the explicit authorization of the local or international union.<sup>834</sup>

The MARTA purchase of ATS meant that it would be assuming the obligations of the three-year contract (June 21, 1969 to June 20, 1972), and ATS initially operated as a subsidiary of MARTA rather than an integrated bus system. On June 18, Local 732 members voted 375 to 142 to agree to the one-year contract (June 21, 1972 to June 21, 1973) that included a 50-cent per hour wage increase for drivers, although 25 cents of that total would be contingent on the approval of the Nixon Administration Pay

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<sup>834</sup> Brenner, Brenner, and Winslow, *Rebel Rank and File*, 1.

Board. Similar to the drivers, mechanical department workers would also require pay board approval for a 20-cent per hour increase. Local 732 membership also successfully bargained for increased health insurance benefits.<sup>835</sup>

ATS attorneys wrote to the pay board to appeal the ruling by the District Office for Stabilization because the contract they negotiated with Local 732 exceeded 5.5 percent increase set by the pay board. The contract they negotiated increased the base wage rate by 14.4 percent and the district office could only allow up to a 7 percent adjustment. In their argument for allowing this wage increase, the ATS attorney pointed to the November 9, 1971, vote that allowed the one percent sales tax. Along with the federal funding, this allowed MARTA to reduce bus fare from 40 to 15 cents, purchase new equipment, and expand service. This increase in service meant that it was crucial for MARTA to be able to offer an attractive wage and fringe benefits package. With the purchase of buses and the expansion of the route network, “the Transit System anticipates the need for hiring a total of 370 new drivers and 78 new mechanics.” This meant a nearly 50 percent increase in drivers and 37 percent increase in mechanics. MARTA had continuously operated with a shortage of drivers throughout 1972, so to only be able to offer 7 percent more than the previous contract “would stifle its efforts to retain its competent employees and to attract additional qualified employees.” Additional Atlanta regulations on employment meant that MARTA “may not employ as a driver a person

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<sup>835</sup> Agreement between Atlanta Transit Systems, Inc. and Amalgamated Transit Union, Local 732 (Atlanta, Georgia), June 21, 1972, Box 1 Folder 3, Amalgamated Transit Union Contracts Collection, L-Contracts ATU, Southern Labor Archives. Special Collections and Archives, Georgia State University, Atlanta [hereafter ATU Contracts Collection]; John M. Elliott to Mr. W. L. Boyd, July 26, 1972, Box 3 Folder 2, ATU 732 Records; Bill Seddon, “Rapid Transit Picking up Speed Here,” *Atlanta Constitution*, June 25, 1972; “732, Atlanta Gains 50c in One Year Pact,” *In Transit*, September 1972.

who has been convicted of any of several crimes, or one who is not in good physical condition or lacks excellent vision. Such requirements result in the need for a high-quality type of employee.” They also pointed out how much less MARTA paid drivers and mechanics compared to other large cities such as Dallas, Cleveland, and Chicago. Those cities paid well over four dollars per hour for drivers whereas the drivers in Atlanta earned \$3.72 per hour, so the requested wage of \$4.22 per hour in Atlanta would still be less than those cities. Also, the requested wage of \$4.78 per hour would put mechanics more in line with those cities. In addition, the competition for drivers in the Atlanta area meant that MARTA also competed with truck driving companies and other similar companies. Without this expansion of the workforce, then MARTA would not be able to operate the system as promised to the taxpayers.<sup>836</sup>

Despite these arguments, MARTA could not get the increase approved by the pay board due to Phase 2 wage controls imposed by the Nixon Administration. MARTA could not fully implement the wage increase until the Nixon Administration removed those controls in January, and they argued that they still could not do so until given permission by the Pay Board, an argument the Local 732 officials did not believe.<sup>837</sup> Local 732 drivers called for a strike in February 1973 when they did not receive the 23-cent per hour wage increase. The drivers voted for the strike 772 to 17, but they never actually went on strike because the Pay Board approved the wage increase at the last minute. A member of the Pay Board personally called Jacobs to inform him of the

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<sup>836</sup> Simuel F. Doster, Jr. to Pay Board, September 14, 1972, Box 3 Folder 9, ATU 732 Records; H. F. Kenworthy to Atlanta Transit System, Inc., August 25, 1972, Box 3 Folder 9, ATU 732 Records.

<sup>837</sup> David Morrison, “Bus Drivers Take Strike Vote Today,” *Atlanta Constitution*, February 29, 1973.

decision to approve the wage increase, and this avoided a strike that would have left 130,000 daily bus riders with no transportation.<sup>838</sup>

By March 30, 1973, Local 732 and MARTA again found themselves at the negotiating table over a new contract.<sup>839</sup> MARTA argued that they had been generous with the contract negotiations in 1972 when they approved a 64 cents per hour increase, including cost-of-living, that led to a wage rate of \$4.36 just behind the wage paid to drivers in Miami, the highest in the Southeast. Mechanics received an increase of 84 cents per hour, and all workers received a 20 percent increase in fringe benefits. By the end of the contract period in June, the two sides remained apart on wages with the union proposing a raise of 50 cents per hour for a one-year contract and MARTA proposing a raise of 60 cents per hour over a two-year contract period. Along with a demand for 22 cents per hour in cost-of-living increases, MARTA argued that the total cost would be around \$700,000 more for a one-year contract compared to MARTA's two-year contract. This would mean "[m]onies that are diverted from the tax to pay operating subsidies reduce the amount available for local input into the capital improvement plan." MARTA argued that the local 13(c) agreement they signed with Local 732 "that arbitration under provisions of this agreement would preclude a strike by the union."<sup>840</sup>

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<sup>838</sup> Rex Granum and Tom Linthicum, "Bus Drivers Raised, Strike Is Called Off," *Atlanta Constitution*, February 10, 1973; Morrison, "Bus Drivers Take Strike Vote Today."

<sup>839</sup> Sharon Bailey, "Bus Driver Union, MARTA Quiet on Contract," *Atlanta Constitution*, June 12, 1973.

<sup>840</sup> MARTA Statement on Labor Negotiations for Immediate Release, June 20, 1973, Box 58 Folder 12, Mule to MARTA Collection, ahc.MSS619, Kenan Research Center, Atlanta History Center [hereafter Mule to MARTA Collection].



Rather than look only at cities in the Southeast, Local 732 negotiators cited data that showed drivers in Atlanta earning less than other big cities nationwide.<sup>841</sup> They rejected the offer to raise salaries by 60 cents over a two-year period because of concerns that the economy would sour, and then they would never see the full raise. They instead continued to insist on the one-year contract with a 50-cent raise. As the date of the contract expiration approached, the membership voted on June 17 to not work without a contract.<sup>842</sup>

MARTA wanted to extend the contract to July 11 to ensure that operations would continue so as not to inconvenience the riders. Local 732 rejected this offer as well as MARTA's follow up offer to go into arbitration.<sup>843</sup> MARTA took the matter to court because Local 732 refused "to honor its obligations under Section 13C of the Urban Mass Transportation Act of 1964 wherein it is agreed to arbitrate issues and not strike." Local 732 had not formally rejected the arbitration request, but the membership had already voted not to work without a contract, so it appeared to MARTA that a strike could be imminent.<sup>844</sup>

MARTA requested a restraining order to prevent the drivers from striking, and they argued that they wanted to go through the arbitration process they believed should be followed under the 13(c) agreement between Local 732 and MARTA to prevent a strike. Additionally, they cited a state law prohibiting state employees from striking.

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<sup>841</sup> Bailey, "Bus Driver Union, MARTA Quiet on Contract."

<sup>842</sup> Sharon Bailey, "Bus Drivers Ordered to Stay on Job," *Atlanta Constitution*, June 21, 1973.

<sup>843</sup> Statement #2 MARTA Position Concerning Negotiations, June 19,[1973], Box 58 Folder 12, Mule to MARTA Collection.

<sup>844</sup> MARTA Statement on Labor Negotiations for Immediate Release, June 20, 1973, Box 58 Folder 12, Mule to MARTA Collection.

Local 732 officials were determined not have any case decided through state courts, and they challenged the original MARTA petition in Fulton County Superior Court. As a result, the case ended up in U.S. District Court.<sup>845</sup> This illustrated the uncertainty over how the state law impacted 13(c) agreements and which courts had jurisdiction to decide.

On June 20, 1973, Judge Albert J. Henderson of the U.S. District Court for the Northern District of Georgia issued a temporary restraining order against Local 732 going on strike. The judge agreed with MARTA about the potential for massive disruption as a result of a strike, and he ordered Local 732 to restrain from “calling, instigating, directing, encouraging, causing, assisting or participating in any strike, work stoppage, slow-down or interruption in the operation of the plaintiff’s bus transportation system.” Although Jacobs said he would follow the restraining order, he admitted that convincing the members to also follow the order would not be a guarantee.<sup>846</sup> Kiepper requested that the employees honor the federal court order to not participate in a strike. He also pledged “to continue to participate in the collective bargaining process in good faith.”<sup>847</sup>

The two sides did not reach an agreement, and workers went on a wildcat strike on June 21, 1973, ignoring the U.S. District Court order. The drivers picketed MARTA headquarters while chanting “When the money rolls in, the buses will roll out.” They believed that instead of dismissing their contract proposals, MARTA should be meeting their wage demands since Local 732 backed the 1971 referendum.<sup>848</sup>

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<sup>845</sup> Bailey, “Bus Drivers Ordered to Stay on Job.”

<sup>846</sup> Metropolitan Atlanta Rapid Transit Authority Versus Local Division 732, Amalgamated Transit Union, June 20, 1973, Box 9 Folder 1, ATU 732 Records; Bailey, “Bus Drivers Ordered to Stay on Job.”

<sup>847</sup> Alan F. Kiepper to [MARTA employees], June 20, 1973, Box 58 Folder 12, Mule to MARTA Collection.

<sup>848</sup> David Morrison and Sharon Bailey, “MARTA, Union Talk And Buses Still Stalled,” *Atlanta Constitution*, June 22, 1973.

A key leader of the group, Johnny Clyde Reynolds, known as J. C. Reynolds, argued that they were not, in fact, on a strike. He argued that workers voted to not work without a contract, and that they did not vote to strike. “A strike would be illegal, but we just refused to work without a contract because MARTA officials had our proposal for 60 days and they did not give us an agreeable proposal in time so we just refused to work without a contract.”<sup>849</sup> Reynolds began working as a bus driver for ATS in 1966. He had a diverse education background with an undergraduate degree in business and continuing education in theology.<sup>850</sup>

The strike caught MARTA off-guard, and they rushed out a statement on the morning of June 21. Atlanta Mayor Sam Massell urged commuters driving to pick up bus riders who appeared to be stranded. In addition to disrupting commuters who relied on the bus service every day, the shopping foot traffic dropped noticeably during the day at downtown stores because daytime shoppers didn’t have the buses. Outside of the daily traffic, the strike hampered plans to transport people to the Billy Graham crusade because groups had chartered MARTA buses and drivers.<sup>851</sup>

The editorial staff of the *Atlanta Constitution* published a blistering editorial that emphasized an impatience with public sector employees going on strike and inconveniencing the public without exhausting other avenues of resolution with

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<sup>849</sup> [Transcripts of local Atlanta television newscasts], June 21, 1973, Box 58 Folder 12, Mule to MARTA Collection.

<sup>850</sup> Ernie Suggs, “Now...He Is Upstairs,” *Atlanta Constitution*, October 11, 2003; Hal Lamar, “Hundreds Attend Funeral for Slain Pastor,” *Atlanta Constitution*, October 18, 2003; Sharon Bailey, “First Black at MARTA Union Helm,” *Atlanta Constitution*, December 20, 1978.

<sup>851</sup> Statement Given to Media, Thursday June 21, 1973, Box 58 Folder 12, Mule to MARTA Collection; [Transcripts of local Atlanta television newscasts], June 21, 1973, Box 58 Folder 12, Mule to MARTA Collection.

management. Under the byline “Fire Them!” the editorial questioned the “IQ requirements” of MARTA for its drivers. While the editorial did not try and figure out which side was right on how much drivers should be paid, the writers pointed out that the drivers needed to be aware of the public they served and the inconvenience of the strike.<sup>852</sup>

The AFL-CIO Civil Rights Department Southern Director E. T. Kehrer responded that such “frenzied editorials leads one to wonder what the motives are in fanning the flames of an already raging fire.” While the AFL-CIO did not condone wildcat strikes, Kehrer argued that firing all of them would be the worst solution. Rather his experience suggested that MARTA should “get the employees back to work and then start the process of re-building the relationship to that wildcats are not required to get problems resolved.”<sup>853</sup> *Atlanta Constitution* Associate Editor Harold S. Gulliver pushed back and assured Kehrer that they supported collective bargaining. “We spoke out against the illegal strike itself, not[...]suggesting that the workers did not have the right to seek better pay.” Kehrer’s criticism appeared to have some effect when an editorial came out in response to the news of the contract settlement, and the editorial reiterated their support for collective bargaining Gulliver made to Kehrer.<sup>854</sup>

After being on strike for nearly a week, the drivers returned to work after being threatened with a \$50 per day fine by Judge Henderson on any individual driver that

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<sup>852</sup> “Fire Them!,” *Atlanta Constitution*, June 22, 1973.

<sup>853</sup> E. T. Kehrer to the Editor, June 29, 1973, Box 58 Folder 12, Mule to MARTA Collection; E. T. Kehrer to Mr. Hal S. Gulliver, July 11, 1973, Box 58 Folder 12, Mule to MARTA Collection.

<sup>854</sup> Harold S. Gulliver to Mr. E. T. Kehrer, July 6, 1973, Box 58 Folder 12, Mule to MARTA Collection.

remained on strike. Both Jacobs and the Local 732 attorney stressed that the members should return to work and vote to accept a new contract offer, which the MARTA board had approved. The attorney also stressed that members could face jail time if the judge ordered them back to work and they refused. At a June 26 meeting, several hundred mostly Black members walked out upon hearing about the terms of the contract that included a raise of 66 cents per hour over the two years of the contract. Around 30 to 40 percent of the 1,100 union membership was Black. Reynolds, described by the *Atlanta Constitution* as the “militant” leader of that group, did say that he endorsed going back to work regardless of whether members voted to approve the contract or not, though, due to lack of Black members in leadership positions, Reynolds thought that their concerns about the contract were not being properly addressed.<sup>855</sup> He would continue to push for leadership change in the union and became the first Black president of Local 732 in 1978.<sup>856</sup>

Local 732 voted against the contract narrowly 468 to 423.<sup>857</sup> Following further negotiations, Local 732 membership approved the new offer 661 to 233 on July 12. They received a 70-cent wage increase over the two-year contract. The two-year contract would increase the base pay from \$4.36 to \$5.06 per hour over the course of the contract. Local 732 won a cost-of-living increase with the one-cent cost-of-living increase based off of the 1967 Consumer Price Index (CPI) rather than the 1957-1959

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<sup>855</sup> “Drivers Expected to End Bus Walkout Tomorrow,” *Atlanta Constitution*, June 27, 1973; “Union Dissatisfaction May Have Complicated MARTA Dispute,” *Atlanta Voice*, June 30, 1972; Sam Hopkins, “Negotiators Agree on \$28 Raise,” *Atlanta Constitution*, July 11, 1973.

<sup>856</sup> Bailey, “First Black at MARTA Union Helm.”

<sup>857</sup> Sharon Bailey, “Drivers Reject Wage Offer But Buses Roll,” *Atlanta Constitution*, June 28, 1973; Sharon Bailey, “Nearly All Bus Drivers Return to Jobs,” *Atlanta Constitution*, June 29, 1973.

CPI. They also made gains in a wide variety of fringe benefits including holidays, sick leave, life insurance, and injury pay.<sup>858</sup> Even though MARTA and the union completed negotiations and finally agreed on a contract, the Georgia General Assembly expressed displeasure with the process and looked into legislation to prevent the union from going strike ever again.<sup>859</sup>

The drivers argued that they believed that they would see wages rise since MARTA received some of its income from public funds unlike the privately run ATS, and they claimed that MARTA representatives said so prior to the 1971 referendum. They were just as frustrated with the Local 732 officials as evidenced by the unauthorized strike in 1973. Although ATS had operated a failing bus system, some drivers waxed nostalgic about the ease with which problems were resolved without mediation, court injunctions, and accusations between management and labor. MARTA argued that it needed to restrict spending on higher wages because of the cost of buying land and building the new rapid rail system, and they were attuned to meeting service to the public that the *Atlanta Constitution* editorial alluded to. Reynolds pointed out that this rule on pay restrictions apparently did not apply to executives like Kiepper and others hired from out of town.<sup>860</sup>

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<sup>858</sup> "New Contract Sets MARTA in Motion," *The MARTA Third Friday*, July 20, 1973; "Atlanta Ok's 70c; 2-Year Contract," *In Transit*, September 1973; Union Approves New Contract, July 12, 1973, Box 58 Folder 12, Mule to MARTA Collection.

<sup>859</sup> "House Bill Seeks to Ban MARTA Strikes," *Atlanta Constitution*, January 31, 1974.

<sup>860</sup> "Drivers Expected to End Bus Walkout Tomorrow"; "MARTA Lacks Drivers' Trust?," [newspaper clipping, June 1973], Box 2 Folder 13, ATU 732 Records; "MARTA the Workers Have Power!" The Great Speckled Bird [clipping], July 2, 1973, Box 58 Folder 12 Mule to MARTA Collection; [Transcripts of local Atlanta television newscasts], June 21, 1973, Box 58 Folder 12, Mule to MARTA Collection.

The strike revealed multiple divisions in this new era of publicly-owned mass transit in Atlanta. A group of African American drivers viewed their critical support for the 1971 referendum and demonstrated their ability to hold MARTA officials to those promises. Local 732 leadership like Jacobs had to manage these expectations while also figuring out how they could reach reasonable agreements with MARTA, though Reynolds would suggest that his tactics resulted in contract concessions from a stubborn MARTA. This early dispute caught MARTA officials by surprise because they believed that the local 13(c) agreement reached with Local 732 would avoid strikes over contract disputes. This would begin MARTA officials to rethink what they had signed up for.

#### **7.4 Local 732 Labor Disputes and Expansion of Membership**

After the resolution of the strike and contract, disputes arose over matters other than wages as they navigated the transition. Much like Local 192 and ACT, MARTA stressed the importance of public accountability while Local 732 criticized the discipline system as too punitive. For MARTA management, any perception that they would be perceived as careless with taxpayer money could invite unwelcome scrutiny as evidenced by the groups responsible for the lawsuits over the 1971 referendum. Although some Local 732 members thought that leadership did not push back enough, Jacobs pursued reinstatement and other measures when he believed that MARTA had been too punitive. He no doubt wanted to prove the benefits of being represented by Local 732 as he planned to organize the secretaries and clerks to expand membership as a result of MARTA hiring more employees in those categories.

From Valtman's perspective, MARTA had to enforce the rules in order to keep the system running consistently. Sick leave had been an ongoing issue that MARTA management targeted for reform to prevent what they characterized as abuse of the benefit. In October 1973, management and Local 732 agreed that doctor notes would not be necessary for one day or less of sick leave. The agreement noted that a supervisor could decide to request a note on a case-by-case basis, and that MARTA would be keeping close tabs on how much of these types of absences that employees used. By February 1974, Valtman expressed alarm at the high rate of one-day sick leave use after the new policy went into effect on November 1, 1973. The one-day sick use skyrocketed 75 to 100 percent over what had been used before the policy took effect, and some employees were "repeatedly hitting the sick list the day before and/or the day after holidays, pay-days, and regularly scheduled days off." Although he understood that "some of the membership is getting uptight about management reneging on past agreements," he pointed out that the sick leave agreement "clearly stated that if abuse occurred, the agreement would be terminated," and he promised to do so if the trends he outlined continued. In March 1974, MARTA issued a new policy that required doctor notes for one day or less. Apparently, some Local 732 members tried to get around this policy by asking MARTA clinic employees to sign forms even if they had not treated the members, and MARTA issued further guidance in June 1974 that the clinic doctor could not sign for an employee that he had not examined.<sup>861</sup>

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<sup>861</sup> D. F. Valtman to All Union Employees, October 16, 1973, Box 1, Folder 4, ATU 732 Records; D. F. Valtman to All Union Employees, February 15, 1974, Box 1, Folder 4, ATU 732 Records; G. M. Hayes to All Union Employees, June 24, 1974, Box 1, Folder 4, ATU 732 Records.



If violating MARTA policies resulted in a discipline action, then a procedure allowed employees to dispute that action, though confusion over that led to an August 1974 exchange between MARTA and Local 732 over the process for submitting grievances. MARTA reiterated that the grievances start with frontline foremen then progress up the chain to reach Valtman by referral from Labor Relations Manager Gary M. Hayes. In addition, Local 732 members could not return to work during a suspension just because their suspension had entered the grievance process.<sup>862</sup>

Further disputes arose within Local 732 about handling discipline imposed by MARTA. In December 1974, Local 732 member J. P. Eason complained to ATU President Dan V. Maroney about what he saw as inadequate attention by Local 732 officials to his grievance dispute with MARTA. Eason disputed his termination to Maroney about being fired for a non-preventable accident and argued that discrimination played a role. He said that other “blacks have been removed without justification but nothing has been done about it. Thus, this type of racial discrimination continues to take place on different [occasions].” He thought that Local 732 should pursue the case further.<sup>863</sup> Apparently, Eason did not show up at a Local 732 meeting, so his case did not receive a vote to pursue the case into arbitration. The case had gone through the standard grievance process, but Boyd argued that Eason had to attend the meeting to argue for further action from Local 732.<sup>864</sup> Maroney reminded Jacobs of the importance of

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<sup>862</sup> Donald F. Valtman to Mr. C. J. Jacobs, President, August 16, 1974, Box 1634 Folder 4 , ATU 732 Records.

<sup>863</sup> Julius Phillip Eason to Mr. Dan V. Maroney, December 16, 1974, Box 3 Folder 4, ATU 732 Records.

<sup>864</sup> Dan V. Maroney, Jr. to Mr. Julius P. Eason, December 30, 1974, Box 3 Folder 4, ATU 732 Records.

handling grievances through a documented decision-making process by the Local 732 executive board because some locals “experienced some stiff court costs simply because this procedure has not been followed.”<sup>865</sup>

Despite the perception among some members that Local 732 officials did not do enough to push back on MARTA discipline, Jacobs regularly expressed concerns to Valtman about firing without just cause. In fact, Local 732 reported to ATU cash flow problems due to expenditures on arbitration.<sup>866</sup> One of the main discipline issues revolved around “lose outs,” drivers not showing up for shifts. Jacobs thought that MARTA administered unfairly and complained about this to Valtman. Valtman dismissed the concerns because only a small number of drivers habitually missed shifts, so this was no reason to change the discipline policy. Despite this small number of drivers that regularly faced discipline for this infraction, Valtman argued that these infractions could “contribute to late operations, assignment of replacement drivers to potentially unfamiliar routes, increased cost of operations,” and those drivers should not “take precedence over MARTA’s obligation to tax-paying passengers to provide regular dependable transit service.”<sup>867</sup>

MARTA management realized that labor relations had begun to consume much of Valtman’s time. They decided to create a Director of Labor Relations position to deal directly with Local 732 and report to Valtman. They probably also anticipated that

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<sup>865</sup> Dan V. Maroney, Jr. to Mr. Curtis J. Jacobs, January 3, 1975, Box 3 Folder 4, ATU 732 Records.

<sup>866</sup> C. J. Jacobs to Mr. Donald F. Valtman, April 4, 1975, Box 1634 Folder 5, ATU 732 Records; C. J. Jacobs to Gromfine and Sternstein, December 11, 1974, Box 1634 Folder 4, ATU 732 Records.

<sup>867</sup> Donald F. Valtman to Mr. C. J. Jacobs, President, and Mr. J. C. Reynolds, Appointed Rep., May 14, 1975, Box 1634 Folder 5, ATU 732 Records.

relations with Local 732 would only become more complicated as it expanded its representation and membership.<sup>868</sup>

In the 1970s, the transition of ATU locals from the private to the public sector meant that they faced even more competition to represent workers in non-transportation roles, and sought to avoid what had happened with Local 192 and BART. Beginning in the fall of 1974, ATU Local 732 reached out to MARTA clerical workers when they complained about not receiving the wage increases at the same level as men in other parts of the agency. Local 732 officials seemed particularly eager to finalize the vote because of strong interest from the Office and Professional Employees International Union (OPEIU) Local 31 to organize the MARTA secretaries and clerks.<sup>869</sup> Local 732 efforts to organize clerical workers reflected the priority within ATU to expand locals by bringing in additional public sector workers, and ATU took a leading role to create the Public Employee Department (PED) of the AFL-CIO in 1974.<sup>870</sup>

The MARTA employees in this group largely, or perhaps entirely, consisted of women, and many recognized the importance of unions as a way to gain equality in the workplace. The 9to5 organization that originated in Boston, Massachusetts, in 1973 expanded across the country in the 1970s. Although there would not be a formal 9to5 Atlanta chapter until 1980, the women in clerical jobs at MARTA saw as much of an opportunity for equality as Local 732 and ATU saw for membership expansion.<sup>871</sup>

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<sup>868</sup> Alan F. Kiepper to Mr. Curtis J. Jacobs, November 17, 1976, Box 1634 Folder 7, ATU 732 Records.

<sup>869</sup> Sharon Bailey, "MARTA Union Okayed," *Atlanta Constitution*, March 13, 1975; Sharon Bailey, "MARTA Delays Ratifying Union," *Atlanta Constitution*, March 25, 1975.

<sup>870</sup> Amalgamated Transit Union, *A History of the Amalgamated Transit Union*, 105–6.

<sup>871</sup> "Collection: 9to5 Atlanta Working Women Records | ArchivesSpace at GSU Library," accessed February 6, 2021, <https://archivesspace.library.gsu.edu/repositories/2/resources/492>; For more on the 9to5

Jacobs reached out to ATU for assistance in organizing the MARTA office employees as well as some other local transportation services. Maroney advised Jacobs that ATU organizers could not assist Local 732 at the time because of other organization activities in cities such as New Orleans. He suggested that Local 732 proceed to create an organizing committee for the office workers, and he left it up to Jacobs to determine the composition of the committee from members, officers, or some combination, but he stressed the importance of taking this step so that the process could begin prior to the arrival of an ATU official to assist.<sup>872</sup>

This work paid off and, the following year, a majority of the clerical workers voted 60 to 54 to be represented by Local 732 on March 12, 1975. A group of the clerical workers made the vote close because they petitioned at the last minute to delay the vote to consider how MARTA might improve wages and other issues on their own, but the agreement for holding a representation election had already been agreed to by MARTA and Local 732. Jacobs argued that the election was final, and that another union like OPIEU Local 31 could take advantage of the confusion and nullify Local 732's victory.<sup>873</sup>

The election stood, and, on April 14, 1975, the MARTA Board of Directors "recognized the Union as the authorized representative of the Authority's clerical employees for purposes of collective bargaining." This meant that going forward the

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organization, see Lane Windham, "9to5: Framing a New Doorway," in *Knocking on Labor's Door: Union Organizing in the 1970s and the Roots of a New Economic Divide* (University of North Carolina Press, 2017), 152–77.

<sup>872</sup> Dan V. Maroney to Mr. Curtis J. Jacobs, August 14, 1974, Box 1634 Folder 4, ATU 732 Records.

<sup>873</sup> Recognition Agreement, April 14, 1975, Box 1634 Folder 12, ATU 732 Records; Bailey, "MARTA Delays Ratifying Union."

clerical employees would be included in contract negotiations.<sup>874</sup> Jacobs wrote Maroney for advice on making sure clerical workers were covered under 13(c) agreement between MARTA and Local 732 in new contract negotiations in 1975. Due to the status of Georgia as a “right-to-work” state, the 118 clerical workers did not have to join ATU in order to be represented.<sup>875</sup> In the end, 74 clerical workers out of the total 118 chose to become Local 732 members.<sup>876</sup>

Valinda Johnson, representing the clerical unit, sought to clear up some initial misunderstandings with MARTA because they had not begun to receive the same benefits such as health care and retroactive pay. Similarly, they paid union dues but did not receive the same pay increase. They requested elimination of the deductions because “in the land of the free, how can there be taxation without representation.” Kiepper pointed to a December 11, 1975, memorandum on benefits, and that they would “continue close coordination with Division Local 732 officials relative to the benefits and personnel administrative procedures for all represented employees and specifically the represented Clerical Unit.”<sup>877</sup> Beginning in January 1976, the represented clerical employees began participating in the union pension plan and group insurance that covered health, life, and short-term disability. The employees paid 3.89 percent of their

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<sup>874</sup> Recognition Agreement, April 14, 1975, Box 1634 Folder 12, ATU 732 Records; Bailey, “MARTA Union Okayed.”

<sup>875</sup> C. J. Jacobs to Mr. Dan V. Maroney, Jr., May 15, 1975, Box 3 Folder 4, ATU 732 Records.

<sup>876</sup> W. L. Boyd to Mr. John W. Rowland, June 11, 1975, Box 1634 Folder 2, ATU 732 Records; Edward W. Oliver to Mr. John W. Rowland, June 18, 1975, Box 1634 Folder 2, ATU 732 Records; John Rowland to Mr. W. L. Boyd, June 19, 1975, Box 1634 Folder 2, ATU 732 Records.

<sup>877</sup> Valinda Johnson [and the clerical unit] to Mr. Alan F. Kiepper, December 1, 1975, Box 1634 Folder 5, ATU 732 Records; Mr. Alan F. Kiepper to Ms. Valinda Johnson, December 23, 1975, Box 1634 Folder 5, ATU 732 Records.

pay into the pension plan every pay period and MARTA contributed 7.13 percent. For the group insurance, MARTA covered all of the costs.<sup>878</sup>

A rocky relationship developed between Local 732 and MARTA following the transition to public ownership. In addition to controlling costs through contract negotiations, MARTA also sought to ensure that the drivers provided consistent service to build up and retain a ridership. While pushing back on what they viewed as reasonable discipline, Local 732 also sought to take advantage of the growing MARTA workforce and moved to represent the growing clerical workforce. This success at organizing the clerical workers expanded the Local 732 membership, and Local 732 prevented another union from representing MARTA workers. Though just as the new workers joined the union, Local 732 and MARTA entered into a difficult period of negotiations that would alter their relationship permanently.

### **7.5 1975-1976 Arbitration**

Around the same time as the clerical workers voted for Local 732 representation, Jacobs contacted Valtman about negotiations for a new contract. In addition to MARTA employees already represented by Local 732, the contract one would have to include newly organized clerical workers.<sup>879</sup> A variety of factors complicated negotiations. A total of 1,110 drivers operated buses in February 1975, an increase of 12.8 percent from the previous February, and the base wage of \$5.66 per hour had increased 13 percent

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<sup>878</sup> Robert W. Nelson to All Members of the Clerical Bargaining Unit, December 11, 1975, Box 1 Folder 8, ATU 732 Records.

<sup>879</sup> C. J. Jacobs to Mr. Donald F. Valtman, March 4, 1975, Box 1634 Folder 5, ATU 732 Records.

compared to February 1974.<sup>880</sup> Diesel fuel continued to be a major issue for MARTA and increased from 17.30 cents per gallon to 31.02 cents per gallon from June 1973 to February 1974.<sup>881</sup> The cost increases meant the MARTA management would be looking to cut costs and would put up a fight over Local 732 contract demands.

At the same time costs increased, revenue declined. MARTA attributed revenue decline to multiple factors, among them the poor attendance at Atlanta Falcons professional football games which meant fewer passengers on the special bus service to the games.<sup>882</sup> Similar to actions by the California State Legislature, the Georgia General Assembly passed a law in 1974 that restricted the use of the sales tax revenue to only 50 percent of operating costs.<sup>883</sup> By 1975, the revenue from the one-cent sales tax had not brought in sufficient operating funds to subsidize the 15 cent fare.<sup>884</sup>

In the midst of these unsteady economic numbers, Valtman cautioned Jacobs that MARTA would not be meeting all of the contract demands of Local 732. In the current “depressed economic times, the taxpayers of Fulton and DeKalb Counties can be expected to be more disinclined to tolerate a continuance, let alone expansion of contractual provisions which provide for time-not-worked.” Instead, the contract negotiations should focus “on improving the efficiency and productivity of our work force and thereby reassuring the taxpayers that they are receiving a dollar’s value for each MARTA tax dollar they are being assessed.” Unlike 1973, Valtman wanted to avoid

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<sup>880</sup> “Ridership for February,” *The MARTA Third Friday*, April 18, 1975.

<sup>881</sup> “Diesel Fuel...Up, Up, and Away,” *The MARTA Third Friday*, February 15, 1974.

<sup>882</sup> “Ridership Report for December,” *The MARTA Third Friday*, February 21, 1975.

<sup>883</sup> University of Georgia. Department of Political Science, *Mass Transit Management*, II-6, II- 7 .

<sup>884</sup> United States Congress. Office of Technology Assessment, *An Assessment of Community Planning for Mass Transit: Volume 2-Atlanta Case Study*, 20.

binding arbitration so he hoped he could convince Local 732 to negotiate “in a climate of pause, introspection, and give-and-take on both sides.”<sup>885</sup> MARTA officials warned that meeting the higher salary demands of the drivers and mechanics, as well as the newly organized clerks and secretaries, would likely put an end to the 15-cent fare that officials hoped to maintain until 1979.<sup>886</sup>

As a last ditch effort to avoid arbitration, the MARTA negotiating team released a statement aimed at Local 732 rank-and-file to make the case that they were giving them a reasonable contract offer and “to separate fact from rumor and tell you plainly what MARTA’s offer is and what it isn’t.” In the area of driver wages, MARTA pledged to maintain both the cost-of-living and the wage increase that had been added over the course of the previous contract. To that, they would add increases that would bring the top pay rate of \$5.74 per hour up to \$6.14 per hour over the course of the first year of the contract. They also pledged to improve medical and fringe benefits for all represented employees. MARTA requested the elimination of five minutes of “lay-up time,” or time the bus was not being used, because of upcoming changes in federal law that would consider that overtime. They would still keep 10 minutes of preparation time, which would then pay time-and-a-half and meant that drivers would still get the same amount of pay despite the loss of lay-up time. They also proposed changes to the sick leave because they believed that a small number of employees regularly abused the benefit. MARTA argued that they viewed negotiations as a “two-way street” and “it’s opportunity, as well

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<sup>885</sup> Donald F. Valtman to Mr. C. J. Jacobs, April 11, 1975, Box 1634 Folder 5, ATU 732 Records.

<sup>886</sup> Bailey, “Contract May Scuttle MARTA Fare.”



as the Union's opportunity, to correct inequalities, eliminate outdated conditions, and modify provisions in our Labor Agreement in the best interest of both parties." Although arbitration could be an option, the union might not necessarily end up with a better contract, and "arbitration is expensive for both sides." In closing, MARTA argued that they were, in fact, offering wage increases and more benefits, but "it is being said that your wages will be reduced and you will take home less pay. For the life of us we cannot see how any present employee will take home less pay and certainly each employee will take home more pay as soon as the contract is signed. Now, what's your view?"<sup>887</sup>

Negotiations began in April 1975, and Jacobs expressed his concern to ATU, particularly over the apparent inclusion of John Dash, the same labor negotiator hated by Local 192, on the side of MARTA. "With John Dash in the background, we are expecting a rough time," and he requested James LaSala from ATU to assist with negotiations.<sup>888</sup> The two sides could not agree on a contract, and, under the terms of the July 13, 1973, labor agreement between MARTA and Local 732, Valtman requested arbitration since they could not come to an agreement. Valtman indicated that what Local 732 requested was not in line with what MARTA could agree to as a public agency with "the fixed level of subsidization of operating costs from sales tax receipts." He reminded Jacobs about the parameters for each side choosing an arbitrator and also that Local 732 agreed to no strikes during this arbitration period.<sup>889</sup>

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<sup>887</sup> Donald F. Valtman to Mr. C. J. Jacobs, President, June 23, 1975, Box 1634 Folder 12, ATU 732 Records; Donald F. Valtman to Mr. C. J. Jacobs, President, July 1, 1975, Box 1634 Folder 12, ATU 732 Records; MARTA's Views on [its] Contract Offer, June 30, 1975, Box 1634 Folder 12, ATU 732 Records.

<sup>888</sup> C. J. Jacobs to Mr. Edward W. Oliver, April 25, 1975, Box 1634 Folder 5, ATU 732 Records.

<sup>889</sup> Donald F. Valtman to Mr. C. J. Jacobs, June 23, 1975, Box 1634 Folder 5, ATU 732 Records; Donald F. Valtman to Mr. C. J. Jacobs, August 1, 1975, Box 1634 Folder 5, ATU 732 Records.

Management and labor agreed to begin arbitration on November 10, 1974, the first time management and labor had used arbitration since 1947 when Georgia Power & Light owned the transit system.<sup>890</sup> One of the main issues was MARTA's proposal to suspend the cost-of-living increase for the first year and a half of the three year contract. MARTA also denied the union request for a 30 percent increase in bus driver wages.<sup>891</sup>

Both sides knew the importance of the cost-of-living as a key factor for wage increases. The raging inflation at this time made cost-of-living a major issue for unions to retain in contracts. Dash argued that an essential part of this new contract had to be to structure the cost-of-living clause so that it would not be such an expensive part of the labor contract because of how much it had boosted wages since MARTA took over. As he explained, "The union is really out for the kill in 1975 – they want the best of all possible worlds."<sup>892</sup> Many transit systems across the country sought to restructure cost-of-living increases to battle inflationary increases in fuel and costs not associated with personnel. Transit system managers nationwide embraced this strategy to substitute wage boosts for cost-of-living increases in the first year of the contracts, then tie future cost-of-living increases to the Consumer Price Index (CPI) and not guarantee them.<sup>893</sup>

The negotiations drew scrutiny from the local media, and they demanded more access. The arbitration panel allowed reporters and members of the public access to the hearings, and an Atlanta television station cheered the decision. The television station

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<sup>890</sup> Sharon Bailey, "Arbitration for MARTA," *Atlanta Constitution*, September 10, 1975.

<sup>891</sup> Sharon Bailey, "MARTA Drivers Ask Raise," *Atlanta Constitution*, November 11, 1975.

<sup>892</sup> Bailey.

<sup>893</sup> Amalgamated Transit Union, *A History of the Amalgamated Transit Union*, 112–13.

editorial pointed to the public interest due to the sales tax money that goes towards the bus driver and other employee wages and suggested that Local 732 did not want the hearings to be open specifically because of driver demands for wages to increase from \$5.74 per hour to \$7.40 per hour. They argued that MARTA employees made plenty with the current wages, and that bus drivers were greedy to ask for more.<sup>894</sup> The *Atlanta Constitution* editorial staff continued with its criticism of the union. A February 1976 editorial argued that bus drivers are paid too much when compared with teachers. An ATU member wrote a letter in response pointing out that bus drivers worked more months per year than teachers, and that the editors appeared to be more interested in placing the working class at odds with each other rather than arguing for higher wages for workers.<sup>895</sup>

The clerical workers were not impressed with the pace of the negotiations and complained to Maroney about what they saw as the ineffective representation by Jacobs. They said that he excluded one of their benefits from the draft of the new contract, and that this occurred with no clerical representation at the meeting.<sup>896</sup> The clerical unit did succeed including unpaid maternity and the guarantee for them to be able to return to their jobs following maternity leave.<sup>897</sup>

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<sup>894</sup> TV 5 WAGA-TV Editorial, "Keep MARTA Hearings Open," November 19, 1975, Box 1634 Folder 5, ATU 732 Records.

<sup>895</sup> Ralph Green - Bus Driver to Editor The Atlanta Constitution, February 2, 1976, Box 1634 Folder 6, ATU 732 Records.

<sup>896</sup> Vivian S. Baserkville to Dan D. Maroney, November 21, 1975, Box 1634 Folder 5, ATU 732 Records; Edward W. Oliver to Mr. Ivey G. Smith, November 21, 1975, Box 1634 Folder 5, ATU 732 Records.

<sup>897</sup> Agreement between MARTA and Amalgamated Transit Union, Local 732 (Atlanta, Georgia), June 28, 1975, Box 1 Folder 4, ATU Contracts Collection.

Maroney also began to lose patience with the pace of arbitration, and he expressed bewilderment that the arbitration panel made plans to go to Naples, Florida, to finish the contract arbitration in January 1976, apparently the idea of MARTA's arbitrator. Maroney believed that the delay "is simply another abuse of the arbitration process, extending the cost to the taxpayers, and more important, to the membership of our organization." He sarcastically concluded that if this control by the arbitrators over the location of talks "is allowed to continue, I assume the next trip would be to Hawaii or some other place of greater travel interest." He recommended making sure that future contract negotiations include restricting the location of talks.<sup>898</sup>

Regardless of where the arbitration panel made their decision, Jacobs contacted Maroney about Local 732 concerns that MARTA would not abide by the arbitration awards, and Boyd followed up because "after thinking it over I don't believe he stressed enough the dilemma we are in." If MARTA refused to follow the arbitration award, then he believed Local 732 would "be forced into some kind of drastic action," presumably a strike, but "any action of any kind should be taken until we have received our main contract awards."<sup>899</sup>

The arbitration finally concluded in March 1976, and the Local 732 members voted against the contract. The union was displeased that they did not receive the wage increases they wanted, and they also did not like the suspension of the cost-of-living adjustment even though the suspension was reduced from 18 months to 12 months.<sup>900</sup>

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<sup>898</sup> Dan V. Maroney, Jr. to Mr. Curtis J. Jacobs, January 20, 1976, Box 3 Folder 4, ATU 732 Records.

<sup>899</sup> W. L. Boyd to Mr. Dan V. Maroney, Jr., January 30, 1976, Box 1634 Folder 6, ATU 732 Records.

<sup>900</sup> Beau Cutts, "MARTA, Union Reach Settlement," *Atlanta Constitution*, March 15, 1976.

Jacobs voiced his disapproval and hinted that the union might not vote to accept the contract and go on strike instead, but that threat was unlikely to change the contract because both sides agreed going into the arbitration that the agreement would be binding on both parties.<sup>901</sup> The union finally approved the contract after clarifying some points with MARTA management. One of the sticking points had been whether the recently unionized clerical workers would also receive retroactive pay.<sup>902</sup>

On March 12, 1976, negotiators received the arbitration award, and Kiepper found “[t]he conditions of the award, particularly in the second and third years of the three-year contract[...]very complex.” Kiepper outlined the changes for the first year and promised to begin figuring out retroactive pay due to wage increases for the first year of the contract, June 28, 1975 to June 27, 1976. Drivers received a basic increase of 40 cents per hour spread out over four increases the first year (an increase of the top wage of \$5.74 per hour to \$6.14 per hour), and other represented employees received a percentage ranging between 1.66 percent and 1.74 percent also spread out over four times during the year. However, neither group received a cost-of-living adjustment in the first year. Drivers also received hourly wage increases of 25 cents in the second year and 35 cents in the third year for a high rate of \$6.74. For mechanics, they would receive \$7.21 per hour by the third year. The arbitrators did eliminate the pay for the five minutes of turn-in time for drivers. The new hire wage scale paid new drivers 80 percent of the top wage, then increased five percent every six months until the driver reached 100 percent

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<sup>901</sup> Sharon Bailey, “Bus Drivers, Firemen to Hold Strike Votes,” *Atlanta Constitution*, March 17, 1976.

<sup>902</sup> Sharon Bailey, “MARTA Union Okays New 3-Year Contract,” *Atlanta Constitution*, March 19, 1976.

of the top hourly wage. Medical benefits increased as well as pay after being injured on the job.<sup>903</sup> Also in April, as a result of the contract arbitration, MARTA began giving employees a paid holiday for their work anniversary.<sup>904</sup> By April 1, 1976, MARTA began issuing paychecks as a result of the arbitration, though the April 29 check would include union costs for the arbitration.<sup>905</sup>

ATU sought to avoid these kinds of long, expensive arbitration negotiations. In his editorial column in the April 1976 issue of *In Transit*, Maroney acknowledged the important role arbitration had played in the history of ATU, but he cautioned against its overuse and pointed to ATU's first president, William Mahon, stating all the way back in 1913 that arbitration did not always produce the best outcome. While Maroney knew that presidents and other local union officials could "face hostile members at union meetings," he stressed that the officers had an important role to play in tempering those members' expectations and persuading them to accept a well-negotiated contract rather than going "into arbitration as a face-saving device." He then went on to point specifically to the Local 732 arbitration as another problem with arbitration with the insistence by the arbitrator to hold the executive sessions outside of town and adding to the cost of the proceedings.<sup>906</sup>

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<sup>903</sup> Alan F. Kiepper to All Represented Employees, March 16, 1976, Box 1634 Folder 13, ATU 732 Records; Division 732/MARTA Unofficial Summary of the Major Features of the Arbitration Award, March 12, 1976, Box 1634 Folder 13, ATU 732 Records; "MARTA Wage Dispute Settled," *The MARTA Third Friday*, March 19, 1976; "ATU Local 732 Loses COLA," *In Transit*, April 1976.

<sup>904</sup> Thomas O. Duvall to All Operators, General Order No. 225, March 24, 1976, Box 1 Folder 7, ATU 732 Records.

<sup>905</sup> R. C. Duvall to Senior Staff, April 1, 1976, Box 1 Folder 7, ATU 732 Records.

<sup>906</sup> "When to Arbitrate," *In Transit*, April 1976.

Jacobs criticized Maroney's characterization of the Local 732 arbitration award, and Maroney responded that the article simply reflected ATU's position "that we believe it is much better, whenever possible, to reach an agreement thru hard collective bargaining as we certainly do not have a guarantee when we go into arbitration that we are going to come out ahead of the game." Maroney described the results of the Local 732 arbitration as a blueprint for management at other transit systems to justify demanding unfavorable working conditions for ATU local divisions during contract negotiations. Maroney pointed out that this most likely would not have happened if Local 732 had continued direct bargaining with MARTA instead of turning everything over to arbitration.<sup>907</sup>

Following the completion of negotiations for the new contract, Boyd requested financial arbitration assistance from ATU allowed under Section 66 of the ATU Constitution and General Laws. Local 732 submitted \$45,426 in expenses for ATU consideration, most of which were payments to the Labor Bureau of Middle West. ATU made a point that they would not consider the trips to Naples and Tampa, both in Florida, for arbitration meetings by Jacobs, Boyd, and Parsons. ATU sent Local 732 the maximum amount of \$5,000 they were eligible for based on the Local 732 per capita tax payment to the Defense Fund for the previous two years.<sup>908</sup>

Valinda Johnson contacted Kiepper in April 1976 about the ongoing issue of clerical workers not receiving the correct pay calculation to account for the pay increase

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<sup>907</sup> Dan V. Maroney, Jr. to Mr. C. J. Jacobs, May 19, 1976, Box 3 Folder 4, ATU 732 Records.

<sup>908</sup> John Rowland to Mr. W. L. Boyd, April 2, 1976, Box 1634 Folder 2, ATU 732 Records.

as a result of the arbitration award. In addition, she did not believe that management was prepared to give them the fringe benefits like sick leave and leave on birthdays and work anniversaries. She met with the MARTA Director of Accounting Calvin Meeks and did not think he was correctly calculating the salary increase. If MARTA did not address these issues, then “the clericals do not intend to continue work until such time as these computations are disbursed and received by us, the working force of this transit system.” Boyd and Jacobs essentially undermined her efforts when they contacted Valtman “to tell you the action taken by [Valinda Johnson] was not authorized by Division Local 732,” though they pledged to Maroney that they would look into the issue with the salaries. Kiepper notified Jacobs of his decision to hand over all labor relations between the clerical workers and MARTA to Director of Personnel Claire G. Buckelew, most likely a response to Johnson’s displeasure with MARTA inaction on her concerns and to have a centralized way to handle disputes.<sup>909</sup>

In August 1976, Jacobs complained to Maroney about MARTA’s failure to meet the June 23, 1976, Supplemental Arbitration award decision to the original award from March 12, 1976. Jacobs asked the Labor Bureau of the Middle West to advise on how to compel Valtman and MARTA to pay the appropriate classification increases for mechanical workers and cost-of-living adjustments for clerical workers. By August, Jacobs had run out of patience. Maroney, in this case, suggested that Jacobs might have

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<sup>909</sup> Valinda Johnson to Mr. Alan F. Kiepper, April 1, 1976, Box 1634 Folder 6, ATU 732 Records; C. J. Jacobs and W. L. Boyd to Mr. Donald F. Valtman, April 6, 1976, Box 1634 Folder 6, ATU 732 Records; C. J. Jacobs and W. L. Boyd to Mr. Dan V. Maroney, April 6, 1976, Box 1634 Folder 6, ATU 732 Records.



to submit this to “final and binding arbitration” in order to sort out the disagreement over carrying out the details of the supplemental agreement.<sup>910</sup>

By November 1976, the problem with the clerical workers and their arbitration award remained unresolved, and Jacobs and Boyd met with Kiepper. By this time, a new director of personnel, Franklin Thomas, had begun working there, and Kiepper promised that he would review the history of the pay and benefits negotiated and the implementation of the arbitration award. Kiepper said this review would take 30 to 45 days to complete.<sup>911</sup>

The parties finally resolved all the arbitration stemming from the 1975 contract negotiations in February 1977. In a personal note to “Jake,” Kiepper proposed a public relations opportunity for labor and management to sign the agreement in Kiepper’s office “with an appropriate ceremony.”<sup>912</sup> In June 1977, the final contract for June 28, 1975, through June 27, 1978, included the clerical workers and also included some changes in the grievance procedures that gave MARTA “three (3) working days to investigate a complaint against an employee. At that time the employee will then sign the report as an indication of the employee’s knowledge of said report.” The contract finally went into effect on July 1, 1977.<sup>913</sup>

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<sup>910</sup> C. J. Jacobs to Mr. Donald F. Valtman, August 20, 1976, Box 3 Folder 4, ATU 732 Records; C. J. Jacobs to Mr. Dan V. Maroney, August 20, 1976, Box 3 Folder 4, ATU 732 Records; Dan V. Maroney, Jr. to Mr. C. J. Jacobs, August 31, 1976, Box 3 Folder 4, ATU 732 Records.

<sup>911</sup> Alan F. Kiepper to Mr. Curtis J. Jacobs, November 17, 1976, Box 1634 Folder 7, ATU 732 Records.

<sup>912</sup> Alan F. Kiepper to Mr. Curtis J. Jacobs, February 10, 1977, Box 1634 Folder 14, ATU 732 Records.

<sup>913</sup> Thomas P. McKavitt to All Managers, All Directors, All Supervisors, June 2, 1977, Box 1 Folder 9, ATU 732 Records.

By this time, MARTA had hired Thomas P. McKavitt as Labor Relations Chief, at least the third person to work on labor issues for MARTA in a position that had changed titles just as many times. He soon began working with Jacobs on various issues over the course of several days in May 1977. These issues included pay for operating L-Buses (buses with accessible lifts), filling clerical positions, the cost-of-living pay for downgraded clerical positions, the placement of summer employees on the driving shift board, and the revision of pension plans for both retirees and active employees. Most of these issues had been in some state of arbitration, and these agreements sought to either resolve the need for arbitration or postpone arbitration while MARTA worked on the issue with Local 732.<sup>914</sup>

The long and costly arbitration severely damaged the relationship and trust between MARTA and Local 732. The arbitration also illustrated why ATU sought to limit arbitration in this era of public scrutiny and pressure on both unions and transit management to control costs with wages being a key factor in costs. Despite their attempts at finding a consistent way to deal with Local 732, MARTA had a rotating staff and office name for doing so. This may have contributed to the outcome of costly arbitration and dissatisfaction over the outcome for both sides illustrated the peril of arbitration. That was then followed by a long period of MARTA intransigence over

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<sup>914</sup> Thomas P. McKavitt to Mr. Curtis J. Jacobs [subject: May 20, 21, and 22, 1977, meetings], May 24, 1977, Box 1634 Folder 8, ATU 732 Records; L-Bus Operator Agreement, May 24 1977, Box 1634 Folder 8, ATU 732 Records; Agreement Regarding Clerical Employees Bidding Vacancies due to Pregnancy or Illness, May 24, 1977, Box 1634 Folder 8, ATU 732 Records; Actuarial Study Agreement, May 24, 1977, Box 1634 Folder 8, ATU 732 Records; Pension Proposals Agreement, May 24, 1977, Box 1634 Folder 8, ATU 732 Records; Thomas P. McKavitt to Mr. Curtis J. Jacobs [subject: Accounting Clerks downgrade], May 24, 1977, Box 1634 Folder 8, ATU 732 Records; Agreement to Withdraw Arbitration, May 24, 1977, Box 1634 Folder 8, ATU 732 Records.

implementation of the contract, which only created more tension between MARTA management and Local 732 officials. In addition, this delay stressed the relationship between the newly organized clerical workers and Local 732 leadership. All of these problems illustrated why ATU viewed arbitration with more of a burden and less of a tool for success. Finally, Maroney viewed the experience of Local 732 as an illustration of the potential for the results of expensive contract arbitration to turn out to include transit management demands detrimental to local divisions such as the suspension of the cost-of-living.

#### **7.6 1978 Contract and the End of Jacobs**

The cumulative effects of various disputes between Local 732 and MARTA led to mounting criticism of Jacobs' leadership. Jacobs managed to navigate the 1975-1976 contract negotiations, and he won re-election in 1977. In his sixth year as president, Jacobs thanked membership for their support in overcoming the recent challenge from a group within Local 732. This turmoil over the contracts and other matters led to some members to question Jacobs' leadership abilities and push for his removal from office. As early as 1974, Jacobs had experienced challenges to leadership.<sup>915</sup> This 1974 challenge had arisen as a result of a group led by J. C. Reynolds during the 1973 strike.<sup>916</sup> His sometimes rocky relationship with rank-and-file would grow into a sustained effort to remove him as they blamed his contract negotiation skills for poor results.

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<sup>915</sup> C. J. Jacobs to Dear Brothers and Sisters, November 8, 1974, Box 1634 Folder 4, ATU 732 Records.

<sup>916</sup> "Union Dissatisfaction May Have Complicated MARTA Dispute."

In addition to the clerical workers, other union members also viewed Jacobs' negotiations as disappointing during the 1975-1976 negotiations. In November 1976, Local 732 member L. C. Atkins brought charges against Jacobs with over a dozen members signing onto the charges. Atkins cited the ATU Constitution and General Laws Section 22.5 that allowed him to bring charges, which he listed as "Incompetent" and "Alcoholism." This brief statement did not offer context or evidence that backed up his charges.<sup>917</sup> Jacobs wrote to ATU saying that he had done nothing wrong with regards to signing anything without the approval of the Local 732 Executive Board and believed that he was going to go on trial on false charges. Furthermore, Jacobs argued that the procedural maneuvers employed by Atkins and others were "illegal and ask that the International take steps to rectify this unfortunate situation as soon as possible."<sup>918</sup>

On December 6, 1976, the Local 732 Executive Board voted for ATU International Vice President Ivey Smith "to make a [thorough] investigation of our Arbitration Award in its entirety," indicating unhappiness with the contract that Jacobs agreed to with MARTA. ATU Executive Vice President John Rowland replied that he would dispatch Smith to conduct an investigation into the claims. Jacobs contacted Rowland separately to request that Smith report directly to Local 732 about his findings in the investigation. Rowland rejected this proposal and said that "Smith will make a report regarding his findings to the International President, which in turn, will then be made known to the officers and members of Local Union Local 732." Jacobs also

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<sup>917</sup> L. C. Atkins [statement charging C. J. Jacobs], November 26, 1976, Box 1634 Folder 2, ATU 732 Records.

<sup>918</sup> C. J. Jacobs to Mr. John Rowland, December 7, 1976, Box 1634 Folder 2, ATU 732 Records.

wanted Smith to take an even more active role beyond the investigation which Rowland also rejected because “it would be improper for us to inject ourselves in matters of a Local nature, especially those dealing with so-called charges against officials or members of Local 732.”<sup>919</sup>

Despite these headwinds, Jacobs won the presidency again in December 1977, and Kiepper congratulated Jacobs on his reelection in December 1977. Jacobs thanked him and said that he looked “forward to working with you over the next three years to keep MARTA and [its] employees continually moving forward so that we may be better able to furnish quicker and better service to the public of Atlanta.”<sup>920</sup> These pleasantries masked the troubled environment Jacobs faced.

The rank-and-file displeasure with Jacobs’ negotiating skills in 1978 would play a major role in his final act. MARTA hoped that stabilizing the labor relations position would reap rewards for new contract negotiations in August 1977. McKavitt proposed some updates to language and the structure. The language mostly pertained to removing “‘sexist’ language in the contract,” and the structure referred to “a general portion of the contract which relates to all bargaining unit employees” and “other sections which pertain to specific parts of the bargaining unit such as operators, mechanics, clerical, etc.” McKavitt expressed hope that this could be completed before negotiations in June 1978.<sup>921</sup>

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<sup>919</sup> W. L. Boyd and Paul A. Kelley to Mr. John Rowland, December 7, 1976, Box 1634 Folder 2, ATU 732 Records; John Rowland to Mr. W. L. Boyd, December 9, 1976, Box 1634 Folder 2, ATU 732 Records; John Rowland to Mr. Curtis J. Jacobs, December 22, 1976, Box 1634 Folder 2, ATU 732 Records.

<sup>920</sup> C. J. Jacobs to Mr. Alan F. Kiepper/General Manager, December 9, 1977, Box 1634 Folder 9, ATU 732 Records.

<sup>921</sup> Thomas P. McKavitt to Mr. Scotty Penman, August 12, 1977, Box 1634 Folder 14, ATU 732 Records.

Negotiations did not result in an agreement before the contract expired, and Jacobs claimed that MARTA delayed making a final offer. When presented with the contract, Local 732 members overwhelmingly rejected it by 848 to 35, and they gave no indication that they would go on strike. In addition to dissatisfaction with the wage increase, Local 732 leaders did not endorse the contract because of the reduction in pay for new drivers and extension of the time for them to reach the top wage. The contract also did not change the cost-of-living from the previous contract which meant that drivers would not receive as much of a boost in income.<sup>922</sup> MARTA stressed that they would not approve any contract that would lead to the fare increasing over 25 cents in March. MARTA had already approved to increase the fare from 15 cents to 25 cents beginning in March 1979, and further contract concessions could lead to even more fare increases as well as service reductions.<sup>923</sup>

Local 732 members turned down a second contract that offered the same 30 cents per hour wage increase, and said they were still not happy with the fringe benefits offered by MARTA.<sup>924</sup> The second contract rejection followed many on the Local 732 executive board disagreeing with Jacobs' support of the contract.<sup>925</sup> According to Local 732 member Ralph Green, Jacobs was guilty of a number of issues, and contract negotiations was chief among them. Green claimed that Jacobs did not do a good job of negotiating the contract in June 1978 and "he acted in a juvenile and disruptive matter" with the

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<sup>922</sup> Sharon Bailey, "MARTA Union Derails New Labor Contract," *Atlanta Constitution*, June 30, 1978; Bailey, "Union Asks MARTA For 'Final Offer.'"

<sup>923</sup> Sharon Bailey, "New Labor Talks Set By MARTA," *Atlanta Constitution*, July 1, 1978; Sharon Bailey, "MARTA Hiking Fare to Quarter in March 1979," *Atlanta Constitution*, June 27, 1978.

<sup>924</sup> Sharon Bailey, "MARTA Union Locks Out, Suspends Leader," *Atlanta Constitution*, October 11, 1978.

<sup>925</sup> Sharon Bailey, "MARTA Union Ousts President," *Atlanta Constitution*, October 28, 1978.

negotiating committee, then he attempted to pass it off as a great contract to membership who did not want to even hold a vote on it. Jacobs also failed to push back on disciplinary actions by MARTA, and that he encouraged MARTA to fire two members who spoke out against Jacobs. He also said that Jacobs had not been supportive of members at the new Avondale maintenance facility by discouraging organizing efforts and also being dismissive of worker concerns in general.<sup>926</sup> The two sides prepared for arbitration with MARTA naming John Dash as their selection for the arbitration panel.<sup>927</sup>

Facing another arbitration like the one in 1975, the frustration of the ATU Local 732 membership boiled over and they suspended president Jacobs without pay in October 1978. With the union and management on the verge of going through another round costly arbitration hearings like those in 1975, the membership decided that Jacobs had not done enough to win a favorable contract, and they called for an investigation and even changed the locks at the union office to prevent Jacobs from entering.<sup>928</sup> About two weeks following the suspension, an ATU Local 732 panel found him guilty of a number of issues, including assisting MARTA with firing two employees. Shortly after this, Jacobs' 11-year tenure as president came to an end when the union membership voted him out of office by a vote of 352-72. Jacobs returned to his job as a bus mechanic.<sup>929</sup>

Local 732 members voted to accept the contract in December 1978, with the MARTA plans to include John Dash as their arbitrator likely encouraging Local 732 to

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<sup>926</sup> Ralph Green [statement], September 24, 1978, Box 20 Folder 20, ATU 732 Records.

<sup>927</sup> Bailey, "MARTA Union Locks Out, Suspends Leader."

<sup>928</sup> Bailey.

<sup>929</sup> Bailey, "MARTA Union Ousts President."

make a deal. Acting Local 732 President Mike Hawkins acknowledged that the possibility of another long and costly arbitration contributed to the union's acceptance of the new three-year contract which also included improved fringe benefits. MARTA Board of Directors Vice Chairman William Probst expressed concerns about the long-term impact of the contract because of the unknown potential of the cost-of-living increase which could mean a top bus driver wage of \$9.50 per hour up from \$7.43 per hour. Local 732 received a better deal by continuing negotiations after turning down the previous offer that increased top wages to an estimated \$9.30.<sup>930</sup>

This success came as the membership removed Jacobs from office after he once again appeared to be unable to bring them along to vote for the contract and arbitration appeared likely. The failure to push through the contract signaled a last straw for the Local 732 membership that had clashed with Jacobs over a number of other issues besides contract negotiations. This outcome most likely pleased Maroney and other ATU officials since Local 732 negotiated for higher wages, more fringe benefits, and quarterly cost-of-living increases without going into costly arbitration as they had done in 1976. Though Local 732 membership may not have been pleased with the results, a change in leadership appeared to have some impact on convincing membership to accept the contract.

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<sup>930</sup> Sharon Bailey, "MARTA Workers Approve New Contract," *Atlanta Constitution*, December 15, 1978; Bailey, "MARTA Union Locks Out, Suspends Leader."



## **7.7 Reynolds Dispute**

Jacobs' removal opened up election space for the rise of the first black president of Local 732. J. C. Reynolds, a Black bus driver and member of the Local 732 Executive Board who clashed with Jacobs, joined the union in the mid-1960s and was known as one of the leaders of the 1973 wildcat strike. In 1978, he publicly denounced the contract along with others in the union that led to the ouster of Jacobs.<sup>931</sup>

Reynolds and Jacobs had just gone through a recent ordeal regarding a discipline case against Reynolds, and Jacobs leadership on his handling of this dispute had drawn the ire of Maroney. Reynolds had been fired by MARTA for using sick leave while working on union business. When Maroney insisted on Local 732 using ATU Vice President Charles Penman for assistance, Jacobs informed him that they had not asked for Penman's help with resolving the dispute between Reynolds and MARTA. Maroney became fed up with the mixed messages from Jacobs and Local 732 officers. Maroney believed that their many exchanges over this matter "aggravates this case even more, I am, by copy of this letter, assigning Vice President Penman to work with Local Union Local 732 in the Reynolds arbitration case."<sup>932</sup>

Maroney insisted on Penman's involvement because he viewed the Reynolds arbitration case as particularly serious after he spoke with Local 732 officers. Maroney believed that MARTA management had potentially roped Local 732 into entrapping Reynolds. Reynolds had been working on an arbitration case that Local 732 paid him

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<sup>931</sup> Bailey, "First Black at MARTA Union Helm."

<sup>932</sup> C. J. Jacobs to Mr. Dan V. Maroney, April 6, 1977, Box 1634 Folder 8, ATU 732 Records; Dan V. Maroney, Jr., to Mr. C. J. Jacobs, April 28, 1977, Box 1634 Folder 8, ATU 732 Records.

for, and he also received sick leave pay from MARTA. From Maroney's perspective, MARTA "deliberately paid the man sick pay to set up a case that in their judgement was reason for discharge" because they had "full knowledge that he was, or would be, paid by the Local Union on February 2, 1977, for serving as an arbitrator." Maroney argued that ATU had "a legal, as well as moral, obligation to protect the interest of all members as well as all Local Unions; and you can rest assured we will make every effort to fulfill this obligation." Maroney's advice moving forward was to put to the entire Local 732 membership the question of hiring an outside attorney to resolve the Reynolds case since MARTA had apparently acted with such underhanded behavior.<sup>933</sup>

Jacobs and the Local 732 officers responded to Maroney "to inform you that you have been totally misinformed in the J. C. Reynolds case" so they wanted "to give you that whole background not only in his case but matters leading up to the sorry situation this Division is now in." They explained that Reynolds had been sowing dissent ever since the last election in 1975 "with the result that we have a divided membership for Marta and everyone else to see." Among Reynolds' disruptive actions was his tendency to go against the recommendations of the arbitration board and "we wasted a lot of our membership's money on cases which we, of course, lost." As an example, they pointed to the arbitration case of Willis Martin that became much more complicated as a result of Reynolds' participation on the arbitration panel. Despite these actions by Reynolds, the officers pledged that he would still receive appropriate representation, and that he only

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<sup>933</sup> Dan V. Maroney, Jr., to Mr. C. J. Jacobs, April 13, 1977, Box 1634 Folder 8, ATU 732 Records; Bailey, "First Black at MARTA Union Helm."

matter that they ever needed advice on was because “Mr. Reynolds was running for an Executive Board position and we did not know what the rules were involving a fired employee serving as an Executive Board member.” From Jacobs’ perspective, “if there was any entrapment, it was done in our opinion deliberately by Brother Reynolds.”<sup>934</sup> Despite Jacobs’ lack of support, Reynolds won his arbitration case and went back to work, though without backpay.<sup>935</sup>

Following Reynolds’ successful appeal of his dismissal, in December 1978 ATU Local 732 members elected Reynolds as the first black president in the 62-year history of the union. Reynolds, his fourth attempt at the presidency, defeated his white opponent by 522 to 415, which reflected the demographics of the union that was over 50 percent black. He defeated Mike Hawkins who had served as acting president since the removal of Jacobs. Reynolds stressed his displeasure with the recently approved contract because he wanted higher raises for all members and better health care coverage, though he signaled no plans to interfere with the implementation of the contract.<sup>936</sup>

Jacobs wrote to Maroney in May 1979 to appeal his removal from office, and that he wanted to present his appeal at the ATU convention in September 1979. Jacobs argued that the process of his removal was completely unfair, and he believed that other presidents could also have this happen to them in the future. According to Jacobs, “[t]he charges were trumped up; the so-called trial was a kangaroo court; and the findings were

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<sup>934</sup> C. J. Jacobs [and 732 officers] to Mr. Dan V. Maroney, April 21, 1977, Box 1634 Folder 8, ATU 732 Records.

<sup>935</sup> Bailey, “First Black at MARTA Union Helm.”

<sup>936</sup> Bailey.

illegal - especially the one that states I not be allowed to run for office again.” ATU agreed to hear his appeal, and they also notified the Local 732 financial secretary because that was a required part of the process that Jacobs had not completed.<sup>937</sup> By this point, though, Local 732 had moved on and nothing happened with Jacobs’ appeal.

The Reynolds story illustrated that the rank-and-file sought a change in leadership due to the concerns over contract negotiations and the handling of discipline disputes by Local 732 leadership. Reynolds was also the face of nonwhite militant workers that ascended the leadership ladder in the local to finally become president. Like the first Black Local 192 president John Wesley, he would face a much more difficult negotiation climate at the end of the 1970s and early 1980s that would hamper his leadership tenure because Local 732 could no longer achieve that same contract success. Still, the election of Reynolds marked a major achievement for the Black membership.

### **7.8 MARTA Employment Discrimination**

Reynolds’ ascendancy marked an achievement for Black employees, but his involvement in the 1973 strike and public disagreement with Jacobs and MARTA management must have been concerning for MARTA management based on their conflicting statements and actions regarding nonwhite employees. Equality in the workplace had been an ongoing issue since MARTA took over ATS. In 1973 MARTA came under criticism from Black leaders, including Atlanta Mayor Maynard Jackson, and a group called the Atlanta Consortium for the lack of Blacks employees at the

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<sup>937</sup> C. J. Jacobs to Mr. Dan V. Maroney, Jr., May 29 1979, Box 20 Folder 20, ATU 732 Records; R. C. Wallace to Mr. Curtis J. Jacobs, June 4, 1979, Box 20 Folder 20, ATU 732 Records.

administrative and supervisory level. Overall, minority employment increased at MARTA after the takeover of ATS from 19 to 33 percent, and 355 of the 471 black employees worked as bus drivers which meant that over half of the bus drivers were black. Elsewhere in the authority, especially in supervisory positions, this percentage dropped. The Atlanta Consortium pushed for an overall equal percentage between whites and Blacks.<sup>938</sup>

As a result of this higher number of Black drivers, MARTA encouraged more to become managers. In an attempt to get more Black workers into management positions, MARTA started a two-year program to cross-train participants in different management positions in MARTA. The first trainee, William Earl Callier, a nine-year employee, had worked as both a bus driver and a dispatcher.<sup>939</sup>

The efforts to elevate Black workers into management contrasted with hiring discrimination. The election of Reynolds by a majority Black union signaled a shift in the changes that had taken place in the rank-and-file of ATU Local 732 over the years. Some on the MARTA Board, though, viewed the high number of Black bus drivers with alarm. Almost a year after the election of Reynolds, an internal audit by MARTA revealed that the employment office arranged for white driver applicants to move ahead of Black applicants in the hiring process.<sup>940</sup> In 1977 and 1978, some MARTA board members saw the large number of Black drivers as a problem because that could lead

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<sup>938</sup> David Morrison, "Minority Employment Up to 33 Pct. - MARTA," *Atlanta Constitution*, January 20, 1973.

<sup>939</sup> "First MARTA Trainee on Management Program," *The MARTA Third Friday*, February 21, 1975.

<sup>940</sup> T. J. Wells, "MARTA Audit Finds Hiring Bias," *Atlanta Constitution*, November 27, 1979.

potential white applicants to not apply because they would think that MARTA only hired Black drivers. By November 1978, MARTA began placing white applicants “minimally qualified” ahead of Black applicants with similar qualifications.<sup>941</sup>

In response to this revelation, J. Lowell Ware wrote in his *Atlanta Voice* editorial that throughout all of the inconveniences of MARTA construction, fare increases, and the one-cent sales tax, the Black community dealt with it because of the promise of a better system with rapid rail. The revelation of the hiring discrimination “is a grave and serious act,” and he put the MARTA Board Chairman Daniel Patillo on notice to “deal with them right now. If he doesn’t know who makes the hiring policies and who implements these policies, he needs to get out of town before the complete audit is revealed.” Ware went on to point out that he found the argument that MARTA policies discriminated against whites to be ridiculous. Rather “[m]ost whites cannot work side by side with blacks who are their equals. They don’t even want to ride with blacks. Whites have been boycotting the transit system in Atlanta ever since the courts removed the ‘colored’ sign.” Because whites chose not to ride the transit system, “[w]e (blacks) are MARTA’s best customers. They know this. They would like to change it but it will take an act of GOD or OPEC to do it. Whites don’t like to be part of anything they can’t control.” With this in mind, MARTA “can ill afford to be enticing whites with special concessions while blacks stand in the unemployment line.”<sup>942</sup>

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<sup>941</sup> “Hill v. Metropolitan Atlanta Rapid Transit, 841 F.2d 1533 | Casetext,” accessed November 16, 2019, <https://casetext.com/case/hill-v-metropolitan-atlanta-rapid-transit>.

<sup>942</sup> J. Lowell Ware, “MARTA’s Hiring Policy,” *Atlanta Voice*, December 8, 1979.

The audit uncovered that white applicants had been able to move forward in the hiring process ahead of thirteen Black applicants. Following the audit, MARTA announced in December 1979 a formal probe into the hiring process. The hiring practice had been going on for about a year from October 1978 to October 1979. Reverend Ted Clark, a civil rights activist, appeared before the MARTA Board of Directors and pointed to documents he had that proved Kiepper along with board members Ken McMillon and Harold Sheats had knowledge of the revised hiring system. Not all board members agreed with that policy, particularly Black board members such as Joseph E. Lowery, and he pointed to this policy as a reason he did not fully support Kiepper. As an initial step to reduce the likelihood of this happening again, the board resolved to centralize hiring at the headquarters rather than having a transit operations hiring office located in the Browns Mill Bus Operating Facility that had been the home of the hiring office since MARTA began operating ATS.<sup>943</sup> As the critics suggested, in December 1980 MARTA revealed the details of the investigation that found that Kiepper pushed a policy to hire more white bus drivers after the board worried that MARTA would be perceived as an “all Black organization” since bus drivers were the most visible MARTA employees.<sup>944</sup>

### **Conclusion**

By the end of the 1970s, MARTA’s attempt to serve the public and attract white ridership had apparently played a role in employment discrimination. More Black drivers

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<sup>943</sup> Barry King, “MARTA Will Probe Bus Driver Hiring Bias,” *Atlanta Constitution*, December 11, 1979; Robert Lamb, “Even Kiepper’s Supporters Criticize His Indecision,” *Atlanta Constitution*, March 26, 1982.

<sup>944</sup> “Report on Operations Employment Made Public,” MARTA Transit Times Bulletin, December 9, 1980, Box 31 Folder 4, ATU 732 Records.

transported a largely Black ridership in the city despite the desire by some on the MARTA board to not have a “Black” transit system. The financial burdens of the rapid rail construction and the uncertain nature of the future of the sales tax led to some MARTA board members to fear that white passenger racism, as indicated by Ware’s column, required a change in the perception of the employees and the perception of the ridership. Ware pointed out that no amount of rigging the system could change racist outlook of some white passengers and disinclination for whites to apply for driver jobs in similar numbers as Black driver applicants. Furthermore, he pointed to the importance of the Black ridership to the bottom line of MARTA, so it made no sense to stab them in the back after their support both politically through voting for MARTA and financially through fares as well as the sales tax.

The union viewed this relationship with MARTA through a similar lens: they supported the MARTA vote in order to have more stable employment through a public system. They demanded wage and benefit increases with the understanding that the public funding meant that MARTA should be able to meet their demands in ways that ATS could not. MARTA management, however, viewed the transit authority as accountable to the public in a way that ATS did not, and they had to control costs and have employees that operated a reliable system. The drivers, for the most part, did not find the expectations for rules to be unfair, but they expected MARTA to continually to meet their contract demands, even though both MARTA and ATU warned Local 732 that MARTA could only go so far at the negotiating table and still maintain the 15 cent fare and fund the rapid rail construction. This would all preface a confrontation between



Local 732, ATU, and MARTA over 13(c) that would drag on through the courts in the 1980s.

## **CHAPTER 8: CHALLENGES FOR PUBLIC TRANSIT AND THE LIMITS OF LABOR RIGHTS IN ATLANTA**

### **Introduction**

After completing the upgrade of the bus system, MARTA management could turn more of their attention to the construction of the rapid rail system. This process would be considerably more complex than the short-range bus upgrade as they had to acquire private property for right-of-way and oversee massive construction projects for the downtown underground stations. At the same time, they had to maintain, or even expand, the ridership so that they would have a ridership base ready for the rapid rail system.

To successfully do this, MARTA management required Local 732 cooperation in two areas. To keep the riders happy during the construction, the drivers had to be nimble navigating downtown and aware of route changes to keep on schedule as much as possible. This included adapting to the reconditioned and new buses with accessible lifts, a requirement as part of accepting capital and operating grants under the 1974 National Mass Transportation Assistance Act (NMTAA).

MARTA's second area of concern focused on continued access to the capital and operating assistance grants in a timely fashion. The funding from the capital grants maintained the rapid rail construction schedule, and the operating grants allowed MARTA to keep the fares low and maintain ridership. If Local 732 raised concerns about Section 13(c) issues, then this could delay the grants from moving through the approval process with Department of Labor (DOL) and the Department of Transportation (DOT). ATU generally wanted to move grants along while Local 732 leadership,

particularly president Curtis J. Jacobs, believed that ATU prevented them from using 13(c) as a cudgel against MARTA. ATU president Dan V. Maroney warned Local 732 about such maneuvers because they could face a backlash from forces aligned against 13(c), jeopardizing their collective bargaining rights.

The 1964 Urban Mass Transportation Act (1964 UMTA) and the inclusion of 13(c) provided transit unions like Local 732 with an advantageous position to transition to public transit and retain collective bargaining rights. Although the 13(c) did not cause problems in the first decade of the 1964 UMTA, this was not the case in the 1970s as 13(c) took on new meaning with federal funding for operating expenses available following the passage of the National Mass Transportation Assistance Act (NMTAA) in 1974, and as transit authorities, the DOL, the DOT, and the unions worked through how 13(c) applied to approval of federal funds for both capital and operating grants. Typically, local transit authorities worked with local unions to negotiate an initial local 13(c) agreement which stated that collective bargaining would be in effect for contracts in order for the transit agencies to receive federal funding, then future grant applications would essentially reaffirm those 13(c) protections were still in place. ATU and other transit unions had successfully used 13(c) to their advantage by retaining collective bargaining rights, and they found themselves in a more advantageous position than other public sector unions by the 1970s.<sup>945</sup> The mutual support by the (American Public Transportation Association (APTA) and ATU for the NMTAA in 1974 made

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<sup>945</sup> Alan Reed, "The Urban Mass Transportation Act and Local Labor Negotiation: The 13-C Experience," *Transportation Journal* 18, no. 3 (April 1, 1979): 63–64.

greater resources available for transit systems but also led to a decade-long fight over 13(c). Even before the NMTAA there had been calls for change by APTA, and they had long viewed labor protections as an impediment to transit systems being able to quickly access capital, and now operating funds, available through NMTAA.

By the 1970s, transit system management, such as MARTA's, began to view 13(c) agreements with local unions as a nuisance and pushed for reform and even stripping 13(c) from federal legislation. The 13(c) approval process for grants went through the DOL and the DOT, sometimes dragged on, and left transit systems in the lurch waiting for capital funds as well as operating funds. Transit system management also viewed the federal government as an unreliable funding partner. Urban Mass Transportation Administration (UMTA) Administrator Frank C. Herringer, in a speech to the National League of Cities (NLC) on December 3, 1973, expressed doubt that UMTA would be able to provide the same level of funding for all capital project requests in the future. He didn't think that funding would disappear completely, but that "projects will have to be funded on a priority basis."<sup>946</sup>

Faced with this possible lapse in funding and based on their experience with capital grants and the 13(c) approval process, transit system management pushed for improvements to the process so that the operating grants would not be held up by 13(c) approval. They wanted to speed up the process by limiting the time that the DOL could consider the 13(c) agreement, and they also wanted to allow for existing 13(c)

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<sup>946</sup> "The Following Are Excerpts From Remarks Made by Frank C. Herringer[...]," *The MARTA Third Friday*, December 21, 1973.

agreements to be the basis for extension of capital grants and the operating grants so that they would not have to begin completely new negotiations. APTA expressed the view of some transit system management that there was not a danger of job loss as a result of grants after the establishment of public transit systems, and that the quick approval of grants meant that they would keep those jobs rather than lose them.

Transit system management from all over the country urged the APTA to pursue changes to 13(c). They found a receptive audience with APTA President B. R. Stokes who had been in charge of BART during the 13(c) arguments over ATU hiring preferences. From Stokes perspective, 13(c) led to higher costs for BART due to arbitration expenses and the delay in beginning operations. In a February 1974 speech to the APTA management seminar, Joseph Kaufman, General Counsel for the Mass Transit Administration of Maryland, urged the audience to take care of local 13(c) agreements early in the federal grant process instead of waiting until the last minute, otherwise “the union has you exactly where it wants you,” implying that the union could extract unfair concessions from the transit system.<sup>947</sup>

Historically APTA did not play an active role between management and labor. The organization primarily shared information between transit systems, but it became more involved with labor negotiations by the 1970s as the importance of the 13(c) became apparent.<sup>948</sup> Beginning in the early 1970s, APTA (then known as the American Transit Association prior to its merger with the Institute for Rapid Transit in

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<sup>947</sup> Update on 13(c), February 20, 1974, Box 143 Folder 1, APTA Records.

<sup>948</sup> Barnum, *From Private to Public: Labor Relations in Urban Mass Transit*, 12–13.

1974), began to look into correcting what they viewed as overreach by unions due to 13(c). They complained that the length of time it took for the DOL to approve 13(c) agreements associated with UMTA capital grants, although this negative experience with 13(c) did not represent the experience of all transit systems. APTA solicited input from transit system management on their experiences with 13(c), and, other than a few outliers, they did not report much complication beyond the time-consuming, bureaucratic process. Most transit systems reported no problems, and that they had eventually agreed on 13(c) local agreements. The few problems though illustrated the local variety of strategies that APTA pointed to as a reason to have a national agreement, such as the Toledo, Ohio, transit system where they reported the union using 13(c) as leverage to tie management's hands during contract negotiations.<sup>949</sup>

Since 1964 UMTA became law, the Department of Housing and Urban Development (HUD), then DOT beginning in 1967, routed applications to the DOL which then approved them based on 13(c) agreements between the transit agencies and the local unions. What had not been made clear was the role of the unions in the grant approval process. This changed following a request on August 28, 1972, from the president of the United Transportation Union (UTU) to the Secretary of Labor. He requested that the secretary make it clear that the unions would be allowed to weigh in on 13(c) protections before the DOL notified the DOT.<sup>950</sup>

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<sup>949</sup> Responses of Various U.S. Transit Systems to the ATA Request for a Summary of Their Experience with Section 13(c)[...], [circa 1973], Box 143 Folder 6, APTA Records; Questions to Consider Regarding Section 13C of the Urban Mass Transportation Act of 1964, [circa 1973], Box 143 Folder 6, APTA Records.

<sup>950</sup> Reed, "The Urban Mass Transportation Act and Local Labor Negotiation," 58.

ATU viewed APTA's desired alterations to 13(c) as a backdoor to erode collective bargaining rights. ATU leadership stressed the importance of labor cooperation to pass legislation to fund mass transit and ensure that 13(c) remained part of those bills. They hailed the 1973 Federal Aid Highway Act for including 13(c) provisions and argued that, without the intervention of ATU, the act might not have included 13(c). In addition to the inclusion of 13(c), the legislation provided \$4.1 million over three years in capital funding to local mass transit projects and adjusted the cost-sharing formula to 80 percent federal and 20 percent local rather than one-third local and two-thirds federal.<sup>951</sup>

Due to the expectation of the NMTAA passing, ATU and APTA began discussion in October 1974 for a nationwide 13(c) agreement that would cover the length of the operating assistance federal funding for all six years of the NMTAA.<sup>952</sup> According to Stokes, the operating assistance grant in the NMTAA presented a new potential problem because "under the capital program 13(c) negotiations were necessary only on an occasional project basis, while under the new operating assistance program there was a possibility of requiring 13(c) certification as often as on a fiscal year basis." Stokes described an effort "to serve the interest of all by attempting to reach agreement on a 'national 13(c)' - an agreement which could be used by the Secretary of Labor in issuing 'automatic' certifications in all but the most unusual cases."<sup>953</sup>

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<sup>951</sup> "ATU Wins Labor Protections in Highway Bill Aiding Transit," *In Transit*, September 1973.

<sup>952</sup> David E. Fox to APTA Executive Committee, October 10, 1974, Box 143 Folder 1, APTA Records.

<sup>953</sup> B. R. Stokes to the Honorable William T. Coleman and the Honorable John T. Dunlop, June 18, 1975, Box 142 Folder 9, APTA Records.

In 1975, APTA began to work with DOL, DOT, ATU, and other transit unions to reach a National 13(c) Agreement. Among the transit system officials working on this on behalf of APTA was Donald Valtman, along with three other MARTA officials, involved due to MARTA's recent 13(c) agreement with Local 732.<sup>954</sup> They failed to reach an agreement because Stokes claimed that labor demands "exceed the statutory intent and infringes on the most basic management rights," and "terms desired were unrealistic and suggested an attitude of overreaching." Stokes framed the problem as transit management being "compelled to accept terms and conditions they felt unfair at the risk of possible denial of Federal assistance" without much specifics on those demands, though it likely had something to do with arbitration over wages and benefits.<sup>955</sup> By June 1975, Stokes reported that they could not come to an agreement with the union negotiators on a national agreement. Without this national agreement, APTA thought that transit systems could end up having delayed operating funds due to individual negotiations with local unions.<sup>956</sup>

Eventually DOT and DOL worked with the parties to reach a consensus and they signed the National 13(c) Agreement signed on July 23, 1975.<sup>957</sup> In addition to ATU and APTA, other signers on the National 13(c) Agreement included UTU, the Transit

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<sup>954</sup> Donald F. Valtman to Mr. Leonard Ronis, November 29, 1974, Box 142 Folder 4, APTA Records; Special APTA 13(c) Task Force, November 19, 1974, Box 142 Folder 4, APTA Records.

<sup>955</sup> B. R. Stokes to the Honorable William T. Coleman and the Honorable John T. Dunlop, June 18, 1975, Box 142 Folder 9, APTA Records.

<sup>956</sup> B. R. Stokes to All Member Transit Systems, June 11, 1975, Box 143 Folder 1, APTA Records.

<sup>957</sup> William T. Coleman, Jr. to the President, April 8, 1976, Box 21 Folder "Mass Transit - Labor Protective Agreements (1)," James M. Cannon Files (Ford Administration), GRF-0039, Gerald R. Ford Library, National Archives and Records Administration [hereafter Cannon Files]; W. J. Usery, Jr. to the Honorable James Cannon, August 24, 1976, Box 22 Folder "Mass Transit - Labor Protective Agreements (5)," Cannon Files.



Workers Union (TWU), and the Railway Labor Executives' Association (RLEA). DOL expressed satisfaction with the agreement as well as the negotiations that led to the final agreement. To have all the stakeholders involved in crafting the agreement meant, they hoped, it would more likely succeed as opposed to the DOL unilaterally imposing rules and regulations for 13(c). ATU's national leadership provided the agreement to locals in transit systems that received federal assistance and encouraged the locals to sign the agreement along with their transit system management. Only after both the local officers and the transit system management signed the National 13(c) Agreement would ATU then use it in the federal grant approval process. ATU Attorney Earl Putnam viewed the National 13(c) Agreement as essentially pulling together protections that had existed in many of the local 13(c) agreements for 10 years since the passage of the 1964 UMTA. Even if the locals did not sign the National 13(c) Agreement, the language for protection could be transferred into local agreements and would be acceptable to the DOL, and hopefully reduce the haggling over the language and speed up the grant process. TWU President Matthew Guinan agreed and further commented that the national agreement "takes away from reactionary members of Congress the opportunity to change or dilute Section 13(c) protections."<sup>958</sup>

ATU, TWU, and UTU all agreed to push for locals to implement the National 13(c) Agreement, but many municipal and other officials dismissed the agreement as confusing and did not support it.<sup>959</sup> Transit management complained that the voluntary

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<sup>958</sup> "National 13(c) Is Signed," *In Transit*, September 1975; Reed, "The Urban Mass Transportation Act and Local Labor Negotiation," 59.

<sup>959</sup> Reed, "The Urban Mass Transportation Act and Local Labor Negotiation," 60.

agreement did not do enough to speed up the approval process. As the 1970s progressed, APTA turned first to the Ford Administration and then the judicial branch to seek relief.

In Atlanta this situation would play out with MARTA becoming increasingly tired of delays to federal funding, sometimes due to Local 732 fighting with ATU over the meaning of 13(c). As MARTA moved into preparation for and actual rail construction, they required timely access to capital funds. For the bus system, the operating funds would allow MARTA to maintain a sufficient level of services for buses to maintain the ridership. In most aspects, the MARTA takeover of ATS resulted in a much better bus system. The public flocked to it as a result of expanded service, new equipment, and lower fares, and MARTA envisioned the end result of the transformation would be to create a customer base for the rapid rail system.

As MARTA moved from stabilizing and improving the bus system to the construction and opening of the rapid rail system, they did not receive sustained cooperation from Local 732 that they had hoped they would receive. The two sides failed to sign the National 13(c) Agreement, and, during the 1970s and 1980s, they continually faced off over a number of other issues, first at the bargaining table, then at the Georgia General Assembly, and finally at the courts. ATU Local 732 was reflective of larger struggles of transit unions during the 1970s to maintain collective bargaining protections under 13(c) as well as an example of how ATU and transit authority interpretations of 13(c) played out at the local level.

### **8.1 Rapid Rail Construction and Maintaining a Bus System**

The flow of federal capital funding would be critical for the completion of the rapid rail system. Following the 1971 referendum, MARTA showed that it could fulfill the promise of turning around the bus system and attracting ridership. Fulfilling the promise of a rapid rail system proved to be much more complicated. To succeed, MARTA required the continuation of public support, political support, and union support, all of which had been strained during the transition of the bus system to public transit.

In 1974, MARTA created a communications and marketing position and hired T. William Swinford, the former UMTA director of public affairs, to handle the responsibilities of the increased interaction with, as well as accountability to, the public.<sup>960</sup> Swinford oversaw the media relations and publications, special events, and community relations. Special events usually included groundbreakings, and community relations played an important role since many meetings took place to discuss the construction and gather required input from the public.<sup>961</sup> To encourage the participation of minority contractors, MARTA published *The MARTA Connector* “to provide minority firms maximum opportunity to participate in the construction of the rapid rail system and in the provision of goods and services.”<sup>962</sup> To keep the public informed about its progress, MARTA published a newsletter called *The MARTA Third Friday* as well as annual reports.

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<sup>960</sup> “UMTA’s Swinford to Join MARTA Senior Staff,” *The MARTA Third Friday*, October 18, 1974.

<sup>961</sup> Sharon Bailey, “MARTA to Hire U.S. Aide,” *Atlanta Constitution*, October 2, 1974.

<sup>962</sup> “Keeping Minority Firms Informed...Involved,” *The MARTA Third Friday*, May 16, 1975.

In 1975, MARTA reorganized in order for General Manager Alan Kiepper to have more time in his schedule to focus on the construction of the rapid rail system. Two positions reporting to him took over day-to-day operations, a deputy general manager who supervised all of the internal operations, principally the Department of Transit Operations, and an assistant general manager for planning and public affairs to handle external affairs such as communications and marketing as well as interactions with the UMTA.<sup>963</sup>

Unlike the upgrades to the bus system, the construction of the rapid rail system required a much larger budget that heavily relied on federal funding. The dire predictions of those opposed to MARTA appeared to be coming true as the Richard M. Nixon Administration appeared at times to be backing away from previous federal funding commitments to mass transit. In the spring of 1974, MARTA officials expressed alarm at the Nixon Administration's proposed Unified Transportation Assistance Program (UTAP). This program threatened to reduce the funds available to MARTA which would mean they could not build the system promised to voters. Atlanta Mayor Maynard Jackson pointed out that this amounted to a bait-and-switch after "being encouraged and even enticed by the federal government to undertake our local commitment to mass rapid transit, only to find later that we were the object of a very bad joke." Kiepper traveled to Washington, D.C., to testify before the US Congress at the House Public Works Committee and to meet with Georgia's congressional delegation to explain the

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<sup>963</sup> "Two New Posts Created in MARTA's Reorganization," *The MARTA Third Friday*, March 21, 1975.

importance of maintaining the current funding.<sup>964</sup> The House Public Works Committee put forth a \$4 billion per year transit and highway bill, but the DOT Secretary Claude Brinegar dismissed it as too expensive and likely to be vetoed by Nixon.<sup>965</sup>

By November 1974, the cost estimate for the MARTA rapid rail system had ballooned to \$2.099 billion from \$1.791 billion, largely due to inflation but also because of changes to the design.<sup>966</sup> MARTA officials breathed a sigh of relief when Congress passed the NMTAA and Ford signed it. The NMTAA provided \$11.8 billion in capital and operating funds over six years. This included \$7.325 billion for capital funding and \$3.975 billion that could be used for operating or capital. If the funding went to operating costs, then the federal share would be 50 percent, but for capital costs, then the federal share would be 80 percent. This legislation also included a provision that elderly and handicapped passengers pay no more than half of the fare during non-rush hours.<sup>967</sup> The Ford Administration signaled that rapid rail projects would face more scrutiny in the future. UMTA Administrator Patricelli warned about the limitations of UMTA funding, and that the UMTA would insist on cities to evaluate all possible mass transit system options going forward that made the most sense for their situation.<sup>968</sup>

MARTA anticipated the rapid rail groundbreaking as an opportunity to reset its public relations. The groundbreaking occurred on February 19, 1975, although

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<sup>964</sup> “[Coverage of Public Officials’ Responses to Unified Transportation Assistance Program (UTAP)],” *The MARTA Third Friday*, April 19, 1974.

<sup>965</sup> “UTAP, Money, and MARTA,” *The MARTA Third Friday*, June 21, 1974.

<sup>966</sup> “MARTA Hears New Cost, Schedule Estimate,” *The MARTA Third Friday*, November 15, 1974.

<sup>967</sup> “S.386, It Passed! Now What Does It Mean?,” *The MARTA Third Friday*, December 20, 1974.

<sup>968</sup> “Federal Funds Limited,” *The MARTA Third Friday*, October 17, 1975.

construction did not start immediately on that day.<sup>969</sup> Construction of the rapid rail required a substantial purchase of land and demolition of buildings. The total cost of nearly \$144 million included the relocation of “2,200 families, businesses and individuals.”<sup>970</sup> MARTA reported the construction delay because of condemnation proceedings as a result of disputes over the fair market value that MARTA offered to land owners.<sup>971</sup>

The comparison to the BART construction loomed over the early days of MARTA rapid rail construction. Not long after the groundbreaking, California State Senator Alfred Alquist warned Georgia state legislators to keep a close watch on the activities of MARTA because of the construction and cost overruns with BART.<sup>972</sup> In the summer of 1975, the DOT Secretary visited Atlanta for the National Urban League Convention and expressed optimism in MARTA’s plans. When asked how he thought MARTA was progressing with the rapid rail system construction, he remarked “I think they have learned from the past. You know, in the BART system in San Francisco there were problems -- I think that Atlanta to the best of its ability has built in checks so as to avoid those problems. I think there’s a great commitment here.”<sup>973</sup>

One indication of MARTA’s success during the construction would be the agency’s ability to maintain an attractive bus system. As the rapid rail construction

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<sup>969</sup> Sharon Bailey, “First Rail Work Pact Okayed,” *Atlanta Constitution*, September 10, 1975; Bill King, “MARTA Rail Route Protested,” *Atlanta Constitution*, March 6, 1975; Sharon Bailey, “First MARTA Work 3 Weeks Away,” *Atlanta Constitution*, March 6, 1975.

<sup>970</sup> “Clearing a Path to the Future,” *The MARTA Third Friday*, February 15, 1974.

<sup>971</sup> “MARTA Is Moving...But Slowly,” *The MARTA Third Friday*, April 18, 1975.

<sup>972</sup> David Morrison, “Watch MARTA, Californian Says,” *Atlanta Constitution*, March 25, 1975.

<sup>973</sup> “Atlanta Hub of Nation by 1985,” *The MARTA Third Friday*, August 15, 1975.

commenced, buses had to make adjustments to minimize the impact of the construction. In May 1976, Director of Transportation Thomas Duvall issued a notice to drivers and supervisors about the beginning of rapid rail construction downtown. He warned about the challenges to maintaining a reliable bus schedule over the next few years, so “we must diligently observe all schedules both inbound and outbound and make necessary schedule adjustments that will best serve our patrons.”<sup>974</sup>

MARTA hoped that technology upgrades would aid in efforts to maintain good service during construction. Duvall sent out rules for the best use of the Motorola radio system because he considered “the vehicle you drive and the two-way radio to be the two primary tools of a bus operator’s profession.” The rules mostly concerned the best way to communicate with the dispatcher to ensure clear communication. The most important communication revolved around bus schedule delays, accidents, and accidentally triggering the emergency alarms which often happened accidentally because of the location of the triggers. Paradoxically, these radios that allowed drivers to coordinate route adjustments in response to construction delays also posed a danger to drivers. MARTA sent out a notice in January that warned drivers to not use the radios in an area of downtown due to rapid rail transit construction that involved the use of explosives. The workers activated the explosives with electric detonators, and MARTA warned that radio use could also trigger the explosives. The construction workers placed

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<sup>974</sup> Thomas O. Duvall to All Supervisors and Dispatchers, May 19, 1976, Box 1 Folder 7, ATU 732 Records.

signs warning about radio use in those areas, so Duvall stressed the importance of being aware of those signs.<sup>975</sup>

Though drivers had to navigate those construction issues, they had optimism for a chance at new MARTA rapid rail jobs. Unlike the Bay Area, MARTA avoided a complex 13(c) battle over displaced employees and representation primarily due to the fact that the private bus system had been acquired by MARTA, similar to the acquisition process of the Washington Metropolitan Area Transit Authority (WMATA) in the Washington, D.C., area. In 1977 Jacobs began meeting with MARTA management about first opportunity jobs in the rapid rail system. ATU attorney Alexander Cohn pointed out that “the first jobs will probably be sweepers, janitors, or cleaners needed for the first rail maintenance and/or computer facility, which I believe MARTA will open very soon. This is Local 732’s work,” and the structure for bargaining for these positions was spelled out in the August 1971 13(c) agreement. In March 1977, Jacobs requested ATU assistance with negotiations with MARTA for jobs in the rapid transit system. Jacobs also notified MARTA that Local 732 would be looking to represent the workers hired for the rapid rail system.<sup>976</sup>

In August 1978, Assistant Director of Rail Transportation William K. Rabren contacted Jacobs to notify him about MARTA’s plan for bus drivers that wanted to

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<sup>975</sup> Thomas O. Duvall to All Operators, General Order No. 77-2, January 12, 1977, Box 1 Folder 9, ATU 732 Records.

<sup>976</sup> MARTA experienced a much more streamlined acquisition process than WMATA which acquired multiple companies in Washington, D.C., Maryland, and Virginia. WMATA finally had to seize D.C. Transit, the largest system, after its owner, O. Roy Chalk, refused to reach an agreement. See Schrag, *The Great Society Subway*, 176; C. J. Jacobs to Mr. John Rowland, March 11, 1977, Box 1634 Folder 8, ATU 732 Records; C. J. Jacobs to Mr. Alan F. Kiepper, March 11, 1977, Box 1634 Folder 8, ATU 732 Records; Alexander Cohn to Mr. Curtis J. Jacobs, January 27, 1977, Box 1634 Folder 8, ATU 732 Records.



transfer to rail operator positions. Rabren planned to begin training in September 1978, and they developed a process for drivers to sign up for this training. They did want to interview drivers first before they decided to begin the training because management believed that some drivers might decide to remain as bus drivers.<sup>977</sup>

The first leg of the new rapid rail system finally opened on June 30, 1979. The trains ran on a 6.7 mile line East Line from the Avondale station in Decatur to the downtown Georgia State University station.<sup>978</sup> MARTA implemented a feeder system for the East Line in October. They followed the same pattern with the opening of the West Line in December and operating a bus feeder system for it several months later.<sup>979</sup>

By June 1979, MARTA operated 800 buses, managed routes that covered 31 million miles and carried 81 million passengers per year.<sup>980</sup> It was important for MARTA to provide a reliable bus system while rail construction was ongoing so that they would have the existing ridership base to use the system upon completion. While the rapid rail construction was ongoing, MARTA continued to expand bus service to maintain ridership. MARTA had to meet demands for fully accessible buses in the wake of the passage of the Rehabilitation Act in 1973, especially Section 504 that tied federal funding to accessibility.<sup>981</sup> This became more explicit with the NMTAA 1974 operating assistance grants that mandated reduced fares for elderly and disabled riders as well as

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<sup>977</sup> William K. Rabren to Mr. J. Jacobs, August 4, 1978, Box 1 Folder 9, ATU 732 Records.

<sup>978</sup> "Rapid Rail Age Begins in Atlanta," MARTA Transit Times, July 1, 1979, Box 31 Folder 3, ATU 732 Records.

<sup>979</sup> Metropolitan Atlanta Rapid Transit Authority, *Annual Report*, 1, 8.

<sup>980</sup> "Rapid Rail Age Begins in Atlanta," MARTA Transit Times, July 1, 1979, Box 31 Folder 3, ATU 732 Records.

<sup>981</sup> "Timeline - DRILM - University of California, Berkeley."

using buses equipped with lifts, usually integrated into the front door entrance. The implementation of the reduced fare and lifts led to friction between Local 732 and MARTA.

In June 1975, MARTA began the half fare program and preferential seating for senior citizens and those with accessibility needs. The half fare policy was a requirement of the NMTAA while the preferential seating was a policy that MARTA implemented. MARTA recognized that drivers may not be sure of the status of a rider claiming one or both of these, so they told drivers to handle disputes in the same way as transfers, which was to require full fares and report the matter to MARTA customer services.<sup>982</sup>

Drivers wanted to make sure that they did not get into trouble with regards to MARTA management insistence for drivers to accurately collect all fares according to the various categories. Riders already argued over the payment of regular fares, so drivers did not want to have added potential for even more fare disputes. In order to solve this potential problem, Jacobs requested that Valtman arrange to produce cards for elderly and disabled riders so that they could present the cards to bus drivers when they paid their discount fare of seven cents.<sup>983</sup> MARTA management agreed with Local 732 about the problems with properly identifying those eligible for the reduced fares, though they expressed more concern about estimated revenue loss of \$1.1 million per year due to the federally-mandated reduced fares rather than problems with disputes between drivers

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<sup>982</sup> Thomas O. Duvall to All Operators, General Order No. 207, May 28, 1975, Box 1 Folder 8, ATU 732 Records.

<sup>983</sup> C. J. Jacobs to Mr. Donald F. Valtman, June 4, 1975, Box 1634 Folder 5, ATU 732 Records.

and passengers. Kiepper pointed out that MARTA already had a low fare which he believed the creators of the NMTAA overlooked in their demands for further reduced fare.<sup>984</sup>

The other part of the accessibility program included equipping buses with lifts. Similar to ACT, MARTA found this requirement burdensome, and they clashed with Local 732 over the implementation. Duvall notified drivers that MARTA would begin accessible bus service with lifts, and that drivers that worked with such buses would have to take training on how to use them.<sup>985</sup> In order to try out installing a wheelchair lift, MARTA used a bus from its “mothball fleet” to test out the new service because a conversion cost \$20,000 to \$25,000 per bus while a bus with the lift already installed in a new bus cost \$60,000 to \$70,000. MARTA projected beginning special bus service in 1977.<sup>986</sup> MARTA received UMTA grant funding for assistance with purchasing a new bus and renovating older models for elderly and disabled.<sup>987</sup>

In October 1976, Jacobs and Valtman had a tense exchange over the issue of buses equipped with lifts for people with disabilities. Jacobs proposed raising wages for drivers who had to operate those buses, and Valtman, frustrated about the financial aspects of the federal law, suggested that he might consider reducing those drivers’ wages instead.<sup>988</sup> By 1980, MARTA had buses, the 2000 and 3000 series bus models, and each

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<sup>984</sup> Sharon Bailey, “MARTA Expects to Lose \$1.1 Million on Half Fares,” *Atlanta Constitution*, January 29, 1975.

<sup>985</sup> Thomas O. Duvall to All Operators, March 23, 1976, Box 1 Folder 7, ATU 732 Records.

<sup>986</sup> “MARTA’s Elderly, Handicapped Bus,” *The MARTA Third Friday*, February 1976.

<sup>987</sup> “MARTA Receives \$54.5 Million From UMTA,” *The MARTA Third Friday*, July 16, 1976.

<sup>988</sup> C. J. Jacobs to Mr. Donald F. Valtman, October 11, 1976, Box 1634 Folder 7, ATU 732 Records; Donald F. Valtman to Mr. C. J. Jacobs, October 25, 1976, Box 1634 Folder 7, ATU 732 Records.

had an integrated “kneeling device” that drivers could operate for accessibility. Duval asked drivers to anticipate whether or not a passenger would need the lift before being asked, and he acknowledged that frequent use of the lift could mean that their buses could end up running behind schedule. “[H]owever, we have a commitment to make a special effort to make transit service accessible to MARTA’s elderly and handicapped patron.”<sup>989</sup>

The need to provide accessible bus equipment and the reliance on the federal government to provide financial assistance was one example of how public transit systems provided more comprehensive service to all citizens on one hand, but on the other hand this also presented more costs which made the federal grant assistance so important to fulfill this service. Both MARTA management and Local 732 agreed with disability rights advocates about the importance of this type of service for the public. However, they both found aspects of the service problematic. For MARTA, it was the cost, and, for Local 732, it was the additional job responsibilities, additional pressure of fare category collection, and route delays.

The rapid rail system presented MARTA with a test of its ability to simultaneously build a brand new rapid rail system and also maintain progress made on revitalizing the bus system. This appeared to be easier than in the Bay Area since they already had an established relationship with Local 732 to work as a partner on maintaining good bus service. Also, they could more easily coordinate work on the new system and avoid 13(c) issues with regards to new rapid rail transit jobs.

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<sup>989</sup> Thomas O. Duvall to All Operators, General Order 80-03, February 7, 1980, Box 1 Folder 13, ATU 732 Records.

## **8.2 Local 732, 13(c), and MARTA**

For MARTA to acquire equipment, they had to be successful in the application process for UMTA federal grants, which meant continuing to meet the collective bargaining demands of labor to receive federal assistance for operating grants as well as capital costs. Although the federal infusion of money definitely helped struggling transit systems, the continued inclusion of 13(c) in federal legislation presented an ongoing challenge.<sup>990</sup> In addition to MARTA, Local 732 found themselves at odds over 13(c) with ATU, which sought to swiftly move grants from the DOL to the DOT in order to show their commitment as partners in securing federal funds for transit projects.

The projects that included 13(c) in the late 1960s and early 1970s had proceeded with no dispute. The city of Atlanta used UMTA capital funds to establish a shuttle between the civic center and the central business district. This grant used the same 13(c) labor protections from a 1969 League of Cities Summer Youth project to transport summer youth in jobs. In both of those cases, the City of Atlanta had to get ATU approval because the special services agreed to use workers at ATS and that ATS should provide the services.<sup>991</sup>

After MARTA took over, 13(c) issues arose with more frequency. Confusion over what the local 13(c) agreement did and did not cover led Jacobs to assume the rule provided more protection than it actually did. In March 1974, Jacobs requested ATU

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<sup>990</sup> Reed, "The Urban Mass Transportation Act and Local Labor Negotiation," 56.

<sup>991</sup> Earle W. Putnam to Mr. Curtis J. Jacobs, January 16, 1970, Box 1634 Folder 2, ATU 732 Records; Urban Mass Transportation Grant Contract between the City of Atlanta Georgia and the United States of America, 1969, Box 1634 Folder 2, ATU 732 Records; Labor Standards Agreement, June 5, 1969, Box 1634 Folder 2, ATU 732 Records.

provide information on whether MARTA could move around Local 732 members to different departments under 13(c). ATU Executive Vice President Edward Oliver replied that this situation didn't appear to apply to 13(c) so "it is impossible for this office or our legal department to render a ruling relative to your 13(c) agreement."<sup>992</sup>

Local 732 officials were eager to leverage 13(c) to pressure MARTA during contract negotiations, but ATU officials cautioned them on what power they could actually wield. In June 1974, Jacobs accused ATU of leaving Local 732 "completely in the dark" about the 13(c) negotiations between ATU and MARTA general counsels regarding a UMTA capital grant, and, in October, Jacobs demanded that "all projects be looked at by this Division before approval is given" because "the serious situation of Division #732 demands that MARTA realize that their grants will have to go through this Local."<sup>993</sup> ATU President Dan V. Maroney pointed out that neither the local division nor the international union could actually block a UMTA application, and that the DOL had the final say in matters regarding the implementation of 13(c). The role of the union was largely limited to writing letters of support or protest with regards to particular UMTA grant applications.<sup>994</sup> Maroney notified Local 732 of his approval of a grant in February 1975 and allowed the DOL to use conditions from the June 18, 1974, 13(c) agreement in order to certify this new grant despite Jacobs' complaints about being left out of the process.<sup>995</sup>

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<sup>992</sup> C. J. Jacobs to Mr. Edward Oliver, June 24, 1974, Box 1634 Folder 2, ATU 732 Records; Edward W. Oliver to Mr. C. J. Jacobs, March 26, 1974, Box 1634 Folder 2, ATU 732 Records.

<sup>993</sup> C. J. Jacobs to Mr. Dan V. Maroney, Jr., October 11, 1974, Box 3 Folder 4, ATU 732 Records.

<sup>994</sup> D. V. Maroney, Jr., to Mr. C. J. Jacobs, October 17, 1974, Box 1634 Folder 4, ATU 732 Records.

<sup>995</sup> D. V. Maroney, Jr. to The Hon. Paul J. Fasser, Jr., February 12, 1975, Box 3 Folder 4, ATU 732 Records.

Jacobs's tactic to use 13(c) throughout the 1970s for discipline disputes and holding up UMTA grants increased in use during the tense 1975-1976 contract negotiations and in the immediate aftermath. After losing the cost-of-living increase in the new contract, ATU Local 732 sought to hold up federal funding for new buses. During the difficult contract negotiations in 1975-1976 with MARTA, Boyd and Jacobs contacted Maroney for advice on how to resolve their problems with MARTA. In response to Boyd's statement about taking "action" against MARTA, Maroney responded that "the only action open to the Local Union that we know of is to prepare to fight the action of MARTA in the courts," and that Local 732 membership should decide if that was an appropriate course of action. Jacobs wanted to use 13(c) to force MARTA to change its position on arbitration awards, but Maroney again pointed out that "13(c) was never intended for this type of grievance settlement." He understood Jacobs' concern about MARTA disregarding legitimate concerns presented by Local 732, "but all of our members where there is not appropriate state legislation would be in very serious danger if we were to lose the federal 13(c) protection." If Local 732 won in court, then Maroney believed that "MARTA would learn their lesson." Maroney viewed Valtman as full of bluster with "his blistering letter to the arbitrator" that outlined "a windfall at the taxpayers expense to the grievant, while he does not hesitate to waste the taxpayers money in such a ridiculous court case."<sup>996</sup>

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<sup>996</sup> Dan V. Maroney, Jr. to Mr. C. J. Jacobs, February 2, 1976, Box 3 Folder 4, ATU 732 Records; Dan V. Maroney, Jr. to Mr. W. L. Boyd, February 2, 1976, Box 3 Folder 4, ATU 732 Records.

Local 732 also viewed 13(c) as governing certain employee disputes with management. In June 1976, the union threatened to strike when an arbitrator ruled that an employee should be reinstated, but MARTA refused. Local 732 argued it was in direct contradiction with the 13(c) agreement between Local 732 and MARTA because it went against a labor dispute ruling.<sup>997</sup> In September 1976, the union complained that MARTA was not following a policy outlined in a February 1976 memo for agreeing on which positions should be represented by the union.<sup>998</sup> When a new maintenance position was posted in June 1977, the union argued that it should have been posted through the union rather than as a non-bargaining position. The union brought up 13(c) as a reason to comply with union position demands. Labor Relations Chief Thomas McKavitt explained the discrepancy as an oversight due to an outdated list of non-bargaining unit positions. In fact, these issues that Jacobs brought up appeared to have more to do with the contract between Local 732 and MARTA that covered bargaining unit positions rather than the 13(c) agreement.<sup>999</sup>

Jacobs raised a number of issues about “harassment and undue pressure,” and, once again, it was not clear he had his facts straight about what 13(c) did and did not apply to. In January 1976, Jacobs contacted Maroney about MARTA ignoring the ruling of the arbitrator in two disciplinary cases of Local 732 members. Jacobs seemed to be

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<sup>997</sup> C. J. Jacobs [and other Local 732 officials] to Mr. John Wright, Chairman, June 4, 1976, Box 1634 Folder 6, ATU 732 Records.

<sup>998</sup> C. J. Jacobs to Mr. Jim Merritt, September 13, 1976, Box 1634 Folder 7, ATU 732 Records; Donald F. Valtman to Miss Claire Buckelew, February 21, 1976, Box 1634 Folder 7, ATU 732 Records.

<sup>999</sup> C. J. Jacobs to Mr. Thomas P. McKavitt, June 23, 1977, Box 1634 Folder 9, ATU 732 Records; C. J. Jacobs to Mr. Thomas P. McKavitt, July 19, 1977, Box 1634 Folder 9, ATU 732 Records; Thomas P. McKavitt to Mr. C. J. Jacobs, July 12, 1977, Box 1634 Folder 9, ATU 732 Records.



hinting at using 13(c) and potentially denying MARTA federal grant approval as long as they did not comply with these sorts of rulings. Jacobs asked “that any request for Government Grants put in by MARTA must be presented to this Division in plenty of time for us to communicate with you and the Under Secretary of Labor if necessary.” Maroney dismissed Jacobs’ strategy and pointed out that “the 13(c) provisions cannot be used for the purpose you outline in this letter. The proper protections provided by 13(c) are now under attack throughout the United States and we will not be a party to further jeopardizing this all important protection of our membership.” Maroney told Jacobs to go through the grievance process that Local 732 had with MARTA.<sup>1000</sup>

To emphasize this point, Maroney pointed to a *New York Times* article that had been reprinted in newspapers across the country. The article mischaracterized complaints about 13(c) disputes holding up transit projects and adding costs to mass transit operations because of transit unions’ insistence on transit systems to accept their contract demands or they would refuse to give the DOL their approval. Maroney did not want to give the US Congress and the Ford Administration any further reason to strip out labor protections in future mass transit bills. In the *New York Times* article, Los Angeles County Supervisor Pete Schabarum specifically pointed to his view of ATU insistence that the Southern California Rapid Transit District (SCRTD) sign the National 13(c) Agreement and accused Labor Secretary John Dunlop, who negotiated the National 13(c)

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<sup>1000</sup> C. J. Jacobs to Mr. Dan V. Maroney, Jr., December 16, 1975, Box 1634 Folder 6, ATU 732 Records; C. J. Jacobs to Mr. Dan V. Maroney, Jr., January 5, 1976, Box 1634 Folder 6, ATU 732 Records; Dan V. Maroney, Jr., to Mr. Curtis J. Jacobs, January 9, 1976, Box 1634 Folder 6, ATU 732 Records.

Agreement, of “bureaucratic extortion which leads counties of this country into the same bankruptcy court now populated by the nation’s railroads and many cities which through the years have capitulated to similar labor agreements” and “intimidating” local mass transit systems into agreeing to labor demands under the UMTA.<sup>1001</sup> Appointed by Governor Ronald Reagan in 1972 to fill a vacant seat, Schabarum won the next election and became known for his outspoken right wing conservative views on the liberal Los Angeles County Board of Supervisors.<sup>1002</sup> Maroney viewed this sort of reactionary thinking potentially developing into a national movement, so ATU local divisions had to be wary of further antagonization of such forces.

To prove to Schabarum and similar opponents that they misinterpreted the union position, ATU promoted the National 13(c) Agreement as their willingness to cooperate with transit systems on fair collective bargaining. As with other locals, ATU requested Local 732 sign on to the National 13(c) Agreement. As of February 1976, Local 732 had not signed the agreement, sent it to MARTA, and forwarded it to ATU. ATU attorney Alexander Cohn responded that they had not “received a copy of MARTA’s endorsement of the National §13(c) Employee Protection Agreement. This agreement, as you know, is applicable to §5 operating assistance grants.” This was a necessary step, Maroney argued, so that the ATU attorneys “will be in a better position to negotiate with MARTA

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<sup>1001</sup> Dan V. Maroney, Jr., to Mr. Curtis J. Jacobs, January 9, 1976, Box 1634 Folder 6, ATU 732 Records; “Schabarum urges labor secretary to resign,” Independent Press Telegram [clipping], January 3, 1976, Box 1634 Folder 6, ATU 732 Records; Robert Lindsey, “Labor Law Snags Mass Transit Aid,” *New York Times*, November 16, 1975.

<sup>1002</sup> Richard Simon, “Schabarum--End of an Era,” *Los Angeles Times*, March 3, 1991.

in attempting to require them to sign the 13(c) Agreement. We are certain this would be in the best interest of the membership of your Local Union.”<sup>1003</sup>

Valtman, though, had other ideas, and he contacted Jacobs about approving the existing local 13(c) agreement between Local 732 and MARTA for requesting operating assistance under the NMTAA rather than signing on to the National 13(c) Agreement.<sup>1004</sup> As early as 1973, MARTA had been leery of signing onto a National 13(c) Agreement because they saw their situation as fairly straightforward with the local 13(c) agreement they had with Local 732. While they did not find anything in an early draft of the National 13(c) Agreement to be unreasonable, they didn’t think they needed to change to something while their original agreement appeared to work fine. “We have had no delays or problems in receiving Grant approval with anything pertaining to the 13-C Agreement.” For example, J. H. Higgins, the Acting Assistant General Manager of Department of Transit Operations, indicated that MARTA appeared to have a less complicated relationship with the Local 732 than BART did with multiple unions, so a national agreement did not make sense for transit systems like MARTA.<sup>1005</sup>

Jacobs expressed concern to ATU over continuing to use the existing local 13(c) agreement because it might not cover employees hired by MARTA since they had signed the initial local 13(c) agreement in 1971.<sup>1006</sup> MARTA did not sign the National 13(c) Agreement, so ATU moved forward with updating the 1971 13(c) agreement between

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<sup>1003</sup> C. J. Jacobs to Mr. Alexander Cohn, Esquire, February 9, 1976, Box 1634 Folder 6, ATU 732 Records; Alexander Cohn to Mr. Larry Yud, February 4, 1976, Box 1634 Folder 6, ATU 732 Records.

<sup>1004</sup> Donald F. Valtman to Mr. C. J. Jacobs, President, May 6, 1975, Box 1634 Folder 5, ATU 732 Records.

<sup>1005</sup> J. H. Higgins to Mr. David Fox, March 5, 1973, Box 143 Folder 3, APTA Records.

<sup>1006</sup> C. J. Jacobs to Edward Oliver, May 7, 1975, Box 1634 Folder 5, ATU 732 Records.

MARTA and Local 732 instead. On August 23, 1976, ATU sent Local 732 copies of the updated 13(c) agreement for a UMTA capital grant. The capital grant provided funding for 100 new buses, upgrades to existing buses, maintenance vehicles, and other equipment. After ATU received signed copies, they began the process with the DOL, and Jacobs and Boyd then forwarded the agreement on to MARTA. When several weeks passed and Local 732 had not received any response, they conferred with ATU on the next steps. The two sides continued to negotiate the language of the agreement into late November 1976.<sup>1007</sup>

In 1976 MARTA officials essentially agreed that the local acceptance of 13(c) agreements would be enough for the DOL to sign off on them. This apparently ended the standoff that had occurred between MARTA, ATU, and the DOL. MARTA attorney Robert P. Cochran thought they had achieved a victory by receiving confirmation from the DOL that they would allow local negotiations to proceed unhindered although it doesn't appear that the DOL was all that anxious to get in the middle of those negotiations anyway.<sup>1008</sup>

In January 1977, ATU attorney Alexander Cohn informed Jacobs that ATU had updated the 13(c) agreement with MARTA to include changes that had occurred since the signing of the original agreement in 1971. These updates included events that had taken place, such as the acquisition of ATS, and substantial changes such as "recognizing the

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<sup>1007</sup> Edward W. Oliver to Mr. W. L. Boyd, August 23, 1976, Box 1634 Folder 7, ATU 732 Records; C. J. Jacobs to Mr. Edward W. Oliver, September 9, 1976, Box 1634 Folder 7, ATU 732 Records; Amalgamated Transit Union to Robert P. Cochran, Esq., November 29, 1976, Box 1634 Folder 7, ATU 732 Records.

<sup>1008</sup> Reed, "The Urban Mass Transportation Act and Local Labor Negotiation," 60.

‘AMTRAK’ level of protections (dismissal, displacement, moving allowances, etc.).” The clerical employees now appeared in the agreement in relation to the first opportunity of employment clause.<sup>1009</sup>

Despite warnings by Maroney and updates to the local 13(c) agreement between Local 732 and MARTA, Local 732 officers continued to pursue their agenda using 13(c) as an offensive tool rather than a defensive one. As they tried to expand its use, ATU had to continually remind them of the limits of 13(c) and the danger of pushing so hard that the rule could be replaced. In March 1977, ATU informed Local 732 that they would be approving the MARTA request for 100 buses using federal funding for grant GA-03-0017. The local did not want the project to move forward because they did not think it adequately covered 13(c) issues. Maroney argued that the 13(c) agreement negotiated with the bus project was indeed good for the union. He also expressed concern about holding up funding because ATU recognized public transit authorities were increasingly frustrated with what they perceived as unnecessary delays due to 13(c) issues.<sup>1010</sup> Jacobs continued to push the issue and in May 1977 requested guidance from ATU on how the union should oversee the implementation of federal grants under the 13(c) regulations.<sup>1011</sup>

Maroney thought that Local 732 held up this grant with no justification and moved to approve it anyway, and he also expressed concern about another grant, GA-05-4010 for operating assistance. Jacobs claimed that Local 732 had never held up a grant

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<sup>1009</sup> Alexander Cohn to Mr. Curtis J. Jacobs, January 27, 1977, Box 1634 Folder 8, ATU 732 Records; “Amtrak Protections” referred to language in 13(c) borrowed from protections in Amtrak legislation that affected railroad workers nationwide. See Judith Richards Hope to Jim Cannon, July 28, 1976, Box 22 Folder “Mass Transit - Labor Protective Agreements (4),” Cannon Files.

<sup>1010</sup> D. V. Maroney, Jr., to Mr. Curtis J. Jacobs, March 1, 1977, Box 3 Folder 3, ATU 732 Records.

<sup>1011</sup> C. J. Jacobs to Mr. Dan V. Maroney, May 3, 1977, Box 1634 Folder 8, ATU 732 Records.

for 13(c) reasons, but their “only concern we have concerning the 13(c) so far is if either one of these grants changes our position concerning the right to strike or not under the Georgia Law and the specific MARTA Act enacted by the State Legislature of Georgia in 1965.” He said they wanted to know one way or the other before making a decision on whether to support the grants, and “we would like this information in writing as soon as possible.”<sup>1012</sup>

For GA-03-0017, the capital grant for the 100 buses, Maroney informed Jacobs that he moved forward with the DOL certification process because “the provisions of the Section 32.2 of our Constitution which vests in me final authority to approve or disapprove §13(c) agreements between any Local Union and any employing company or applicant for federal assistance under the Urban Mass Transportation Act.” Maroney remarked that “[i]t is regrettable, indeed, that in this instance we have not had your cooperation in this important matter.” He reiterated the improvements in the agreement outlined by Cohn. Maroney did not think any of the objections raised by Jacobs provided an “adequate justification” to not certify the agreement, so he moved forward because “we can ill-afford to give any additional ammunition to the anti- §13(c) protections and our rights to negotiate protective arrangements, at a time when they have been subjected to a virtual barrage of criticism from the industry and from all levels of government.”<sup>1013</sup>

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<sup>1012</sup> C. J. Jacobs to Mr. Dan V. Maroney, April 6, 1977, Box 1634 Folder 8, ATU 732 Records.

<sup>1013</sup> Dan V. Maroney, Jr., to Mr. Curtis J. Jacobs, March 1, 1977, Box 1634 Folder 8, ATU 732 Records.

For GA-05-4010, the operating assistance grant, Maroney informed Jacobs that ATU would “request certification on the basis of the most recent capital grant §13(c) arrangement between” MARTA and Local 732 since they both “rejected the National §13(c) agreement which almost every ATU Local Union in the country, and their managements, use.” The DOL told ATU that MARTA sought fast approval for the grant, so that meant that ATU would use the February 14, 1977 13(c) agreement between Local 732 and MARTA for GA-03-0017.<sup>1014</sup> This meant that ATU chose to override Local 732 on two grants indicating that ATU did not see blocking grants as a wise or practical negotiation strategy, though Maroney also seemed to be overstating the number of transit systems that adopted the National 13(c) Agreement.

Jacobs notified Maroney of the results of a vote by Local 732 members “to write a letter to International President protesting the action taken on the 13(c) agreement. Vote: 157 For, 0 Against.” A vote at the meeting the next day also resulted in a unanimous decision to express displeasure. Maroney responded “that we have not as of this date received from you, as requested, on numerous occasions, your objections or problems with the 13(c) Agreement,” but “we have only your statement by telephone that your Executive Board overrode you and made the decision.” He reminded Jacobs of the perilous condition of the 13(c) protections in light of apparent activity in the federal government to strip those protections from the UMTA. He stressed “that the delay of a grant without justification to the Department of Labor would simply result in certification by the D.O.L. without an agreement.” He noted in particular the anti-13(c) efforts of the

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<sup>1014</sup> Dan V. Maroney, Jr., to Mr. Curtis J. Jacobs, March 28, 1977, Box 1634 Folder 8, ATU 732 Records.

National League of Cities (NLC) and the United States Conference of Mayors (USCM).<sup>1015</sup>

Jacobs questioned if a grant approved by ATU would impact the ability of Local 732 to go on strike under Georgia state law and the MARTA Act. Jacobs requested that Maroney provide him “a notarized letter” with the justification for ATU to be able to approve 13(c) grants as well as sending officers to assist the local “so that I may be able, as a duly elected President of Division 732, to govern this Division accordingly.”

Maroney stated that the 13(c) agreement for this new grant was the same as the original agreement from 1971, and that it had nothing in it about the right to strike as it pertains to state law. Maroney saw no reason to hold up the grant any longer and sent ATU’s approval to the DOL. He pointed out that he had this authority under the ATU Constitution and General Laws and that Local 732 received copies of these. Exasperated, he added that “[a]ll you need to govern your Local Union properly Brother Jacobs, is to read the Constitution and General Laws, your own Bylaws, and act accordingly.”<sup>1016</sup>

In the Atlanta situation, the delay in approval of federal grants with regards to the 13(c) process had less to do with disputes between Local 732 and MARTA and more to do with squabbling between Local 732 and ATU. Much of this could be laid at the feet of Jacobs who refused to believe that 13(c) could not be used as a weapon despite ATU warnings about pushing 13(c) matters too far with MARTA. Local 732 would continue

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<sup>1015</sup> C. J. Jacobs to Mr. Dan V. Maroney, March 11, 1977, Box 1634 Folder 8, ATU 732 Records; Dan V. Maroney, Jr., to Mr. C. J. Jacobs, March 17, 1977, Box 1634 Folder 8, ATU 732 Records.

<sup>1016</sup> D. V. Maroney, Jr. to Mr. Curtis J. Jacobs, April 14, 1977, Box 3 Folder 4, ATU 732 Records; C. J. Jacobs to Mr. Dan V. Maroney, May 3, 1977, Box 3 Folder 4, ATU 732 Records; Dan V. Maroney, Jr. to Mr. C. J. Jacobs, May 9, 1977, Box 3 Folder 4, ATU 732 Records.



to ignore that advice and push for 13(c) remedies to problems that would not be appropriate. While ATU pushed back on Local 732 attempts to sink UMTA grants based on 13(c), this resistance by Local 732 to allow ATU to move the grants forward to DOL in a timely manner constituted one of the complaints by transit system management nationwide of 13(c). Maroney specifically warned about the Ford Administration altering 13(c) regulations to meet demands of APTA and other allied groups. Maroney urged Jacobs to take seriously the opposition to 13(c) and the perils of obstructing the grant approval process, to no avail.

### **8.3 13(c) Pushback**

This dispute between ATU and Local 732 over the meaning of 13(c) and its use against MARTA was more than a local dispute between an ATU local division and a transit system. It illustrated the growing battle over labor rights and the continuation of public transit funding. The scenario that Maroney feared began to play out during the Ford Administration as transit system management nationwide insisted on changes to 13(c) due to various issues such as those in Atlanta.

After several years of dispute between the DOL, DOT, and organizations such as APTA and the National Association of Counties (NACo), the Ford Administration attempted to tackle the issue of 13(c) compliance.<sup>1017</sup> Fortunately for ATU, they had a skilled advocate on their side in the Ford Administration. William J. Usery, Jr., held positions in the Nixon Administration as the assistant secretary of labor and director of

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<sup>1017</sup> NACo [National Association of Counties] Policy Resolution, Transportation Labor Protective Agreements Section 13(c), Adopted by the NACo Board of Directors, March 30, 1976, Box 21 Folder "Mass Transit - Labor Protective Agreements (1)," Cannon Files.

the Federal Mediation and Conciliation Service (FMCS), and he then served as Secretary of Labor in the Ford Administration. He advocated for the strengthening of public sector labor laws, even going so far as to push for municipal and federal workers to have the right to strike. Usery himself came from a labor background including a leadership role in the International Association of Machinists.<sup>1018</sup> At a speech during the ATU convention in September 1969, Usery remarked that he considered 13(c) “one of the most beneficial labor provisions on the books today.” With the declines in ridership and a 40 percent decrease in the mass transit workforce, he viewed the protections as crucial for job protections for these workers transitioning from the private to the public sector. As a result, ATU had “the widest spread, geographically, and represents more workers than any other labor organization, in terms of grants made by the Federal Government,” and those projects totaled \$1 billion by 1969. These protections did not impede the federal grants since 196 of the 250 projects had been approved as opposed to the rejection of just three due to the inability of the transit systems to meet 13(c) labor protections.<sup>1019</sup>

Usery understood the importance of establishing strong public union law for worker protections. He sought to leverage the strong position of the Democrats in Congress and his position as DOL secretary to push for nationwide public union rights. This effort ultimately failed due to public displeasure with the public sector strike wave, rise of conservatism, and a breakdown in the “labor-Democratic party alliance.” The

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<sup>1018</sup> McCartin, “A Wagner Act for Public Employees,” 128; Pam Hackbart-Dean, “W. J. Usery Jr. (1923-2016),” in *New Georgia Encyclopedia*, accessed July 20, 2020, <https://www.georgiaencyclopedia.org/articles/business-economy/w-j-usery-jr-1923-2016>.

<sup>1019</sup> Excerpts from the Remarks of W. J. Usery, Jr., Assistant Secretary of Labor Prepared for Delivery before the Amalgamated Transit Union Convention in New York City, September 10, 1969, Box 3237 Folder 23, Usery Papers.

Supreme Court ruling in *National League of Cities v. Usery* on June 24, 1976, denied the right of Congress to extend the FLSA to states, and therefore made the passage of the National Public Employees Relations Act exceedingly unlikely, because as Joseph McCartin pointed out, “without the power to set minimum wages for local and state government employees, it was surely unable to extend to them the right to organize and bargain collectively.” The group that did come out of the experience with momentum was the conservative movement, the anti-tax and anti-labor groups in particular, including those that would go on to put Proposition 13 on the ballot in California.<sup>1020</sup> Usery’s strong support of nationwide public employee collective bargaining rights informed his support of 13(c) and to maintain that by fighting off opposition from Secretary of Transportation William T. Coleman, APTA, and other groups.

Coleman had come in with the Ford Administration and began work on addressing the transit industry concerns about 13(c). Coleman, a Republican, had worked as a civil rights attorney early in his career, and he later gained expertise in transportation law which led to his appointment in the Ford Administration, making history as the second Black cabinet member. As DOT secretary, Coleman tended to lean towards conservative thinking, and the dispute over 13(c) would be one of those issues.<sup>1021</sup>

APTA Executive Director B. R. Stokes, the former BART manager, saw his opportunity to strike down 13(c) forever. He complained to Coleman and Usery that

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<sup>1020</sup> McCartin, “A Wagner Act for Public Employees,” 124–25, 129, 137, 146–48.

<sup>1021</sup> Schudel, “William T. Coleman Jr., Barrier-Breaking Civil Rights Lawyer, Cabinet Officer, Dies at 96,” *Washington Post*, March 21, 2017, [https://www.washingtonpost.com/national/william-t-coleman-jr-transportation-secretary-and-civil-rights-lawyer-dies-at-96/2017/03/31/94c21ce6-1624-11e7-833c-503e1f6394c9\\_story.html](https://www.washingtonpost.com/national/william-t-coleman-jr-transportation-secretary-and-civil-rights-lawyer-dies-at-96/2017/03/31/94c21ce6-1624-11e7-833c-503e1f6394c9_story.html).

13(c) led to local unions gaining unfair leverage over transit systems by holding up federal grants based on 13(c) disputes. Stokes argued “that the present procedures with respect to 13(c) certification are totally inadequate, burdensome, and unduly time consuming, notwithstanding the adoption of the National Model Agreement negotiated by and between APTA and various labor organizations.”<sup>1022</sup> APTA attorney David E. Fox pointed to problems with arbitration which he believed should be entirely separate because “[w]ages, hours and conditions should not, in most instances, be impacted by 13(c) considerations.”<sup>1023</sup> Stokes pushed a streamlined process whereby the transit system could provide a “declaration” that there would not be job loss as a result of a grant, apparently trying to bypass unions. This would essentially meet all of their other concerns as well. Coleman agreed with making changes to 13(c) but that the Ford Administration preferred executive action rather than legislation.<sup>1024</sup>

In March 1976, Secretary to the Cabinet James Connor notified Coleman and Usery that the Domestic Council would be coordinating a joint memo by them to the President to propose changes to the 13(c) process.<sup>1025</sup> Coleman had been involved in efforts to create the National 13(c) Agreement after he came into office in March 1975 when he worked with the previous DOL Secretary John Dunlop to develop the agreement. While noting this achievement, he also acknowledged “its provisions are now

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<sup>1022</sup> B. R. Stokes to Honorable W. J. Usery, Jr. and Honorable William T. Coleman, Jr., May 28, 1976, Box 142 Folder 1, APTA Records.

<sup>1023</sup> David E. Fox to Mr. James J. Ryan, March 10, 1976, Box 142 Folder 1, APTA Records.

<sup>1024</sup> B. R. Stokes to Honorable W. J. Usery, Jr. and Honorable William T. Coleman, Jr., August 5, 1976, Box 141 Folder 7, APTA Records; William T. Coleman, Jr. to Mr. B. R. Stokes, August 9, 1976, Box 141 Folder 7, APTA Records.

<sup>1025</sup> James E. Connor to the Secretary of Labor and the Secretary of Transportation, March 24, 1976, Box 21 Folder “Mass Transit - Labor Protective Agreements (1),” Cannon Files.

raising problems of their own.” Coleman then addressed the problems with 13(c), specifically that it no longer seemed relevant when public transit systems applied for grants that had nothing to do with transitioning from private to public and impacts on continuing collective bargaining. In fact, he argued that the experience with UMTA grants led to job stability rather than job losses. He then claimed that labor had unreasonable sway in the 13(c) certification process and bashed the process as more evidence of federal “clumsy management.” Coleman argued to speed up the process by removing opportunities for labor to contest local 13(c) agreements, ideally through legislation, though he acknowledged that completely eliminating 13(c) would not be realistic.<sup>1026</sup>

Usery issued a blistering response to the DOT and dismissed their concerns, mostly out of lack of evidence of unions having the level of influence that DOT claimed. For one thing, “the Department of Labor has made in excess of 1350 certifications. In only a handful of cases has the Department been unable to make the required certification.” Usery had a point because an APTA survey revealed that most transit agencies did not experience problems with 13(c) procedures. In response to an APTA survey that asked about issues between management and labor due to 13(c), most agencies reported few or no problems with most of the problems being delays with grants.<sup>1027</sup>

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<sup>1026</sup> William T. Coleman, Jr. to the President, April 8, 1976, Box 21 Folder “Mass Transit - Labor Protective Agreements (1),” Cannon Files.

<sup>1027</sup> Responses of Various U.S. Transit Systems to the ATA Requests for a Summary of Their Experience with Section 13c of the Urban Mass Transportation Act of 1964, [1968-1972], Box 143 Folder 6, APTA Records; William E. Usery to James E. Connor, April 21, 1976, Box 21 Folder “Mass Transit - Labor Protective Agreements (1),” Cannon Files.

He furthered argued that some of the desired changes “are contrary to the specific letter of the law. Others run counter to the statute’s spirit and intent.” The DOL and DOT could not make these changes, “but instead would require amendment to the existing legislative requirements.” Usery cited a UMTA report from 1975 “that if 13(c) had never been enacted, the problems and issues facing the industry in the area of labor relations would be similar, if not identical in magnitude and composition.” In reference to transit systems being held “hostage,” Usery said the DOL “would be interested in reviewing any factual situation supporting this allegation, however it is our belief[...]that abuses of the process have been virtually nonexistent.” Usery also dismissed claims about employee protections beyond the scope of the federal projects, inflexibility of the National 13(c) Agreement in different areas of the country, and that protections resulted in “stifling innovation.” With regards to the DOT proposal that 13(c) be limited to transition from private to public, Usery pointed to Congressional intent from reports on the Urban Mass Transportation Act of 1963 that workers should be protected from operational and technological changes. Usery essentially did not agree that any changes to the 13(c) were justified. He suggested waiting on the completion of five studies, three of which the DOT funded, that would provide more information on 13(c).<sup>1028</sup>

The respective staffs of DOT and DOL began meeting, and came to an agreement on some of the problems, but they did not agree on two of the biggest issues for APTA which were the issues of negative declaration (an expedited approval process for grants

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<sup>1028</sup> William E. Usery to James E. Connor, April 21, 1976, Box 21 Folder “Mass Transit - Labor Protective Agreements (1),” Cannon Files.

that did not affect labor union work issues according to transit management) and a fixed time schedule for approval. Cannon filled in Ford and characterized the accusation “that unions use the 13(c) requirement and management’s need for the UMTA funds to indirectly raise bargaining issues unrelated to the UMTA grant” as a “feeling[...]not well documented, but then it is not the kind of matter which lends itself to documentation.” He painted a bleak picture of the negotiations because the “representatives of the two Departments could not even agree on the issues to be discussed or the facts surrounding the implementation of 13(c).” He acknowledged that while “some critics of Section 13(c) would like us to assault its philosophic underpinnings, legislative change is clearly unattainable and probably undesirable.”<sup>1029</sup>

Usery saw the negative declaration as moving too much power over to the transit management. Also, he thought that the DOL had already been allowing for previous 13(c) agreements to be used to move the process along faster, and that the widespread use of the National 13(c) Agreement would be more practical. However, he saw no problem with including more definitive language in the guidelines that would establish a clearer timeline for grant approval.<sup>1030</sup>

Following Democrat Jimmy Carter’s victory in the 1976 presidential election, the Domestic Council continued to ensure that the DOL followed through with publishing the guidelines even as the Ford Administration was on its way out of the door. DOL posted

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<sup>1029</sup> James Cannon to the President, May 28, 1976, Box 22 Folder “Mass Transit - Labor Protective Agreements: Meeting with the President, Secretary Coleman and Secretary Usery, August 2, 1976 (1),” Cannon Files.

<sup>1030</sup> Memorandum on Section 13(c), June 25, 1976, Box 22 Folder “Mass Transit - Labor Protective Agreements: Meeting with the President, Secretary Coleman and Secretary Usery, August 2, 1976 (1),” Cannon Files.

the guidelines in the Federal Register at the end of the Ford Administration on January 18, 1977, which meant that they would be implemented under the Carter Administration.<sup>1031</sup>

The APTA attorney, David E. Fox, reported to the APTA 13(c) committee that APTA intended to try and stop the guidelines from begin implemented and described them as “directly opposite that which APTA requested” and “[t]o ignore the validity of our request and to install guidelines which may even create new difficulties is a travesty.”<sup>1032</sup> The final guidelines appeared in the Federal Register in March 1978. Responding to APTA complaints that the final guidelines did not specify a fixed time period for 13(c) negotiations, DOL argued that they “refrained from adopting fixed time limitations because in our opinion they would encourage the resolution of disputes by government action, rather than through voluntary agreements by directly involved parties.” Assistant Secretary of Labor Francis X. Burkhardt pointed out that the guidelines did provide the DOL with the flexibility to use time schedules where necessary.<sup>1033</sup>

Stokes expressed displeasure that the guidelines did not address all of their complaints, and he noted that they included an additional hurdle for transit systems to “include an estimate of the effects of the project on mass transportation employees.” He also noted the inclusion of the National 13(c) Agreement for operating assistance grants,

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<sup>1031</sup> David Lissy to Jim Cannon, December 2, 1976, Box 22 Folder “Mass Transit - Labor Protective Agreements (6),” Cannon Files; David Lissy to Jim Cannon, December 22, 1976, Box 22 Folder “Mass Transit - Labor Protective Agreements (6),” Cannon Files; Alan Beals and John Gunther to the Assistant Secretary for Labor-Management Relations, March 3, 1977, Box 1634 Folder 8, ATU 732 Records.

<sup>1032</sup> David E. Fox to APTA 13(c) Committee, March 24, 1978, Box 141 Folder 2, APTA Records.

<sup>1033</sup> Francis X. Burkhardt to Mr. James J. McDonough, April 12, 1978, Box 141 Folder 2, APTA Records.



though this would only apply if both sides had signed it already. Stokes' attempts to hold up the regulations for changes favorable to APTA ultimately failed. Richard Page, the UMTA Administrator, assured Stokes that DOT would meet regularly with DOL to ensure that these new guidelines were being followed. He viewed the new guidelines as "a modest step forward and, therefore, I have urged Assistant Secretary Burkhardt to publish them."<sup>1034</sup>

ATU found the final version to be acceptable and expressed relief that they could prevent what they viewed as the "attempt to gut" 13(c). They expressed relief that the final version did not include the negative declaration which would have meant that "the applicant for the transit funds would merely state that in the federal grant application that the project would have no adverse impact on employees. Thus, no Sec. 13(c) protections would be needed." Alternatively, they viewed as acceptable that the guidance encouraged the use of the National 13(c) Agreement for a more streamlined process to approve continuation of operating assistance grants. They also trumpeted that the guidance clearly stating that the 13(c) agreement between the transit system and the union "must be the product of collective bargaining negotiations" between the two parties. Although the final version did not include strict time limits for grant approval, the inclusion of time schedules for specific circumstances concerned ATU because of

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<sup>1034</sup> B. R. Stokes to All APTA Members, April 4, 1978, Box 141 Folder 2, APTA Records; "Labor Dept. Publishes Final 13(c) Guidelines, Rejects 'Time Limits,' 'Negative Declaration,'" *In Transit*, May 1978; Richard S. Page to Mr. B. R. Stokes, April 10, 1978, Box 141 Folder 2, APTA Records.

potential manipulation by transit system management to, but they viewed that as something to keep an eye on as to the impact.<sup>1035</sup>

ATU continued to monitor transit legislation during the Carter Administration in order to run interference against legislation that threatened 13(c). In August 1978, ATU sent out a legislative alert about just such an effort. ATU stressed the importance of the local divisions to support the Thompson Amendment to remove Section 325(d) from HR11733 Surface Transportation Assistance Act of 1978. The problem, as ATU saw it, was that Section 325(d) would allow, under the guise of assisting small urban and rural areas, the DOT secretary to waive important parts of the UMTA ACT such as 13(c).<sup>1036</sup> This work paid off for ATU when Carter signed the Mass Transit Act in November 1978 that included 13(c).<sup>1037</sup> An article in *In Transit* celebrated the four-year transit bill because of the preservation of 13(c) as well as the funding of multiple new programs such as the construction of transportation terminals for different types of transportation vehicles.<sup>1038</sup>

While ATU celebrated the continuation of 13(c), they also knew the effort to undermine it by APTA and others would not cease. ATU warned local divisions such as Local 732 about the consequences of misinterpreting 13(c) and interfering with the grant approval process using 13(c) as leverage in negotiations and grievances and other matters would only lead to more scrutiny. This situation changed considerably with the

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<sup>1035</sup> "13(c) Guidelines Delayed after Transit Management Objects," *In Transit*, April 1978; "Labor Dept. Publishes Final 13(c) Guidelines, Rejects 'Time Limits,' 'Negative Declaration.'"

<sup>1036</sup> Dan V. Maroney to Presidents and Secretaries of all ATU Locals in the United States, August 25, 1978, Box 4 Folder 24, ATU 192 Records.

<sup>1037</sup> "Mass Transit Act Signed, 13(c) Intact," *In Transit*, November 1978.

<sup>1038</sup> "House Passes Transit Bill," *In Transit*, October 1978.

introduction of operating grants in the NMTAA in 1974. The delays that had sometimes occurred with approving capital grants due to the sign off by ATU and DOL prior to the DOT releasing the funds had been inconvenient but not critical to operations. The operating funds, on the other hand, became an important part of public transit system budgets by the mid-1970s, and the delays could potentially mean service cuts. Fortunately, ATU had a champion for 13(c) with Usery at DOL, and they avoided the elimination of collective bargaining rights at least at the executive branch level. This backlash against 13(c) signaled that ATU would have to be just as diligent going forward to protect 13(c) rights.

#### **8.4 13(c) and State Legislature**

While ATU had success at the federal level with gaining additional federal funding that included 13(c) protections, Local 732 and other labor unions faced a hostile environment in Atlanta both at the local and state level. Though Local 732 enjoyed 13(c) protections in right-to-work Georgia, the same efforts employed at the federal level to roll back protections became more probable in an era of backlash to public employee unions. Elections at the state and local level mattered more than ever.

In the late 1970s with city budgets stressed, even politicians considered allies to labor could become opponents. In Atlanta, Democratic Mayor Maynard Jackson's hardball tactics with AFSCME during the 1977 sanitation strike gave other city government officials confidence to confront public service unions in their cities. The militancy inspired by the 1960s new left appeared to be waning in the face of city budget woes and governments viewing the workers' salaries and benefits as prime targets for

cost-cutting. During the late 1970s, state courts and legislatures also began to take a hardline against unions by penalizing striking public sector workers.<sup>1039</sup> In New York City, the Metropolitan Transit Authority (MTA) refused to meet TWU Local 100 contract demands in their attempt to reverse concessions from the 1976 contract, and the union went on an eleven-day strike in April 1980, a major inconvenience to several million commuters. Democratic Mayor Edward I. Koch received praise for publicly urging the MTA to not give in to union demands. To the displeasure of Koch, the MTA did increase their wage offer, but still far under union demands, though the union ultimately accepted the contract.<sup>1040</sup>

Locally in Atlanta, Douglas Brooks, president of AFL-CIO Atlanta Labor Council (ALC), recognized the need for more action on the part of unions.<sup>1041</sup> Brooks warned unions that “enemies of labor have started a negative campaign” that “was invented by the ‘new right.’” This and other campaigns like it “are not only anti-labor but are anti-government, anti-poor people and anti-minorities.” He stressed the importance of strong voter turnout to prevent these anti-labor forces from taking office because they would most likely move to overturn all of the gains made by labor.<sup>1042</sup> The hard work paid off and almost all of the candidates endorsed by the ALC won. Ed Johnson, elected as a

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<sup>1039</sup> McCartin, “Fire the Hell out of Them,” 84, 87, 91.

<sup>1040</sup> Sewell Chan, “25 Years Ago, Subways and Buses Stopped Running,” *The New York Times*, April 4, 2005; “Nycsubway.Org: The New York Transit Authority in the 1980s,” accessed February 6, 2021, [https://www.nycsubway.org/wiki/The\\_New\\_York\\_Transit\\_Authority\\_in\\_the\\_1980s](https://www.nycsubway.org/wiki/The_New_York_Transit_Authority_in_the_1980s).

<sup>1041</sup> Douglas Brooks to Mr. J. C. Reynolds, January 22, 1980, Box 1634 Folder 1, ATU 732 Records; J. C. Reynolds to Mr. Robb Pitts, February 29, 1980, Box 1634 Folder 1, ATU 732 Records.

<sup>1042</sup> Douglas Brooks to All Affiliates of the Atlanta Labor Council AFL-CIO, May 9, 1980, Box 1634 Folder 1, ATU 732 Records.

state court judge of Fulton County, specifically pointed to the support by organized labor that gave him overwhelming win.<sup>1043</sup>

Just like the City of Atlanta, MARTA found itself short on funds by the late 1970s. With no indication that 13(c) would be changed at the federal level, state legislatures began to become involved. This would be the case in Georgia since MARTA fell under the jurisdiction of the Georgia General Assembly rather than the City of Atlanta or the Fulton County government. The financial fortunes of MARTA had gone up and down in the 1970s with the intersection of the sales tax, the construction of the rapid rail system, and meeting union demands would impact the financial bottom line of MARTA. MARTA also had to make sure that it met the state law requirement that it could only use a specific percentage of the sales tax revenue on operating expenses.

MARTA's fiscal woes began in the mid-1970s, a significant problem with the reduction of the sales tax on the horizon. MARTA reported a decline in sales tax revenue for the 1976 fiscal year. The sales tax revenue declined by 3.5 percent from the same first five months in fiscal year 1975, and the sales tax revenue had come in at 7.2 percent less than projected.<sup>1044</sup> MARTA did report an increase in ridership in 1975 over the 1974 number. The ridership totaled 75.5 million in 1975 versus 73.6 million in 1974.<sup>1045</sup> It seemed as though they might not meet the threshold set by the state legislature to meet a

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<sup>1043</sup> Douglas Brooks to All Affiliates of the Atlanta Labor Council AFL-CIO, November 7, 1980, Box 1634 Folder 1, ATU 732 Records; Douglas Brooks to All Affiliates of the Atlanta Labor Council AFL-CIO, December 5, 1980, Box 1634 Folder 1, ATU 732 Records.

<sup>1044</sup> "MARTA Facts," *The MARTA Third Friday*, January 16, 1976.

<sup>1045</sup> "Ridership up 2.6 Per Cent in 1975," *The MARTA Third Friday*, February 1976.

specific passenger revenue number, but the situation turned around by the end of the fiscal year 1976.<sup>1046</sup>

By fiscal year 1977, MARTA reported that the sales tax revenue had turned around and sought to extend the one percent sales tax. In early 1977, MARTA asked for an extension of the one percent sales tax beyond April 1982 when it was slated to drop from one cent to half of a cent. They requested this change for two reasons: to complete the rapid rail transit system faster and to continue subsidizing the 15-cent fare. The rapid rail system would be completed faster because they could go ahead and sell bonds before receiving federal funding. At the same time, they could continue offering transit service at the same fare rate.<sup>1047</sup>

In the meantime, the MARTA board soon decided that they had to take some immediate action with rising inflation and increasing labor costs. MARTA announced a meeting for May 1977 to hold a public hearing on raising the fare from 15 cents to 25 cents, and, the following year, the board voted in favor of raising the fare to 25 cents in June 1978 to go into effect in March 1979. The MARTA board initially considered an increase to 35 cents, instead they cut the bus mileage to facilitate the lower fare increase. By waiting until 1979, the MARTA board maintained the pledge for a 15-cent fare for seven years.<sup>1048</sup>

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<sup>1046</sup> "The MARTA Sales Tax by Board Member Nick P. Chilivis," *The MARTA Third Friday*, August 20, 1976.

<sup>1047</sup> "MARTA Seeks Sales Tax Extension," *The MARTA Third Friday*, February 18, 1977.

<sup>1048</sup> "Fare Hearings Set for May 11, 12," *The MARTA Third Friday*, April 1977; Bailey, "MARTA Hiking Fare to Quarter in March 1979"; Bailey, "Union Asks MARTA For 'Final Offer.'"

In July 1980, MARTA raised fares to 50 cents, though this included a free transfer. The service to and from Clayton County and Gwinnett County increased to 75 cents. By October 1980 MARTA had to reduce bus service that included the cancellation of bus routes and service adjustments. Management pledged that they would be able to prevent major job losses and that workers would be able to work overtime according to work rules. They did stress that they would enforce their rule on the effect of outside employment, such as the outside employment preventing drivers “from having at least eight (8) consecutive hours off in every twenty-four (24) hour period.” Duvall reminded drivers that they “have a well-deserved reputation of providing safe, smooth, comfortable service with a friendly and helpful attitude,” that they “are the key to MARTA’s success,” and stressed the bus service as central to MARTA’s existence.<sup>1049</sup>

These twin actions of fare increases and service reductions raised concerns at the state level. The state legislature focused on the fare increases and pushed for MARTA to challenge Local 732 on contracts. In June 1980, MARTA officials appeared before the General Assembly’s MARTA Overview Committee, and they pointed to cost-of-living wage increases and higher fuel prices for the rapid increase in the regular fare to 50 cents. Legislators expressed anger that bus drivers could be paid up to \$10.25 per hour and potentially earn \$30,000 per year including overtime. They insisted that MARTA could simply turn to an inexperienced, part-time labor pool of students because, according to

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<sup>1049</sup> Thomas O. Duvall to All Operators, General Order 80-22, 80-11R, September 10, 1980, Box 1 Folder 12, ATU 732 Records; Thomas O. Duvall to All Operators, General Order 80-21, 80-10R, September 8, 1980, Box 1 Folder 12, ATU 732 Records; Thomas O. Duvall to All Operators, General Order 80-14, 80-08R, July 25, 1980, Box 1 Folder 12, ATU 732 Records.

Democratic Senator Joe Lee Thompson from Cobb County, “I think it’s ridiculous to pay someone \$30 an hour to drive a bus with as little education as that requires.” Republican Senator Bob Bell from DeKalb County ignored the argument that fuel prices had a major impact and focused squarely on wages because “[i]t’s not the Arabs forcing up the fares[...]You’re dealing with a contract worse than the impact of oil costs.” Kiepper pledged to be more aggressive when negotiating for the next contract in June 1981, and he indirectly blamed 13(c) for having to wait until then. Labor received some support. Democratic Senator Julian Bond from Fulton County pushed back on an argument by MARTA Board Chairman Dan Patillo that the driver wages should be reduced to teacher salary levels. He suggested that it was teachers who should be paid more rather than reducing bus driver wages, but his support of workers appeared to be in the minority.<sup>1050</sup>

Responding to editorials critical of Local 732 in the May 21 and May 22 editions of the *Atlanta Constitution*, Local 732 President J. C. Reynolds argued that instead of blaming Local 732 for the MARTA financial woes, the public should look to decisions made by MARTA management. For instance, some in management commuted in vehicles from the MARTA fleet while at the same time earning very high salaries. He also pointed out that MARTA could eliminate costly overtime by hiring more fulltime drivers, and he cited the unwillingness on the part of MARTA to find lower prices for replacement bus parts. He also criticized the excessive spending on public relations and cost overruns on building the rapid transit system.<sup>1051</sup>

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<sup>1050</sup> Fran Hesser, “Legislators Railing Over MARTA Wages,” *Atlanta Constitution*, June 3, 1980.

<sup>1051</sup> J. C. Reynolds, “Improve MARTA Efficiency,” *Atlanta Constitution*, June 19, 1980.



MARTA board members, too, expressed frustration with Kiepper's financial management skills, particularly the cost overruns during the MARTA construction. Those critics saw some expenditures, such as costly stations, artwork displays, and unnecessary station construction costs as unaffordable. This could, in turn, lead to higher fares which would then drive away riders from the rapid transit system as well as the bus system.<sup>1052</sup>

The personnel costs, though, remained the focus of the MARTA board and the state legislature. Bell, at the request of the MARTA board, endorsed state legislation that would require an arbitrator for a wage dispute between MARTA management and ATU to be from the Dekalb County and Fulton County area rather than from a list of the American Arbitration Association. This would mean someone who might be less inclined to agree with increasing the wages of bus drivers.<sup>1053</sup> Pattillo even believed that MARTA might be better off without \$8 million in federal funding for operations if that meant they could have more flexibility for negotiations with Local 732 because they would not have to be restricted by a 13(c) agreement.<sup>1054</sup>

The MARTA Overview Committee voted in favor of a resolution to freeze MARTA employee wages, and legislators pushed bills and a resolution to try and limit MARTA salary increases. The bills outlined limiting MARTA increases so that they would not be more than state employee salaries. MARTA bus driver salaries increased

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<sup>1052</sup> Lamb, "Even Kiepper's Supporters Criticize His Indecision."

<sup>1053</sup> "MARTA Asks for Arbitration Bill," MARTA Readers Digest, March 23-April 6, 1981, Box 31, Folder 2, ATU 732 Records.

<sup>1054</sup> Fran Hesser, "Pay Freeze Urged For MARTA's Employees," *Atlanta Constitution*, December 12, 1981.

39 percent from 1978 to 1981 while state employee salaries increased 22 percent over the same period of time. Reynolds disagreed with this reasoning and pointed to higher fuel costs and more expensive equipment as contributing to rising costs as well. Reynolds “objected to [Chairman of the MARTA Overview Committee Representative John] Greer’s asking the bus drivers to ‘subsidize’” MARTA’s rising costs by forgoing raises. Reynolds also said that Local 732 would not budge on its objections to MARTA’s proposal to hire more part time drivers. Reynolds and Pattillo did agree on phasing out the TransCards on buses and replacing with bus tokens. Although the TransCards allowed riders to use one fare card for both rapid rail and buses, the weekly cards reused colors every few weeks, so drivers could not identify if the cards presented by the riders had been used in previous weeks. Reynolds argued that MARTA was losing money because of this.<sup>1055</sup>

The bill that emerged, HB 55, would essentially move the labor-management bargaining out of MARTA and into the Superior Court of Fulton County and also weaken the arbitration process. An attorney Local 732 hired to analyze the bill predicted that this would be in violation of 13(c) and restrict the federal funding for MARTA. Furthermore, the attorney believed that the bill would also be unconstitutional under federal and state law because “[o]nce MARTA entered into a 13(c) Agreement with the Union, the Agreement cannot be displaced by state policy or state law which contravenes or violates Section 13(c) of the Act.” The attorney further observed that some in the state legislature viewed labor reform as a way to undo collective bargaining rights for Local 732, such as

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<sup>1055</sup> Hesser.

the 13(c) agreement between MARTA and Local 732, originally agreed to in 1971 and amended in 1977, that labor-management relations would be subject to “a ‘protective arrangement’ for the employees affected by any federal assistance.” This was important for public employees in right-to-work states like Georgia because “were it not for the protective arrangement stated in 13(c), the right to enter into a 13(c) Agreement and a Labor Agreement would not be available to MARTA employees.”<sup>1056</sup>

Maroney wrote to state senators to warn them of dire consequences that would result from the passage of amendments to HB 55. He pointed out that the bill “would render MARTA unable to comply with 13(c) commitments to arbitrate and to preserve existing collection bargaining and arbitration rights as provided in presently applicable state law and labor agreements.” This would mean that “MARTA may no longer be able to qualify for future federal assistance and it may also be forced into default on contractual commitments attached to prior grants.” He reminded them that Local 732 had a long history with the transit systems in Atlanta that had resulted in “27 successive collective bargaining agreements with both private and public employers, including the last four under public ownership.” The reason that this relationship continued from private to public ownership was “that the collective bargaining rights enjoyed by MARTA employees accrued originally in the private transit industry[...]were extended to the public sector through the MARTA enabling legislation.” He warned that “labor unrest and work stoppages would almost certainly follow” with the passage of this

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<sup>1056</sup> Clayton Sinclair, Jr. to J. C. Reynolds, March 14, 1981, Box 4 Folder 7, ATU 732 Records.

amendment and hobble the operation of the transit system to the public.<sup>1057</sup> Maroney's efforts appeared to have some effect as the Georgia General Assembly failed to pass HB 55 during the regular session.

MARTA continued to pursue contract concessions from Local 732. When MARTA rolled out the fare increase to 60 cents in May 1981, Kiepper cited the contract with Local 732 as the main reason. Altogether, the wages and benefits for both union and non-union employees consumed 73 percent of the budget, according to Kiepper, with the union costs being the largest share. He wanted to completely remove an automatic cost-of-living from the new contract, but he acknowledged that "if I were a union member, I'd be reluctant to give it up." Without removing cost-of-living, then the fare increase could be even more.<sup>1058</sup>

MARTA proposed to Local 732 to keep 75 percent of the cost-of-living from the previous contract period if the union agreed to allow part time drivers. Reynolds found both of these proposals unsatisfactory because he did not want to give up wage gains and simultaneously allow for part time employees. MARTA attorneys believed that they could eliminate the cost-of-living increase because it did not meet the definition of a benefit that must be maintained under 13(c).<sup>1059</sup> They could not reach an agreement when the contract term ended, though Reynolds pledged that drivers would go to work without a new contract as well as take the matter to court.<sup>1060</sup>

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<sup>1057</sup> D. V. Maroney, Jr. to All Members of the Georgia State Senate, March 13, 1981, Box 4 Folder 7, ATU 732 Records.

<sup>1058</sup> Joe Brown, "MARTA Proposes 60¢ Transit Fare," *Atlanta Constitution*, May 27, 1981; Barry King, "MARTA, Union Talks Recess; No Progress," *Atlanta Constitution*, June 27, 1981.

<sup>1059</sup> King, "MARTA, Union Talks Recess; No Progress."

<sup>1060</sup> Prentice Palmer, "Union Talks with MARTA Break Off," *Atlanta Constitution*, June 28, 1981.

Local 732 won a victory for drivers when U.S. District Court Judge Marvin Shoob ruled in July 1981 that MARTA had to continue paying drivers the \$2.52 per hour cost-of-living increase while the two sides went through arbitration over the new contract. The judge didn't see how MARTA could take away the cost-of-living increase since that had been negotiated and agreed upon from the last contract. Kiepper predicted that MARTA would have to raise fares even more than they had just done when fares went up from 50 cents to 60 cents on July 1. This ruling would mean that they would have to negotiate with drivers based on \$10.34 per hour rather than the base pay of \$7.83. Kiepper still wanted to avoid arbitration altogether and reach an agreement through direct negotiations.<sup>1061</sup> The victory for Local 732 was fleeting. The 11th U.S. Circuit Court of Appeals ruled that MARTA did not have to pay cost-of-living while negotiations continued between MARTA and Local 732 after the contract expired in June 1981.<sup>1062</sup>

The two sides agreed to arbitration, though MARTA management reluctantly agreed after what happened in the 1975-1976 arbitration. The arbitrator returned with an award that MARTA thought heavily favored the union, and MARTA refused to accept the contract drawn up by the arbitrator that provided for a wage increase for drivers to \$11.02 per hour by July 1, 1982, in a new three-year contract. On February 22, 1982,

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<sup>1061</sup> Sam Hopkins, "MARTA Drivers Cheer Judge's Ruling on Pay," *Atlanta Constitution*, July 11, 1981.

<sup>1062</sup> Brenda Mooney, "MARTA Allowances Fail Appeals Test," *Atlanta Constitution*, February 17, 1982.

faced with this wage increase in addition to cost-of-living increases, MARTA walked away from the arbitration and refused to sign the contract.<sup>1063</sup>

Local 732 accused MARTA officials of stalling until the passage of HB 55 in a special legislative session, an accusation they denied. Local 732 sued MARTA claiming that management did not have the legal right to back out of the agreement. The 11th Circuit Court of Appeals ruled on January 29, 1982, that state law trumped federal law with regards to contract negotiations between Local 732 and MARTA. Using that decision, MARTA officials argued for the restraining order on the February 1982 arbitration award because Georgia state law allowed for a last minute decision to not agree to a contract, such as MARTA did. Fulton County Superior Court Judge Luther Alverson allowed for a temporary restraining order that officially ended Local 732 and MARTA contract negotiations. Reynolds slammed these actions by MARTA as those of a sore loser because of the gains that Local 732 made in arbitration. He pointed to “mismanagement by MARTA’s top officials” which results in “the riding public and taxpayers[...]being flim-flammed out of millions of dollars in legal fees (and) public hearings.” Once again, though, he viewed a strike by drivers as unlikely because “in our opinion a strike is not in the best interest of the public.”<sup>1064</sup>

As Local 732 had feared, the state legislature revisited HB 55 in a special session. In February 1982, an editorial in the *Atlanta Constitution* trumpeted HB 55 because it

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<sup>1063</sup> Kevin Sack and Tracy Thompson, “Strike Not Ruled out by MARTA’s Union,” *Atlanta Constitution*, August 3, 1982.

<sup>1064</sup> Tracy Thompson, “Judge’s Restraining Order Puts New MARTA Pact in Legal Limbo,” *Atlanta Constitution*, February 24, 1982; Pamela Fine and Tracy Thompson, “MARTA Contract Hold Is Extended,” *Atlanta Constitution*, March 26, 1982.

would mandate that an arbitrator for MARTA and Local 732 contract negotiations include one member from DeKalb County or Fulton County where MARTA operated. The legislation also placed restrictions on wage negotiations by taking into consideration local wages and if the wage increases would lead to fare increases. The editorial essentially pointed out that MARTA would not be able to operate much longer because the economic environment had changed due to reductions in federal operating assistance and funds did not exist to meet the Local 732 contracts. As they saw it, MARTA “does not need to be saddled any longer with outmoded legislation that allows organized labor to dominate the mass-transit system while the riding public must suffer.”<sup>1065</sup> In addition, HB 55 also allowed for MARTA to hire part time workers as a way to decrease overtime costs. The state legislature finally passed HB 55 in the special session in March 1982, and Governor George Busbee signed the bill.<sup>1066</sup>

MARTA management expressed relief with the passage of HB 55, but with the departure of Kiepper in April 1982 and questions surrounding the ability to pay a possible windfall settlement to Local 732 and finishing the rapid rail system, they faced a difficult situation to meet their mission.<sup>1067</sup> Local 732 announced that they would seek an injunction and file a lawsuit over the new law because they argued it directly contradicted collective bargaining protections under the UMTA, in particular the law’s stipulation that

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<sup>1065</sup> “The Sensible MARTA Bill,” *Atlanta Constitution*, February 9, 1982.

<sup>1066</sup> “Assembly OKs MARTA Bill, Ends Session,” *Atlanta Constitution*, March 27, 1982.

<sup>1067</sup> Tracy Thompson, “MARTA Is Gliding Toward Fiscal Crisis,” *Atlanta Constitution*, April 19, 1982.

arbitration only be used for non-wage bargaining and restrictions on MARTA's ability to agree to higher wages.<sup>1068</sup>

After the failure of 13(c) relief through the Ford Administration, the Georgia General Assembly had stepped in to reform arbitration between MARTA and Local 732. At the same time, MARTA sought relief from state and federal courts to walk away from arbitration agreements that they found to be a financial burden. The years of warnings by ATU began to become reality as 13(c) protections faced assault on multiple fronts. Local 732 attempted to shift the Georgia General Assembly's investigation of financial problems to MARTA management, but the MARTA overview board viewed high wages tied to cost-of-living increases as the main source of the MARTA financial woes, a common refrain in an era of public hostility to public employees and their unions. In addition, some legislators employed the tactic of playing one group of workers off on another, in this case public sector teachers against public sector transit workers.

### **8.5 13(c) Court Battles**

APTA utilized the courts as the third venue for the assault on 13(c). Local 732 was one of a number of ATU local divisions involved in court cases related to 13(c) by the early 1980s. Transit systems also faced challenges from declining ridership which in turn put pressure on transit systems to reduce personnel costs through tough contract negotiations and layoffs, and, as had occurred elsewhere in the country, MARTA decided to confront Local 732 in court over their contract demands. Atlanta was one of a number of cities that had transit local divisions under fire from media that portrayed the public at

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<sup>1068</sup> T. J. Wells, "Union Sues To Block MARTA Law," *Atlanta Constitution*, April 21, 1982.



the mercy of the union because of laws, particularly those regarding arbitration, that favored labor and left the public with heavy costs.<sup>1069</sup>

At the same time as APTA anticipated DOL finalizing the 13(c) guidelines in 1978, they had been closely monitoring other 13(c) developments in the courts. The first of these cases involved the Syracuse, New York, transit system and the disagreement with the union with including arbitration language in the 13(c) agreement. APTA had a problem with the wide meaning of “labor dispute” because this meant wages, pensions, benefits would have to go to arbitration as dictated by the 13(c) agreement rather than local contract agreements between labor and management.<sup>1070</sup>

Although some of the cases had been favorable for transit systems, Stokes feared that other decisions meant that 13(c) could potentially lead to essentially a national labor law that could overrule local jurisdictions. A case involving the Kansas City Area Transportation Authority had been appealed to the Supreme Court and APTA planned to file an amicus brief, in particular “that the Federal courts lack jurisdiction of these disputes (normally labor relations disputes are heard in state courts).”<sup>1071</sup>

Alameda-Contra Costa Transit (ACT) President Robert Nisbet wrote a letter to Stokes about concerns of some of the 13(c) cases, particularly the Kansas City case that could mean 13(c) enforcement nationwide. Nisbet expressed particular concerns about the impact the ruling could have with regards to Proposition 13 in California and cost-of-living. He reminded Stokes that he and previous ACT President Al Bingham had pointed

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<sup>1069</sup> Amalgamated Transit Union, *A History of the Amalgamated Transit Union*, 115–16.

<sup>1070</sup> David E. Fox to B. R. Stokes, February 9, 1978, Box 141 Folder 3, APTA Records.

<sup>1071</sup> B. R. Stokes to All Transit System Members, November 20, 1978, Box 141 Folder 1, APTA Records.

out to APTA the importance of staying abreast of 13(c) court proceedings because of the implications of a decision that could essentially make 13(c) a nationwide bargaining agreement.<sup>1072</sup>

The U.S. 8th Circuit Court of Appeals ruled in favor of ATU in the Kansas City case that federal courts could enforce contracts between transit systems and ATU under 13(c). Maroney celebrated this decision over “APTA and its minions,” and that “if these transit authorities don’t want to honor the conditions of the agreements they sign, then they shouldn’t sign them.”<sup>1073</sup> That victory was followed by similar rulings by the 7th Circuit U.S. Court of Appeals and the 1st Circuit U.S. Court of Appeals in 1978.<sup>1074</sup> Despite this initial success, ATU would continue to face court challenges over contracts and arbitration into the 1980s, and ATU Earl Putnam believed one of the cases would end up before the Supreme Court.<sup>1075</sup> He was right, and one of those cases would involve Local 732.

In June 1982, the attempt by Local 732 to challenge MARTA withdrawing from arbitration in Fulton County Superior Court received some bad news. The U.S. Supreme Court ruled against the ATU local in Jackson, Tennessee, in their attempt to force the Jackson Transit Authority to negotiate under 13(c). The U.S. Supreme Court ruled in a 9

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<sup>1072</sup> Robert E. Nisbet to Mr. B. R. Stokes, September 12, 1978, Box 141 Folder 1, APTA Records.

<sup>1073</sup> “On Learning from Court’s Ruling, Voter Apathy,” *In Transit*, September 1978.

<sup>1074</sup> “Appeals Court Rules 13(c) Provisions Binding,” *In Transit*, November 1978; “Appeals Court Rules 13(c) Protections Enforceable under Federal Jurisdiction,” *In Transit*, December 1978.

<sup>1075</sup> “Court Upholds 13(c) Terms,” *In Transit*, September 1978.

to 0 decision that the federal government could not dictate negotiation rules and that negotiations fall under state laws even if those systems received federal funding.<sup>1076</sup>

In the Jackson Transit Authority decision, the U.S. Supreme Court specifically pointed to the 1982 11th U.S. Circuit Court of Appeals decision regarding Local 732 that federal courts could not enforce 13(c) agreements. The Supreme Court looked back at the congressional debate surrounding 13(c) and decided that the intention of 13(c) had referred to the transition of the transit systems from private to public and did not refer to federal labor law overruling state laws with regards to specific labor contracts. Section 13(c) should be viewed as “an important tool to protect the collective-bargaining rights of transit workers, by ensuring that state law preserved their rights before federal aid could be used to convert private companies into public entities” and “not as a means to substitute a federal law of collective bargaining for state labor law.”<sup>1077</sup>

The similarity of the Jackson case decision to the 1982 11th U.S. Circuit Court of Appeals decision was “that disputes between the union and public transit systems receiving federal funds should be heard in state, not federal courts” meant that the case between MARTA and Local 732 could proceed since they were in fact in a state court fighting over the arbitration issue. The attorney for Local 732 continued to point out that MARTA had agreed to negotiate under 13(c) since the creation of MARTA in 1971, so that included agreeing to decisions by arbitrators.<sup>1078</sup>

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<sup>1076</sup> Tracy Thompson, “High Court Ruling Could Affect MARTA Fight Here,” *Atlanta Constitution*, June 8, 1982.

<sup>1077</sup> Harry A. Blackmun and Supreme Court of The United States, “U.S. Reports: Jackson Transit Authority v. Transit Union, 457 U.S. 15 (1982),” 1981, 20 fn5, 24–28, <https://www.loc.gov/item/usrep457015/>.

<sup>1078</sup> Thompson, “High Court Ruling Could Affect MARTA Fight Here.”

In August 1982, Local 732 ended up on the losing end of a decision by Fulton County Superior Court Judge Ralph Hicks. He ruled in favor of MARTA when he sided with them on backing out of the arbitrated contract in February 1982.<sup>1079</sup> In May 1983, in a 6 to 1 decision, the Georgia Supreme Court affirmed the decision of the Fulton County Superior Court that MARTA had the legal right under state law to leave the arbitration with Local 732 prior to signing the contract. Reynolds said they would appeal and that Local 732 would not call a strike as they had threatened to do.<sup>1080</sup>

As Local 732 appealed the Georgia State Supreme Court decision to the U.S. Supreme Court, they continued to try and strike a deal with MARTA on a contract. Despite not including any money for raises in the MARTA budget, both MARTA General Manager Ken Gregor and Reynolds expressed hope that an agreement could be reached in 1983. However, this did not happen as Local 732 membership rejected MARTA's offer for a 5.7 percent wage increase and a \$400 bonus in November 1983. The contract also negatively impacted benefits and eliminated cost-of-living. Although the reduction of leave and insurance benefits would only have impacted new employees, some Local 732 members saw this as a way to drive a wedge between the membership.<sup>1081</sup> A proposed contract failed in a Local 732 vote in November 1983, and Reynolds was voted out of office the next month in a close election that Reynolds unsuccessfully disputed. The membership elected the white, 31-year-old vice president

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<sup>1079</sup> Sack and Thompson, "Strike Not Ruled out by MARTA's Union."

<sup>1080</sup> Greg Witcher, "MARTA Says Labor Ruling Should Forestall Fare Hike," *Atlanta Constitution*, May 13, 1983.

<sup>1081</sup> Cathy Schoppenhorst, "MARTA Holds Line on Fares," *Atlanta Constitution*, June 28, 1983; Cathy S. Delman, "Union Shuns MARTA's 'final' Offer," *Atlanta Constitution*, November 18, 1983.

Tommy Dye, a mechanical division worker. Dye expressed some concern that Reynolds wanted a new election because he thought that would only strain the membership even more. Dye knew he had a big task to resolve the contract dispute, though MARTA management reportedly thought they had a better chance of working something out with him than they had with Reynolds.<sup>1082</sup>

In February 1984, the U.S. Supreme Court returned the arbitration case to the Georgia Supreme Court.<sup>1083</sup> The Georgia Supreme Court then ruled again that MARTA could withdraw from arbitration based on state law rather than federal law.<sup>1084</sup> In the September 1984 decision, the Georgia State Supreme Court specifically cited the Jackson Transit Authority Supreme Court case as well as the 1982 11th U.S. Circuit Court of Appeals decision in deciding the case.<sup>1085</sup>

Following that 1984 Georgia Supreme Court decision that MARTA did not even have the right to accept third-party arbitration decisions based on the 1965 law that created MARTA, Local 732 and MARTA began negotiations again. While some drivers continued to demand what they would have been owed had MARTA accepted the arbitrator's decision in 1982, other drivers believed that MARTA simply had the upper

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<sup>1082</sup> Cathy S. Dolman, "Reynolds Disputes MARTA Vote Tally," *Atlanta Constitution*, December 21, 1983; "Union Vote Stands," *Atlanta Constitution*, December 29, 1983; Cathy S. Dolman, "Fight Looms on MARTA Arbitration," *Atlanta Constitution*, January 7, 1986.

<sup>1083</sup> "Ga. High Court Must Rehear MARTA Case," *Atlanta Constitution*, February 23, 1984.

<sup>1084</sup> Steve Harvey, "Court Rules for MARTA in Labor Suit," *Atlanta Constitution*, September 7, 1984.

<sup>1085</sup> "LOCAL DIV. 732, &C. TRANSIT UNION v. MARTA," Justia Law, accessed January 19, 2020, <https://law.justia.com/cases/georgia/supreme-court/1984/39674-1.html>.

hand in negotiations and they should work to come to an agreement instead of battling MARTA and arriving at the same point.<sup>1086</sup>

By October 1984, Local 732 and MARTA had reached an agreement that Dye believed would be accepted by the Local 732 membership. Dye also pointed to the weariness of multiple court losses. MARTA's main goal was to not increase wages and cause the 60-cent fare to increase, at least not until the new MARTA stations opened in December.<sup>1087</sup> The membership approved it 859 to 400, and the contract gave drivers a \$1.66 per hour increase over the three years of the contract and included a \$1,000 bonus. This meant that drivers at the top of the wage scale would receive \$12 per hour. The contract did not include automatic cost-of-living increases.<sup>1088</sup>

Local 732 did manage to preserve collective bargaining rights that the state legislature had tried to sabotage with HB 55. In 1984 another blow to 13(c) rights for Local 732 occurred when U.S. District Court Judge Thomas F. Hogan sided with MARTA that Labor Secretary Raymond Donovan properly released federal capital assistance to MARTA. Local 732 argued that HB 55 had violated their collective bargaining rights, so the DOL Secretary should not have released the funds in 1982. MARTA general manager Gregor expressed relief over the decision because MARTA would not have been able to meet rapid rail construction deadlines if UMTA capital funds had been restricted.<sup>1089</sup> The validation of releasing of the operating funds to

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<sup>1086</sup> John Lancaster, "MARTA Drivers Anxious to Resolve Contract Fight," *Atlanta Constitution*, September 26, 1984.

<sup>1087</sup> Cathy S. Dolman, "MARTA Pay Offer Set for Union Vote," *Atlanta Constitution*, October 17, 1984.

<sup>1088</sup> Hal Straus, "MARTA Workers OK Pact," *Atlanta Constitution*, October 20, 1984.

<sup>1089</sup> Beverly Barnes, "U.S. Judge Keeps MARTA Funding on Track," *Atlanta Constitution*, February 25, 1984.

MARTA also meant that MARTA would be able to continue to receive capital funds for the rapid rail construction. Dye pledged to appeal the ruling.<sup>1090</sup>

Local 732 finally received some vindication in 1986 when MARTA had to implement revised collective bargaining guidelines developed with and passed by the state legislature. As ATU had warned, the structure of HB 55 exposed MARTA to being denied federal funding because HB 55 violated 13(c) by restricting collective bargaining through the complete elimination of arbitration over wages and other contract matters. Following a U.S. District Court decision, Local 732 appealed and the D.C. Court of Appeals decided that HB 55 did indeed go too far in placing so much power on the side of management, so MARTA could not receive federal capital funding for the rapid rail system. MARTA could not spend the time to further pursue this matter once again with the need to complete the rapid rail system, so they developed a process similar to arbitration that the DOL agreed would meet the requirements for certification. However, there would not be a return to binding third party arbitration.<sup>1091</sup>

### **Conclusion**

The court challenges by MARTA and other transit authorities marked a turning point in their relationship with the federal government. At the time of the public takeover in 1971, the ATS had been in severe financial straits, and federal funding provided a vital lifeline for the bus system to continue running. But just as the new transit authority

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<sup>1090</sup> "Workers to Appeal U.S. Funds for MARTA," *Atlanta Constitution*, February 26, 1984.

<sup>1091</sup> Greg McDonald, "Labor's Approval Clears Way for MARTA Funds," *Atlanta Constitution*, May 23, 1986; Dolman, "Fight Looms on MARTA Arbitration"; Cathy S. Dolman, "Key Issue after MARTA Ruling Is Whether Arbitration Needed," *Atlanta Constitution*, July 14, 1985.

required stability, the labor movement experienced a period of remarkable unrest in the 1970s, particularly among public service unions. Although Local 732 may not have been the most radical during this period of time, the membership was not content to simply go along with the agreements concocted between leadership and management. Section 13(c) in particular simultaneously protected collective bargaining rights while also leading to confusion about how much influence it gave Local 732 to exert over federal grant approval.

ATU warned Local 732 of problems that other public service unions faced and urged it to tread carefully to avoid blowback from the public and lawmakers influenced by APTA, NACo, and other groups. The ATU leadership set up the 13(c) protections in the 1964 UMTA precisely because they wanted to make sure that the transition from private to public did not erode job protections. This stood in contrast to public employees, such as sanitation workers, who had typically been employed by the city and encountered different rules when they unionized. ATU warned about arbitration use potentially not producing gains that Local 732 hoped for and only driving up the drumbeat against ATU and lumping them with other public sector unions. Local 732 insistence on improperly utilizing 13(c) contribute to the perception of it as a burden because these disputes between ATU and Local 732 delayed the DOL approval. Local 732 and other local divisions now in public transit systems viewed 13(c) as a tool to make sure that transit management held up their side of the bargain as a partner in the efforts to transition from private to public.



At the same time, MARTA officials continued to give wage and benefit increases because they needed stability to continue to receive support for the construction of the rapid rail line and the expansion of the bus system. Another wildcat strike like the one in 1973 would quickly bring all of that to a halt. MARTA, though, became emboldened by the success of other cities to challenge the ability of federal courts to make decisions about local transit agreements, and they viewed this as another tool to bring a stop to constantly increasing wages and benefits they saw as unsustainable. J. C. Reynolds realizing, as president of Local 732, that going on strike was not a great option by the early 1980s as it had been in the in the early 1970s when he was one of the main advocates for going on strike to pressure MARTA to meet union contract demands. He attempted to follow the advice of Maroney to strike a bargain at the negotiating table first. Choosing arbitration instead of striking, he attempted to replicate success of the 1970s, but MARTA turned out to no longer agree to this method. Instead, MARTA sought relief through the state legislature and the courts to limit the overreach of 13(c) and arbitration, a strategy that led to some wage reductions, but that did not eliminate arbitration altogether.

## CONCLUSION

As the experience of Atlanta and Oakland illustrates, the transition from private to public initially delivered on promises made by transit supporters in both cities to turn around financially strapped private systems, but contracts between labor and management became difficult for transit management to justify as the economy soured in the 1970s. In an era of backlash against public employees, various groups believed that ATU local divisions benefited at the public expense, and this opposition would endanger ATU collective bargaining rights at both the state and federal levels.

Despite these setbacks for Local 192 and Local 732, it had become clear that the federal government would continue playing a role in preserving collective bargaining for transit unions. The longevity of Section 13(c), despite multiple attempts to weaken or completely scrap it, speaks to the political power that ATU wielded at the time in the early 1960s.<sup>1092</sup> In order to preserve what they had won under private transit systems,

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<sup>1092</sup> Mid-sized city transit system managers jumped into action after the Republicans took over the House of Representatives following the 1994 mid-term elections. They wanted to get rid of 13(c) because they thought the whole process was a waste of time. They needed new equipment and had no intention of reducing drivers or other union members as a result, an argument that echoed APTA from the 1970s. Although their efforts did not change the legislation, 29 CFR § 215.3 adopted in December 1995 stated that capital grants could essentially move forward without going through the DOL process thereby expediting the grants. In 2001, the General Accounting Office published a report in response to a request by the US Congress that could have been written in the 1970s during the dispute between Usery and Coleman. The study found that 49 U.S.C. § 5333(b) (the codified 13(c)) did not impact transit systems receiving grants despite continued complaints from APTA. 49 U.S.C. § 5333(b) still exists today, though the Federal Transit Administration (the UMTA successor) notes that it specifically has nothing to do with local labor contracts between unions and transit systems. See Keith Jones, LR Bus System Interviews, interview by William Jordan Patty, August 16, 2002, in possession of author; “29 CFR § 215.3 - Employees Represented by a Labor Organization,” LII / Legal Information Institute, accessed June 25, 2021, <https://www.law.cornell.edu/cfr/text/29/215.3>; United States. General Accounting Office, *Transit Labor Arrangements* (Washington, D.C.: U.S. General Accounting Office, 2001), <https://www.gao.gov/assets/gao-02-78.pdf>.

they had to ensure that members could move on to public ownership with collective bargaining rights that were not protected in right-to-work states nor under the National Labor Relations Act.

Why did ATU lobby to insert those labor protections in the 1964 Urban Mass Transportation Act? How did that participation by ATU continue the overlap with state and federal roles in mass transit that arose in the early part of the 20th century? Who benefited from these strong labor protections? Several overarching themes attempt to answer these questions.

### **Federal, State, and Labor Roles**

National War Labor Board (NWLB) rulings during the World War I era strengthened ATU locals. Both Local 192 and Local 732 won higher wages and Local 732 won recognition as the bargaining agent. At the same time, the NWLB persuaded state regulatory commissions to permit fare increases for both transit systems to afford those wage increases. Federal spending during World War II, especially in urban areas like Atlanta and Oakland with military bases and support industries, benefited workers, though the accompanying boost in mass transit ridership was a mixed situation for the overburdened mass transit system infrastructure. Following World War II, the Georgia Public Service Commission allowed the private Atlanta Transit Company (ATC), and its successor, the Atlanta Transit System (ATS), to perform financial maneuvers to ensure that it could meet obligations that included meeting the Local 732 contracts. ATC received that permission for some restructuring to maintain financial solvency in order to improve service and meet Local 732 contract demands because government officials

recognized the need for state intervention to maintain the vital mass transit service for the Atlanta region. In contrast to Oakland, the outcome of Local 732 strikes in the late 1940s and early 1950s was that Local 732 remained the bargaining agent for a private company, though the regulatory concessions made to ATC and its successor sought to achieve a similar goal of stability to the Oakland public transit. While the Georgia Power Company (GPCO) operated an important transit system in Atlanta, the political and business leadership did not push for a change to public ownership and instead looked to a combination of local investors and regulatory changes to assist the ATS.

The political leadership in Oakland was much more willing to find a publicly-owned replacement for the Key System because of the importance of the city's economic ties to both the East Bay and San Francisco. The involvement of the California State Legislature in the creation of the Alameda-Contra Costa Transit District (ACTD) and the subsequent campaign for funding the district had the most impact on ATU's strategy going forward. ATU learned from the transition of Local 192 to public sector employment the complications associated with the transition to public ownership because of the legislative process and the subsequent vote on the funding referendum for Alameda-Contra Costa Transit (ACT) by the municipalities in the ACTD. Local 192 embraced the movement to public ownership largely because the Local 192 president, Vernon Stambaugh, secured collective bargaining rights in the state legislation that created the ACTD.

The Local 192 success in gaining collective bargaining rights was not guaranteed in other states such as Georgia with so-called "right-to-work" laws, so the ATU used its

influence in the Democratic-controlled US Congress to include collective bargaining rights in the 1964 Urban Mass Transportation Act legislation. In turn, ATU demanded collective bargaining in state legislation to create the Metropolitan Atlanta Rapid Transit Authority (MARTA) and for Local 732 support for the funding referendum. Local 732 essentially followed the Local 192 playbook by influencing the state legislature, though this time with stronger support of ATU. Although these efforts did not result in collective bargaining provisions inserted into the initial versions of the MARTA legislation, Local 732 eventually succeeded with collective bargaining provisions in the final version of the MARTA legislation, and the Local 732 support brought in other union support for the successful 1971 MARTA funding referendum.

### **Section 13(c)**

The experiences of ATU from the World War I era to post-World War II illustrate the intertwined goals of federal, state, and labor. The 1964 Urban Mass Transportation Act provided critical federal funding for transit and included labor law critical for ATU. Over a decade of difference in the transition of mass transit in Oakland (1960) and Atlanta (1972) resulted in a different relationship between the new public transit agencies and the federal government, particularly in relation to the critically important Section 13(c) found in the 1964 Urban Mass Transportation Act. Local 192 had to develop the collective bargaining provision from scratch for the ACTD legislation whereas Local 732 had Section 13(c) to guide its push for collective bargaining in the MARTA legislation.

For potential job elimination, both Local 192 and Local 732 utilized 13(c), and Local 732 attempted to wield power over other areas like grievances and grants. This

latter utilization of 13(c) drew the attention of ATU president Dan Maroney. He warned about misusing 13(c), potentially drawing complaints from transit management thereby jeopardizing the existence of 13(c) in future legislation. ATU became alarmed at the apparent about-face by the mass transit industry on support of collective bargaining rights found in 13(c). The National 13(c) agreement negotiated between labor, the federal government, and the mass transit industry did not lead to greater labor-management cooperation nor satisfy transit management concerns over grant approval delays.

### **Management and Labor in the 1970s**

These tensions over collective bargaining rights only became more pronounced as the economy in the 1970s led management at both ACT and MARTA to rethink contracts. The collective bargaining provisions enjoyed by transit unions became a target by the 1970s, viewed by anti-tax groups and politicians as a hinderance to reducing contract costs in the challenging economy. They pointed to actions like strikes by Local 192 and Local 732 which hampered the very tax payers from riding transit that funded the workers, a situation the transit system boosters had promised public funding would, in part, prevent.

The arbitration that both locals engaged in was viewed as part of the problem by American Public Transportation Association (APTA) and others because of rulings on contracts that consistently favored ATU local divisions like Local 192 and Local 732. Transit system management also wanted to reduce contract costs because of concerns with the Urban Mass Transportation Administration reducing or even eliminating mass transit funding in the future. Both Local 192 and Local 732 negotiators found themselves

across the table from John Dash, a labor consultant deployed to drive a hard bargain, as part of this tougher negotiating posture by transit system management.

Local 192 continued on the strike strategy in the late 1970s while Local 732 turned to arbitration with MARTA. ATU discouraged both strategies because they believed that both had begun to result in diminishing returns. Local 192 strikes yielded little improvement and a lot of public displeasure. Workers had to work months to recover from the new contract that they lost in wages while on strike.

ATU pointed to Local 732 as an example of the problem with arbitration after Local 732 also did not greatly improve on the contract offer and spent an unreasonable amount of money on arbitration costs. Maroney acknowledged arbitration as an important tool of contract negotiations, he also noted that it could be overused by public sector unions and argued that if management and labor continuously resort to arbitration as a way to avoid hard choices during collective bargaining, then that could lead to unproductive and expensive arbitration proceedings by a third-party that might not leave locals with the best outcomes. Though this may have appeared to be a clear-cut solution, perhaps Maroney did not fully understand rank-and-file public sector characteristics that existed in specific local divisions like Local 732.

### **Expansion of Membership**

By the time of these negotiation setbacks to Local 192 and Local 732, both had witnessed remarkable growth and change in the membership. In addition to transitioning to public ownership, transit systems also transitioned to a place of employment opportunity for more a more diverse group of workers. These younger, nonwhite men

and women members in both Local 192 and Local 732 expected contract demands to be met as a result of the public funding. New members in both local divisions resembled what was going on in other public sector employee unions, and these new members wanted to improve contracts with rampant inflation while also improving working conditions. Though the transit systems hired many of these new employees to drive buses on expanded routes and new equipment, new employees also filled new clerical positions. Both Local 192 and Local 732 expanded their membership by organizing these employees and to avoid encroachment by other unions.

The new members looked for new leadership. New members began to move up the leadership ladder by winning elections. Edward Cordeiro exemplified this change in Local 192 as he challenged ACT management over driver assaults and also clashed with long time Local 192 members over negotiation strategy. Cordeiro's strategy of using both arbitration and strikes resulted in success overall, but his management style ultimately led to his failure. His successor, John Wesley, the first Black Local 192 president, was unable to replicate Cordeiro's strategy in the late 1970s due to a combination of larger economic factors coupled with state legislative actions and Proposition 13. The threat of strikes and gaining concessions through arbitration essentially vanished as options for him.

A similar situation confronted J. C. Reynolds in Atlanta. Reynolds, the first Black Local 732 president, had led a largely Black contingent of union members in a walkout shortly after MARTA took over ATS. After the Local 732 membership removed president Curtis Jacobs from office over his unsatisfactory contract negotiation skills, the



membership elected Reynolds. Jacobs had attempted to manage the member contract expectations while also figuring out how they could reach reasonable agreements with MARTA, though Reynolds would suggest that his attempts to please both parties resulted in unwise contract concessions to MARTA. Reynolds, like Wesley, would also be voted out of office as he would face a much more difficult negotiation climate at the end of the 1970s and early 1980s that would hamper his leadership tenure because MARTA management sought to avoid arbitration where Local 732 had been successful in the past. Just as both Wesley and Reynolds were able to rise to the president in their respective unions, they found themselves at a bargaining disadvantage in the late 1970s and early 1980s, unable to balance the ATU desire to reach agreement at the bargaining table and rank-and-file desire to push transit management for better contracts beyond the bargaining table. Just as there was a transition from private to public transit ownership, members in both Local 732 and Local 192 transitioned from private to public employees and expected a change from the past under private ownership characterized by the intertwined issues of strikes and financially-strapped transit systems.

### **Attempts to Limit Labor Rights**

Just as these younger, more diverse members were gaining power and making progress on long sought workplace condition demands, their bargaining power with regards to wages experienced a major setback. Although with 13(c) protections, ATU locals appeared to be better positioned in the 1970s to withstand public employee backlash, the passage of Proposition 13 along with state legislative laws in California and limits on sales tax use in Georgia weakened the ability for the two unions to carry out that

strategy. ATU wanted local divisions to make contract improvements at the bargaining table rather than through costly arbitration or strikes that could turn into public relations disasters. Otherwise, they could potentially endanger collective bargaining rights.

Transit management efforts to reform 13(c) became more imperative to ensure the steady flow of federal operating funds and make up for revenue lost from reductions in state funding. Beginning with the National Mass Transportation Assistance Act in 1974, transit systems could apply for operating funds in addition to the capital funds that had been available since 1964. Although both the Atlanta and Oakland systems received federal operating funds as a result of that law, this funding was much more important for MARTA in Atlanta because they operated both the bus and rapid rail systems whereas ACT in Oakland only operated the bus system.

In response to the APTA and transit system managers' concerns about delays in receiving critical federal financial support, a group composed of labor unions, including ATU, and representatives of transit management worked with the Department of Labor to streamline the process, and they approved a National 13(c) agreement as a way to facilitate faster transfer of operating funds. Some transit system managers complained to APTA that the National 13(c) agreement did not appear to make substantial changes to the process, and they turned to the Gerald R. Ford Administration, and, when that also did not produce results, they pursued changes through the courts arguing that the federal government had no jurisdiction over contracts in states between transit systems and unions. Though the Supreme Court ultimately agreed that contract disputes could be decided at the state level, 13(c) remained intact to preserve collective bargaining rights.

## **Summary**

What was the alternative? Perhaps better guidance by the Federal government early on about 13(c) and what it did and did not mean for mass transit funding and union protections would have led to better understanding between labor and management as well as between ATU and the local divisions like Local 192 and Local 732. Though as Oakland and Atlanta showed, the financial underpinnings of public mass transit left it vulnerable. Transit boosters' promises about financial viability meant that mass transit planners had to compromise on funding in order to win approval from politicians and the public, and national transit funding plans ended up in conflict with state implementation.

While ACT received property tax support, they continued to have to bring in revenue from fares. The issue of having to use fares to support mass transit distinguished it from other municipal services, and the pursuit of free fare transit by ATU attempted to place mass transit in the same category. ATU cheered the MARTA fare decrease as evidence that tax revenue could allow such a program to work that simultaneously attracted more riders and expanded job opportunities, and ATU pushed for the complete elimination of fares. By the end of the 1970s, the free fare plans had dried up amidst sales tax revenue restrictions as MARTA had to reduce bus service that included the cancellation of bus routes and fare increases. The idea of a free fare plan had been buried even more so in Oakland with the passage of Proposition 13 that restricted property tax revenue and other state legislation. ACT ended up suspending operations because the financial model they operated on depended on property tax revenue to make up the difference from the farebox. The phasing out of most operating grants during the Ronald

Reagan Administration signaled a new era of financial strategy for ACT and MARTA that would certainly not include a free fare system.

In conclusion, like the time period covered in much of this dissertation, in the decades ahead we are likely going to face the need to completely revamp mass transit, and we can learn a lot from the stories of Oakland and Atlanta. Also, at a time when unions are much weaker than they were in the period, it is important that we be reminded of the role that organized workers were able to play in promoting public ownership of mass transit in these settings.

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