

**To:** MP&L Committee

**Date:** January 30, 2013

**From:** Rick Ramacier  
General Manager

**Reviewed by:**

---

**SUBJECT:** AB160 – Alejo

---

### Background

As expected, a bill has been introduced (AB160) to exempt public transit employees that are in unions from the recently enacted state pension reform (PEPRA). The unions maintain that PEPRA conflicts with section 13(c) of federal transportation law. Among other things, section 13(c) requires public transit operators that receive federal funds to negotiate with unions on pension benefits. The unions claim that PEPRA takes away the right to bargain over pension benefits.

The unions are filing 13(c) objections with the US Department of Labor (DOL) against the federal grants of applicable California transit operators and citing PEPRA as the reason. If AB160 were to be enacted, the unions would presumably drop these objections.

Many well respected labor attorneys have pointed out quite clearly how PEPRA in fact requires bargaining with public unions over pensions and over PEPRA implementation. To that end, I have invited all three of our unions to bargain with us over PEPRA. So far, none of our unions have asked to bargain about this.

I think that once elected officials are educated on the issues surrounding PEPRA and section 13(c), they will see that PEPRA does not take away a union's right to bargain over pensions. Thus, PEPRA does not cast aside section 13(c) rights.

### Action Requested

It remains to be seen if AB160 moves through the legislative process. The Governor has suggested he does not support such legislation. At this time, I recommend that County Connection remain neutral on AB160. I further recommend that we educate our state delegation on the facts surrounding these issues as related to AB160.