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April 21, 2011

Dear Members of the Assembly State Government Committee:

Re: Oppose the Privatization of Toll Collectors

Thank you Chairwoman Stender and members of the committee. The New Jersey State AFL-CIO has come before your committee and other committees a number of times this legislative session regarding the issue of privatization. This hearing is specific to two particular privatization proposals – toll collectors on the Turnpike and Garden State Parkway.

Regardless of philosophical positions on privatization, whether in support or in opposition to the concept, I think we can all agree that the interests of three groups: taxpayers, residents and employees, must be front and center when considering the merits of privatization. After all, these are the people who depend on the delivery of these services, depend on them as a means of making a living, and of course, pay for them.

In our opinion, the Administration's current position in advancing the privatization of toll collectors is disturbing because it ignores all three of these groups and instead is moving forward for political reasons – including the elimination of the union. The details of the Turnpike situation makes this clear.

The union representing Turnpike employees has put forward a proposal that is significantly more than the goal of \$12- \$14 million in savings originally requested in December 2010. The current proposal from the union is \$24 million in savings, not including \$10 million from attrition. There would be additional savings associated with the Authorities operational needs in regard to work rules, which the unions has agreed to. Unfortunately, the Authority has ignored this offer and is moving forward regardless.

I need to reiterate that in clear terms – the union's proposal has significant cost savings above and beyond what was requested. Therefore, it is obvious at this point that this issue is no longer about money – it's about breaking the union. Furthermore, it is apparent that the Authority has complete disregard for the welfare of the 600 employees whose lives would be turned upside down by this transition, not to mention the possibility of service disruptions that have the potential to adversely affect motorists during the transition.

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"The Voice for Working Families in New Jersey"

As we know, the Zimmer Report on Privatization, published last year under direction from the Christie Administration, recommended the privatization of toll collectors. ***Ironically, in the same report, the Zimmer Commission stated their intention that public sector employees should be involved in the process.*** To quote the report "Giving them the opportunity, whenever practical, to implement these efficiencies by "reengineering" the present government operation sometimes provides a more cost-effective option than turning over the operation entirely to a private vendor." That is exactly what the union has done. Yet, the Authority's privatization proposal before you today completely ignores the advice of the Governor's own commission. Unions have proposed the adoption of these efficiencies, but are being ignored.

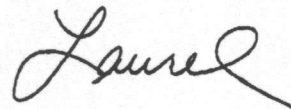
Furthermore, the Zimmer Report recommended conducting "a rigorous cost-benefit analysis to determine if privatization should go forward." Again, the Governor's own Commission recommendation is being ignored since this was never performed. The lack of this type of cost saving analysis illustrates that accountability to residents and taxpayers is a not a top concern.

Committee members – the point is clear. This is no longer about money. It is about politics. Some Administrations break unions by passing legislation, like they did in Wisconsin, regardless of concessions being made. Other strip bargaining rights through privatization, also regardless of the amount of concessions being made. Either way, it should be rejected.

Sincerely,



Charles Wowkanech
President



Laurel Brennan
Secretary-Treasurer

CW:LB;jn
OPEIU:153