NEW YORK CITY LAW DEPARTMENT OFFICE OF THE CORPORATION COUNSEL

Press Release

Michael A. Cardozo, Corporation Counsel

Web: nyc.gov/html/law/home.html

For Immediate Release

CITY FILES SEPARATE COMPLAINT AGAINST TRANSIT UNIONS SEEKING BOTH HEAVY DAMAGES AND AN INJUNCTION PREVENTING A STRIKE

ESTIMATES A STRIKE COULD COST THE CITY MILLIONS A DAY IN LOST REVENUE AND ECONOMIC ACTIVITY

Contact: Kate O'Brien Ahlers, Communications Director, (212) 788-0400, kahlers@law.nyc.gov

New York, Dec. 13, 2005 – In a lawsuit separate from the Metropolitan Transportation Authority's (MTA's) request for a Taylor Law injunction, which forbids transit workers from striking, New York City today filed its own legal complaint in Kings County Supreme Court in Brooklyn to further ensure the safety of the City and people of New York. The new complaint, filed shortly after Justice Theodore Jones of the Kings County Supreme Court granted the MTA its requested Taylor Law preliminary injunction this afternoon, seeks a separate injunction issued in favor of the City that would prohibit a strike by transit workers, as well as multi-millions of dollars in damages from the union and its members if there is a strike.

"A strike would pose enormous risks to the City and impose serious economic losses on all businesses and residents. We are very hopeful that the negotiations will produce a settlement," noted Corporation Counsel Michael A. Cardozo of the New York City Law Department. "However, like all citizens, the transit workers and their union are required to obey the law, and are responsible for their conduct when they break the law. The City intends to hold the union and its members responsible for their conduct to the full extent provided by law. The law has always forbidden public employee strikes, just as it has always provided remedies for damage inflicted by people and organizations. The City will seek its own remedies should the union engage in a strike, which is prohibited by law."

The MTA's request for an injunction was the subject of a hearing in Kings County Supreme Court this morning. The judge's ruling in favor of the MTA this afternoon forbids workers from striking.

In connection with this morning's hearing, the City had filed an affidavit by Joseph F. Bruno, formerly a Brooklyn Supreme Court Justice himself and currently Commissioner of the City's Office of Emergency Management (OEM), to outline for the Court the severe injury to be expected if the transit workers strike. Commissioner Bruno's affidavit indicated that the City would lose in excess of \$440 million and \$660 million per day in lost business activity. Lost tax revenue would be between \$8 and \$12 million each day of the strike. Overtime for the NYPD alone would amount to about \$10 million a day.

The complaint the City filed today seeks damages against individual transit workers amounting to \$25,000 for the first day of the strike and doubling for every day that the strike continues. Thus, individuals who go on strike could be liable for \$25,000 the first day, \$50,000 for the second day, \$100,000 for the third day and so on.

The City also seeks damages from the union in the amount of \$1 million for the first day of the strike and doubling for each day that the strike continues. Therefore, the union would be liable for \$1 million for the first day if there were a strike, \$2 million for the second day, \$4 million for the third day, and so on.

The City's complaint also seeks damages of at least \$15 million per day to cover the lost revenue and additional costs to be expected from a strike, as well as \$10 million for each day or part of a day the strike continues in punitive damages from the unions. The City has not yet filed a motion seeking its own injunction against the strike. (Legal clarification: A motion differs from a complaint insofar as a complaint is the commencement of a legal action, whereas a motion asks a judge to grant relief during the course of the action.)

The City's complaint outlines the risks to the City's residents and the vast economic losses to be expected in the event of a strike. The strike is expected to cause extremely difficult traffic and pedestrian conditions, especially in cold-weather conditions. It would slow emergency vehicles and put in danger the health and safety of the City's residents and visitors. It is estimated that in the event of a strike the City will lose \$8 to \$12 million in tax revenue daily. In addition to the \$10 million of additional costs at the New York City Police Department, the City's Transportation Department will have more than \$140,000 of additional costs for each strike day and the City's Office of Emergency Operations' costs will rise by \$70,000 daily. Thus, the costs to the City alone could run as high or higher than \$25 million per day in lost revenue and additional expenses. Lost economic activity in the City due to a strike is estimated to be between \$440 million and \$660 million per day.

The MTA and its related agencies, including the Transit Authority, employ the transit workers. The MTA moved for an injunction under a State law prohibiting strikes by public employees. The City, which is not the employer of the transit workers, has claims separate from the MTA. The City's claims include public nuisance and intentional interference with the City's leases of property such as subway tracks and bus depots to the MTA.

Joseph Bruno, Commissioner of the City's Office of Emergency Management, is uniquely positioned to provide information concerning a transit strike. During the 1980 transit strike, Commissioner Bruno served as the Chief of the Law Department's General Litigation Division and represented the City in litigation concerning that transit strike. From 1983 to 1990, Commissioner Bruno served as First Deputy Commissioner and then Commissioner of the Fire Department. From 1991-96 Commissioner Bruno was a Civil Court Judge. He served as a Supreme Court Justice in Kings County, where the present litigation is pending, from 1996 to 2004 before becoming Commissioner of OEM.

The New York City Law Department is one of the oldest, largest and most dynamic law offices in the world, ranking among the top three largest law offices in New York City and the top three largest public law offices in the country. Tracing its roots back to the 1600's, the Department's 650-plus lawyers handle more than 90,000 cases and transactions each year in 17 separate legal divisions. The Corporation Counsel heads the Law Department and acts as legal counsel for the Mayor, elected officials, the City and all its agencies. The Department's attorneys represent the City on a vast array of civil litigation, legislative and legal issues and in the criminal prosecution of juveniles. Its web site can be accessed through the City government home page at <u>www.nyc.gov</u> or via direct link at <u>www.nyc.gov/html/law/home.html</u>.

###