

UTILITIES

French carrier Keolis indicted by US employees

GIFT

In the United States, the transport operator, 70% owned by SNCF, is taking advantage of the privatization of public transport to win new contracts. And triggers many conflicts with employees, from Nevada to Virginia.

Cole Stangler

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Sandra Vigil is familiar with the roads of Loudoun County, an upscale suburb west of Washington, in the United States, in northern Virginia. Every weekday morning, the bus driver transports her passengers to the center of the US capital, making stops in front of the Pentagon and business districts frequented by federal government officials. In the evenings, she ensures the return.

It's tiring work. Sandra gets up at 3 a.m., starts work at the bus depot at 4:30 a.m., and after a long break, she finishes at 18:30 p.m. She returned home to a small village in the state of Maryland around 19:30 p.m. Like most of her colleagues – largely immigrants from Central America, the Middle East and Africa – she cannot afford to live in Loudoun County, one of the wealthiest in the United States. *"Of the 174 employees in my company, I think there are only 10 who live in the county,"* she calculates.

For almost two years, these bus drivers have faced an additional challenge. Their employer questions everything they took for granted: their job security, their access to care, even their paid holidays. Everything changed with the arrival of Keolis, a French company owned 70% by SNCF – and 30% by the Caisse de dépôt et placement du Québec. A giant of urban transport, financed by public capital, Keolis has 30,800 employees outside France.

KEOLIS

Keolis is present in 16 countries



As in many U.S. states, the transportation system in Virginia is privatized. And since its installation in Loudoun County in April 2021, the French operator has been fighting a showdown with employees and their union, the Amalgamated Transit Union (ATU). *"It's been a battle from the beginning. These people, they want to take, take, take, and they never want to give anything to employees,"* says Sandra Vigil.

At the heart of the discontent is the fact that Keolis is not implementing the company agreement negotiated between the union and its predecessor Transdev, another French operator. Management believes that its service obligations in the county exceed those of the former provider, including the responsibility to manage the offer of adapted transportation for people with reduced mobility. It is therefore Keolis, and Keolis alone, that dictates the rules.

For months, the ATU tried to negotiate a new deal, to no avail. On 11 January, the union called a strike. It still continues, and is followed by a majority of employees. *"We came here for our families, to pursue the American dream, and we don't forget that. We're not going to let this happen,"* says the driver.

Attempt to suppress the union

The unit was built around a long list of grievances. Keolis is accused of challenging the right of employees to bargain collectively with their employer. In the United States, this right is not a given. It is reserved for employees of companies when a majority has voted for the creation of a union section. This is what these machinists did in 2017, when their employer was called Transdev. But after replacing Transdev in 2021, Keolis held a second vote, in March 2022.

Before the vote, the employer strongly encouraged employees to vote against maintaining the union. This is a classic tactic of employers across the Atlantic, as at Amazon or Starbucks: employees are forced to attend a meeting where they are told why they should be wary of the presence of a union organization. Keolis used the services of Fox Rothschild, a prestigious law firm that boasts its *"union avoidance"* services.

Keolis : qui sommes-nous ?



Asked by Mediapart, Keolis rejects the accusations: *"Since the beginning of our presence in North America, we have always sought to establish mature, transparent and constructive relationships with our social partners,"* the company said in a statement. *Employees are free to choose their union representation. »*

« There is really a side to "Rome, do as the Romans do," said Chris Townsend, a former trade unionist who retired a few months ago. *This company came to the United States and they hired Americans to manage. We live in a country where management is pathologically anti-union. »*

The employer's instructions did not prevent the pro-union tidal wave: 71 employees voted to keep the union up, and only two opposed it. This result could have paved the way for a new company agreement. But according to the ATU, Keolis pretended to negotiate. Last November, the union filed a complaint with the federal body charged with protecting workers' rights.

The company denies the accusation: *"Keolis acted in the interest of the employees and to obtain an advantageous contract for them. The criticism that we did not negotiate in good faith seems to us to be completely unfounded. »*

Much more expensive health benefits

Pending further negotiations, other hot topics are on the table. The company has thus eliminated one week of paid leave for employees with more than fifteen years of seniority, who previously benefited from five weeks of vacation. The supply of health services has also deteriorated significantly. In the United States, employers often contribute to the financing of private insurance for employees, while the state covers only a small portion of medical costs. However, the insurance imposed by Keolis is less generous than that offered by Transdev.

The new insurance is accepted by fewer doctors in the region, and employees must pay all costs up to the sum of 6,000 dollars (about 5,650 euros). *"I have colleagues who have done medical procedures, MRIs, knee surgery, thinking they would be covered. They end up paying three thousand or four thousand dollars,"* protested Sandra Vigil. She herself should undergo an operation on the advice of her doctor. When she realized it would cost her eight thousand dollars, she gave up.

On 2 February, the ATU union called for a demonstration in front of the France embassy in Washington, D.C., to draw the attention of the French authorities to the publicly funded company.

"We're talking about a \$6,000 deductible for people who earn \$20 an hour," sighs Raymond Jackson, president of the local ATU union. *I know that the company does not treat its employees like this in France. »*

Keolis' French origins are not lost on employees. On February 2, the ATU even called for a demonstration in front of the France embassy in Washington, to draw the attention of the French authorities to this company, which is financed, in large part, by public money. *"We want the French government to be aware of what is happening and to understand that it is not acceptable,"* explains Raymond Jackson. *Honestly, I don't know if they can do anything, but you have to fire all out. »*

For her part, Sandra Vigil recalls a conversation with her colleagues on the picket line: *"The other day, we said we should move to France and work for Keolis there. Maybe that would be better. »*

Repeated conflicts

This tug-of-war is far from being an isolated case. In neighbouring Prince William County, nearly 150 bus drivers, also Keolis employees, have been on strike since 13 February. Already in 2021, the company experienced a succession of strikes in the city of Reno, Nevada. In order to ease tensions and find a way out, then-federal Secretary of Labor Marty Walsh had to intervene directly. Rare for a local conflict.

Similarities emerge from these conflicts: in all three cases, Keolis won a tender promising local authorities to control spending. So the operator tried to reduce the cost of labor. And it has entered into head-on conflict with workers and their trade unions.



© Screenshot / Keolis YouTube channel

Keolis assures that this is not a modus operandi. *"U.S. history has seen a succession of more conflictual periods and less so, depending on the political landscape, macroeconomic factors and other cultural changes that can have an impact on labor dynamics. Overall, Keolis has successfully negotiated more than thirty contracts in partnership with various unions in the United States and Canada. »*

But in Prince William County, the bus drivers' union does not hesitate to draw parallels with the strike taking place a few kilometres to the north. He denounces the deadlock in wage negotiations and the *"history of abuse"* of the employer. For now, these employees are protected by a company agreement negotiated before Keolis' arrival in November 2020, but this agreement must be renewed. And the French company is accused of taking an ultra-aggressive line.

« They were not there to negotiate, they were there to eliminate the union. »

Gary Watson, President of the Reno Local Teamsters Union

The conflict has been particularly bitter in Reno, Nevada's third-largest city known for its casinos and neon lighting. Shortly after the installation of Keolis in 2019, relations between the operator and the machinists deteriorated. The Covid period was marked by conflicts around the wearing of masks, the employer did not hesitate to sanction employees who asked users to cover themselves.

When it came time to renew the company agreement – a text that had been renegotiated with other employers for forty years – Keolis' harshness left its mark on people's minds. *"They wanted to scrap our 80-page agreement and replace it with a five-page text,"* said Gary Watson, president of the Teamsters Local Union, a historic truckers' union. *They were not there to negotiate, they were there to eliminate the union. »*

If that was his goal, the venture failed. But not for lack of will, according to the Teamsters. During the conflict, the union filed some forty complaints against Keolis, accusing it of numerous violations of the law: dismissal of a striker through no real fault; questions about who was going to strike; verbal and physical threats against strikers; refusal to pay bonuses to strikers...

« We promise not to threaten your union representative with physical violence when defending your right to strike. »

Poster posted at Keolis' premises in Reno, on the orders of the federal authorities

As the federal agency often does when it considers that an accusation is justified, it ended up validating an agreement signed by both parties: Keolis had to reinstate the dismissed person and pay him \$ 13,000 in unpaid wages. The company has also been forced to display placards in the workplace promising to respect workers' rights.

Obtained by Mediapart, these posters give an idea of the conditions under which the strike took place: *"We promise not to threaten your union representative with physical violence when he defends your right to strike,"* it reads. Or: *"We will not force you [to work] by telling you that you work for Keolis and not for the union"; "We are not going to refuse to pay their hiring bonus to employees because they chose to respect the picket line."*

For Gary Watson in Reno, Keolis' strategy is transparent: *"Win tenders by making proposals at low prices, and then save money on the backs of workers."*

The trade unionist castigates the laissez-faire attitude of local authorities. *"Eventually, Keolis figured out how to take advantage of these [privatized] transport models. Whether there is a work stoppage or not, they continue to be paid. They do their calculations and they say: "Come on, we're going to push the unions to the limit. And if the workers go on strike, we will see if they are strong or not." They're used to strikes in France, aren't they? But a strike here? Who cares! »*

A risky long-term bet?

From Nevada to Virginia, trade unionists are calling on local authorities to take action to punish Keolis. The ATU maintains that Loudoun County has the right to punish the operator if it *renders "inadequate services"*. Chris Townsend, the former trade unionist who knows Keolis well, accuses the county's elected officials of a lack of courage. According to him, these Democrats are subject to the influence of county officials, who are more conservative and suspicious of union demands.

But he considers that the real origins of the conflict lie in the privatization of the transport network. *"We are facing a systemic and political problem,"* he says. If you are a *private company, and if you want to offer a good pension, good*

insurance and good salaries, you are not considered "competitive". Good luck convincing those responsible for tenders. »



© Screenshot / Keolis YouTube channel

And yet, the question arises more and more: does the image of the company suffer, finally, from these many conflicts? Since the rise of tensions in Virginia, Keolis has lost one of its largest North American contracts: that of the Las Vegas bus network, including shuttles crossing the "Strip", the famous boulevard filled with hotels and casinos.

On February 9, the Southern Nevada Regional Transportation Commission announced its choice to hire competitor First Transit. In a public hearing, the agency said Keolis was offering the cheapest bid. But the tender winner scored points on other aspects, including recruitment and measures to keep employees.

Isaac Baron, a North Las Vegas city councillor and committee member, welcomed the decision: *"Sometimes the initial offer and the value of a contract are two different things. We have already seen very low offers, whose quality does not follow behind."*

Cole Stangler

Directeur de la publication : Edwy Plenel

Direction éditoriale : Stéphane Alliès et Carine Fouteau

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Actionnaires directs et indirects : Société pour l'Indépendance de Mediapart, Fonds pour une Presse Libre, Association pour le droit de savoir
Rédaction et administration : 127 avenue Ledru-Rollin, 75011 Paris

Courriel : contact@mediapart.fr

Téléphone : + 33 (0) 1 44 68 99 08

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Abonnement : pour toute information, question ou conseil, le service abonnés de Mediapart peut être contacté par courriel à l'adresse :

serviceabonnement@mediapart.fr ou par courrier à l'adresse : Service abonnés Mediapart, 11 place Charles de Gaulle 86000 Poitiers. Vous pouvez également adresser vos courriers à Société Editrice de Mediapart, 127 avenue Ledru-Rollin, 75011 Paris.