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**Port congestion: Why the line of ships off Long Beach just got longer**

By Karen Robes Meeks, Long Beach Press Telegram

Posted: 01/14/15, 6:37 PM PST | Updated

LONG BEACH >> A dozen ships carrying goods bound for store shelves and car lots across the nation cluttered the view Wednesday from Ocean Boulevard, waiting to be unloaded at the ports of Los Angeles and Long Beach.

A year ago, container ships were rarely seen at anchor. Other than an occasional repair or insect infestation, most ships berthed immediately upon arrival, said Capt. J. Kip Louttit, executive director of the Marine Exchange of Southern California & Vessel Traffic Service of Los Angeles & Long Beach.

Now, with congestion worsening at the nation's busiest seaport complex and the Pacific Maritime Association's suspending all ship-unloading night shifts, all eyes turn to the warring longshore workers **union** and their employers, the PMA, to quickly resolve a contract through federal mediation.

"The war of words between International Longshore and Warehouse **Union** and Pacific Maritime Association on port congestion continues to concern the supply chain community," said Jonathan Gold, who as vice president of the National Retail Federation, represents those waiting for the cargo. "The two sides continue to strain the shipping community — importers and exporters — and threaten the very competitiveness of the West Coast ports."

Since May, the **union** representing 20,000 West Coast dockworkers and the Pacific Maritime Association has been negotiating a new contract, with the last contract expiring in July. Although both sides came to a tentative agreement on health benefits, talks broke down soon after, with both accusing one another of slowdowns that are only exacerbating bottlenecks at the ports. Last week, a federal mediator was assigned to intervene in contract talks. As of Wednesday, both sides continued to meet with the mediator.

On Tuesday, the Pacific Maritime Association stopped all loading and unloading of ships at night in favor of clearing containers from terminal yards. PMA officials did not know how long the suspension would last, but said that the move was necessary to clear out congested terminals they say the **union** caused.

"The **union**'s refusal for 10 weeks now to dispatch skilled workers to drive yard cranes has created precarious situations at many terminals, and this is another attempt by the terminal operators to chip away at congestion," said PMA spokesman Steve Getzug. "The fastest way for the ports to return to normal is for the **union** to dispatch qualified yard crane drivers the same way that they had for 15 years."

The **union** fired back, saying management's decision to suspend night vessel shifts has displaced 1,000 workers. Of the 1,100 workers who reported to the hiring hall, only 226 were assigned, said **Adan Ortega**, spokesman for **ILWU Local 13**. He said it's the employers who have reduced the number of crews to unload a ship — from six or eight crews to three crews in July.

San Pedro resident Nick Geich, a crane operator for 37 years, bristled at the allegations that workers are creating the slowdowns, adding that his colleagues are breaking records for

container moves. "There are 1,000 containers being moved with three gangs," Geich said. "Slowing down? Really? How disrespectful. I'm giving it my all."

Tony Scioscia, a shipping industry veteran who ran terminal operations at some of the West Coast's larger ports and served as the board chair for the PMA during past negotiations, said the work slowdowns are affecting terminals already congested because of the lack of available chassis, on which the cargo containers are placed before being hitched to trucks, the arrival of bigger ships carrying more cargo and other issues. "With the buildup, any disruption can push it right off the cliff and that's what's going on right now," he said.

Jon Slangerup, chief executive at the Port of Long Beach, said he and his counterpart at the Port of Los Angeles, Gene Seroka, are hoping for a quick contract resolution. "We want this thing solved; we want to get back to work because (the congestion) is escalating," Slangerup said. "It's getting worse every day. It's a big concern."

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[http://www.joc.com/port-news/longshoreman-labor/international-longshore-and-warehouse-union/pma-statement-ominous-pointing-possible-lockout\\_20150113.html](http://www.joc.com/port-news/longshoreman-labor/international-longshore-and-warehouse-union/pma-statement-ominous-pointing-possible-lockout_20150113.html)  
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### **PMA statement 'ominous' in pointing to possible lockout**

Peter Tirschwell | Jan 13, 2015 2:53PM EST

Could the industry be approaching a point of no return in West Coast longshore talks? The acrimony between employers and the **International Longshore and Warehouse Union** has only grown worse since a federal mediator was called in on Jan. 5 with high hopes that the agency practiced in bringing warring sides to the table would achieve a settlement after almost nine months of negotiations.

Yet even the parties are saying that since the mediator arrived no progress has taken place. "Since the mediator joined the talks, no further agreements have been reached and **ILWU** work slowdowns have continued to the point where many terminals are in peril of complete gridlock," the Pacific Maritime Association said in a statement released late on Monday.

But it's not just that nothing has improved since the mediator joined the talks. The PMA seemed to be saying that the mediator's presence hasn't worked and that additional steps to achieve a resolution may be necessary. "The **ILWU** slowdowns and the resulting operational environment are no longer sustainable. The PMA has alerted the local port authorities to the deteriorating situation on the docks," the employer group said.

That statement, a distinct change in the language the PMA has used in prior statements, seemed to point to something new afoot. Some believe that something is a lockout, where the **union** is locked out of terminals by the employers is all cargo movements come to a complete stop.

"I think that their last sentence was a very ominous one and a lockout is where it's pointing to," said Jock O'Connell, an international trade economist affiliated with Beacon Economics in Los Angeles, who tweeted to that effect on Monday. "Why else would they say that they are alerting port authorities? Who was this press release addressed to, the media, the **union**, the federal mediators, or the port authorities, that they could expect some summary action very quickly?"

Many in the industry recall the ten-day lockout in the fall of 2002, a rude awakening which led thousands of importers and exporters to diversify their international supply chains to ports in Canada and the East and Gulf coasts to avoid over-reliance on ports on the West Coast. Calls to West Coast port authorities could not confirm what if anything the PMA has communicated to the port authorities.

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[http://www.joc.com/port-news/longshoreman-labor/international-longshore-and-warehouse-union/ilwu-pma-trade-painful-blows-talks-reach-eight-month-mark\\_20150113.html](http://www.joc.com/port-news/longshoreman-labor/international-longshore-and-warehouse-union/ilwu-pma-trade-painful-blows-talks-reach-eight-month-mark_20150113.html)

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## **ILWU, PMA trade painful blows as talks reach eight-month mark**

Bill Mongelluzzo, Senior Editor | Jan 13, 2015 8:25PM EST

Longshore contract negotiations on the U.S. West Coast have degenerated into a war of attrition in which the **union**'s work slowdowns have significantly increased operating costs for shipping lines and terminal operators, and the employers are countering by reducing work opportunities for rank-and-file longshoremen.

Caught in the middle are the ports, whose reputations have been tarnished, truckers, who sit idle in long lines, often without compensation, and cargo interests, whose cost of shipping through the West Coast has skyrocketed.

Conditions are so bad that some employers say the only way to stop the bleeding is to lock out the **union** as they did in the 2002 contract negotiations. However, those employers are still outnumbered by others who say that everyone will lose in a lockout, and a war of attrition is the better option.

The contract negotiations, which began on May 12, are now in their ninth month. Shipping lines and terminal operators, who are represented by the Pacific Maritime Association, can no longer afford the increased operating costs that result from work slowdowns by the International Longshore and Warehouse **Union**. According to numbers published each week on the PMA website, terminal operators are paying 15 to 20 percent more man-hours than they did in the same weeks last year, but cargo volumes are up only about 1 to 3 percent, depending upon the port range.

Shipping lines are suffering as well because vessels are taking as long as one week to work, when cargo should be discharged and loaded in no more than three days. Carriers say they lose at least \$50,000 each day that their vessels are idle. According to the Marine Exchange of Southern California, seven containerships were at anchor Tuesday awaiting berths. In Oakland, the port reported that eight container ships were at anchor.

The strategy of **ILWU** negotiators apparently is to make the hard-timing so costly for individual employers that they will cave in to the **union**'s demands on unresolved issues involving automation, and also jurisdiction over chassis maintenance and repair. The **ILWU** hopes the individual companies will pressure PMA negotiators to grant the **union**'s demands. Last month, **ILWU** President Bob McEllrath said the negotiations would reach a successful conclusion only when shipping lines became directly involved in the contract talks.

Employers have taken the offensive by cutting back on work opportunities for longshoremen. Terminal operators in Seattle and Tacoma have not opened for night shifts for several weeks now. Oakland's terminals no longer work vessels at night, although they continue to employ longshoremen at night to organize containers in the yards. When longshoremen refuse to dispatch enough workers, especially equipment operators, to fill a gang, employers dismiss the gang within one hour so the workers don't have to be paid.

Terminal operators in Los Angeles-Long Beach caused a stir on New Year's Eve when they informed the **ILWU** locals in Southern California they were reducing the number of vessel work crews at night to one, from the three 45-member gangs that had been loading and unloading ships. Employers went a step further on Monday when they informed the **ILWU** locals that beginning today there would be no gangs hired to work vessels at night, although yard and gate operations would not be affected.

According to letters from the PMA to the ILWU locals, these actions make good operational sense. PMA stated that since the ILWU in Southern California on Nov. 3 unilaterally decided to reduce from 110 to 35 the number of skilled yard crane operators that would be dispatched each day, the container yards had become so congested there was no space left to accept additional containers at night. Therefore the terminals would stop discharging containers from the ships at night, and would use the night shift to relieve congestion in the yards.

PMA spokesman Steve Getzug said Tuesday that reasoning is still valid. "Our sole rationale for the adjustments in night operations at L.A. and Long Beach is to free up crane drivers to clear the yards. It's that simple."

However, at least in the thinking of some employers, reducing work opportunities at night at all of the ports also hits the rank-and-file longshoremen in their pocketbooks. Many longshoremen like nightwork, which carries premium pay, and they reportedly care very little about the union negotiators' stance on chassis maintenance and repair, which is one of the issues preventing negotiation of a new contract.

ILWU negotiators want the PMA to guarantee the union M&R division, which accounts for about 10 percent of the ILWU membership, the right to inspect every chassis before it leaves the terminal. This is no longer possible because the shipping lines sold their chassis to equipment leasing companies, and those employers are not members of the PMA. ILWU negotiators want jurisdiction over "red-lined" terminals that years ago signed M&R contracts with other unions such as the International Association of Machinists. The PMA can't make any such guarantee because they have no control over those contracts. ILWU negotiators want PMA to grant the ILWU M&R jurisdiction at off-dock locations run by the chassis-leasing companies, but the PMA has no jurisdiction over the off-dock sites.

Some rank-and-file longshoremen are reportedly upset over losing work opportunities on the night shifts because union negotiators are holding up contract approval over M&R work that is performed by ILWU mechanics. Employers hope that those general longshoremen pressure the ILWU negotiators to back off on chassis demands that the PMA can not grant even if the employers' group chose to do so.

Just as the PMA will not discuss bargaining strategy, the ILWU does not do so either. In recent statements, and in letters to the PMA, the union has attacked the employers' decisions to cut back on night work as being bad for productivity at the ports. In a letter Monday to the PMA, the president of the three ILWU locals in Southern California said the decision to cease all vessel operations at night would not improve productivity.

"There is no evidence that there has been any effort to reallocate labor to clearing the yard," said Bobby Olvera, president of ILWU Local 13. "We ask you to reconsider this unilateral action. It is not a sound management decision and will inflict direct damage on the industry and to retailers large and small. In the interim, ILWU Local 13 will continue to fill any orders for night-side vessel gangs it receives," Olvera said.

Meanwhile, the war of attrition continues. The PMA, in a release on Monday, said: "The ILWU slowdowns and the resulting operational environment are no longer sustainable. The PMA has alerted the local port authorities to the deteriorating situation on the docks." The PMA said that statement should be taken at face value, meaning the terminals are approaching complete gridlock. Others say it is a not-so-subtle warning that if the slowdowns continue, the voices within the PMA calling for a lockout of the ILWU will get louder and will soon outnumber those who oppose a lockout.

It is generally agreed that no one wants a lockout. Rank-and-file longshoremen would receive no paychecks because they won't be working. Terminals will forego revenue because they won't be lifting containers on and off of ships, and shipping lines will lose thousands of dollars a day

because their vessels will sit idle at anchorage. Furthermore, a lockout and the inevitable Taft-Hartley injunction that would follow would only prolong the agony because the work slowdowns would most likely continue.

On the other hand, cargo interests and shipping lines based in other countries seek action after eight months of inaction in the negotiations, and rank-and-file longshoremen are seeing their earnings diminish each week as employers reduce their hours, so each group is pressuring its respective negotiators to end what they consider to be complete nonsense.

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<http://mynewsla.com/business/2015/01/13/operators-ports-l-long-beach-ordered-stop-unloading-ships-night/>

### **Operators at Ports of L.A., Long Beach ordered to stop unloading ships at night**

Posted by John Schreiber; January 13, 2015; IN BUSINESS

A labor dispute between terminal operators at the ports of Los Angeles and Long Beach and their workers took another turn today, with operators being ordered to completely stop loading and unloading ships at night, starting Tuesday night.

The Pacific Maritime Association, which represents shipping companies operating West Coast port terminals, said their members will not be assigning any vessel gangs to move cargo off of and onto ships at night, in order to focus on reducing an ever expanding pile of cargo containers they contend is the result of an intentional work slowdown tactic by the dock workers **union**. Crane operators that would normally work with the vessel gangs will instead by moving containers out of the shipping yards and onto trucks that will take the goods to their destination, PMA officials said. "It's designed to get containers that have been stranded moving," PMA spokesman Steve Getzug said.

Daytime vessel gangs, and some night workers on the yard and at the gates, would not be affected by PMA's order, he said.

PMA has been locked in contentious negotiations with the International Brotherhood of Longshore and Warehouse **Union, Local 13**, the representatives of which have denied initiating a work slowdown tactic.

The **union** is only allowing trained and certified crane operators to work at the terminals, according to **Adan Ortega**, a spokesman for the **ILWU**. **Ortega** said terminal operators are not offering enough training for workers and have become "over-reliant on untrained and uncertified crane operators."

Getzug dismissed the claim that only certified crane operators should be working on the yards, and contends the dock workers **union** covering for their oft-used negotiating tactic of slowing down work at the ports.

Getzug said they have been responding to the so-called work slowdown by reducing work crews, as there is no point in filling up shipping yards that are not being emptied. On New Year's Eve, PMA ordered that the three vessel gangs being assigned to each ship be reduced to just one gang, and today all vessel gangs were eliminated. **ILWU** representatives said ships are normally assigned six to eight vessel crews.

**Ortega** said the PMA's decision to relieve even more workers tonight "defies logic" and will only lead to the "mountain of containers growing higher and higher."

Ortega of ILWU said they are telling the dock workers who typically work at night that they can try to show up in the morning to see if they can get work during the day shifts, but it would mean "everyone shares the pain."

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<http://www.ttnews.com/articles/basetemplate.aspx?storyid=37040&page=1>

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## **West Coast Shippers Say Port Backups Untenable Amid Talks**

By James Nash Bloomberg News; Transport Topics - 1/13/2015 8:40:00 AM

A port slowdown and eight months of fruitless labor talks with longshoremen have brought West Coast port congestion to the point of a breakdown, according to representatives of shipping companies.

Backups at the five largest ports have reached levels that are "no longer sustainable," the Pacific Maritime Association, the bargaining agent for shippers, said Jan. 13 in a statement. While stopping short of a threat, the statement suggests the long-running labor dispute may be moving closer to a work stoppage like the one that shut down 29 West Coast ports for 10 days in 2002.

"The PMA has a sense of urgency to resolve these contract talks and get our ports moving again," association spokesman Steve Getzug said in the statement. "Unfortunately, it appears the union's motivation is to continue slowdowns in an attempt to gain leverage in the bargaining."

The shippers' association has been in negotiations with the International Longshore and Warehouse Union since May. A federal mediator agreed Jan. 6 to intervene in the talks.

Craig Merrilees, a spokesman for the 20,000-member union, said association negotiators have conceded that the delays are mostly due to a shortage of truck chassis to unload shipping containers. The management side is proposing to end night shifts at many ports, which would only worsen backups, "in a self-serving attempt to gain the upper hand at the bargaining table," Merrilees said in a written statement.

Both sides agree that congestion in Los Angeles, Long Beach, Oakland, Seattle and Tacoma, has slowed the movement of goods from overseas to stores and factories in the United States.

Ten ships were queued up offshore at the harbor shared by the Los Angeles and Long Beach ports Jan. 12, up from as few as five in December, said Phillip Sanfield, a spokesman for the Port of Los Angeles. Backups could worsen with a push to move goods from Asia in advance of the two-week Lunar New Year holiday, which begins Feb. 19, Sanfield said.

The delays have stunted revenue for companies such as MOBI Technologies Inc., a Culver City, California-based maker of products including digital thermometers and wireless audio-visual monitors.

David Naghi, the privately held company's chief executive, said delays in importing products from China kept MOBI products from store shelves during the holiday shopping season, causing the company to end 2014 without a profit. "We still have products sitting on the boats that should have been in stores a month ago," Naghi said.

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