

ILWU News

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<http://www.dailybreeze.com/business/20150115/los-angeles-long-beach-longshore-workers-to-march-to-protest-night-shift-cuts/>

Los Angeles, Long Beach Longshore Workers to March to Protest Night Shift Cuts

By Karen Robes Meeks, The Daily Breeze; POSTED: 01/15/15, 7:40 PM PST | UPDATED: 15 SECS AGO

Hundreds of longshore workers plan to take to the streets on January 22 to protest their employers' decision to suspend vessel unloading night shifts at the Los Angeles and Long Beach ports.

Members of the **International Longshore and Warehouse Union** are planning a community march down Harbor Boulevard in San Pedro to object to the Pacific Maritime Association's move to not unload ships at night in order to move containers at congested terminal yards.

On Facebook, Los Angeles City Councilman Joe Buscaino said he plans to participate in the march.

"The PMA's action in further cutting night shifts at the Ports of Los Angeles and Long Beach is another step closer to a lockout," Buscaino said. "It's the wrong time to take the type of actions that will hurt the hard working residents that I represent. It will only serve to worsen the slowdown and congestion at the ports, disrupt the global supply chain, and result in irreparable damage to the reputation of our ports complex at a time when competition is peaking. I believe we are at a point where there may be no winners in the end."

Since May, the **ILWU** and the PMA have been negotiating a new contract for the 20,000 West Coast dockworkers, including those at the Los Angeles and Long Beach ports. Their last contract expired in July.

But a few months ago, talks devolved into accusations of slowdowns that further exacerbated ongoing congestion at the ports. A federal mediator recently stepped in to intervene in contract talks.

On Tuesday, PMA said it would suspend vessel unloading night shifts because the **union** refused to dispatch skilled workers to drive yard cranes for the last 10 weeks. The slowdown has caused them to redirect work to clearing terminals.

The **union** denied any slowdowns on their part and said management that's created the slowdowns by cutting night shifts and not providing training for workers.

"All along, we've said we wanted to work," said **Adan Ortega**, spokesman for **ILWU Local 13**.

The cutbacks in night shifts have affected 1,000 workers, he said.

This comes at a time when the ports of Los Angeles and Long Beach, considered the nation's busiest seaport complex handling 40 percent of U.S. imports, is experiencing epic congestion due to the arrival of bigger ships carrying more cargo, the lack of available chassis, which are trailers that hitch to trucks that are needed to haul containers, the labor talks and other issues.

The Marine Exchange of Southern California on Thursday reported that 13 container ships remain at sea waiting to be unloaded of its goods. Backups are felt throughout the supply chain, from long truck lines to crowded terminal yards to longer rail loading times. That has forced some customers to redirect shipments to either other ports or transport by rail.

More than 5,000 people are expected to participate in Thursday's march, which will end at the San Pedro Downtown Harbor with a rally and concert by the "Flying Squad." More than 1,100 people said they were planning to attend less than 24 hours after Buscaino posted the event on Facebook.

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<http://www.scdigest.com/ontarget/15-01-15-1.php?cid=8874>

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Global Logistics News: West Coast Port Talks Reaching Crisis Stage, as Tensions Rising Despite Federal Mediator Joining the Talks

The Environment has become Worse since Mediator Scot Beckenbaugh oined Talks Last Week; PMA Presents Work Slowdown Data, While ILWU Walks Out in Portland

What began as very amicable discussions last May between the International Longshore and Warehouse Union (ILWU), which represent dock workers on West Coast ports, and the Pacific Maritime Association (PMA) that represents 29 West Coast ports, has descended into acrimony and a growing war of words and now actions.

With the Longshoremen now working without a contract since June 30, and the likelihood of a strike or a lockout seeming to increase by the day, the PMA took a shot at the union this week by stopping container unloading from ships in port during overnight hours, costing jobs, at least temporarily. But the PMA responded that the move was essential given the backlog of containers in many West Coast terminals, notably at what is by for the busiest US port complex at Los Angeles and Long Beach, with the PMA saying that conditions were "approaching complete gridlock" at many operations. In a bit of irony, ILWU officials criticized the move in a press conference last week as a cutback on jobs, even as the PMA has continued to chastise the union for an alleged work slowdown caused by not sending enough workers to get the job done - a tactic which of course would also obviously result in few Longshoremen at work.

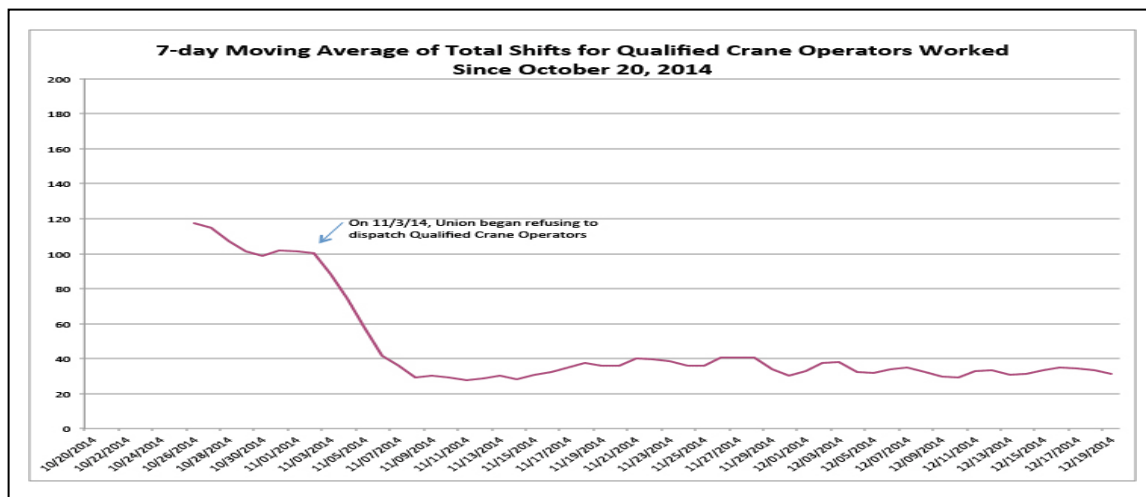
Late last week, the PMA released statistics indicating that the union has reduced by about 67% the number of skilled equipment operators being dispatched each day over the past two months at LA- Long Beach, as shown in the graphic from the PMA below.

"The ILWU's action in Southern California goes against 15 years of precedent and targets precisely the skilled workers who are most essential to clearing congested terminals. By withholding an average of 75 yard crane drivers each day, the ILWU has stalled the movement of tens of thousands of containers, the PMA estimates. Since Nov. 3, the union has reduced these yard crane operator positions in Southern California by 67%," PMA stated Monday in a release.

All this and more after outsiders at least were heartened that the ILWU at last joined the PMA in calling for a federal mediator to join the talks, which resulted in Scot Beckenbaugh of the Federal Mediation and Conciliation Service (FMCS) being assigned to the negotiations early last week. (See New Federal Mediator Brings Hope for Labor Contract at West Coast Ports.)

The FMCS was said to have been critical in reaching a deal that ended the infamous 10-day lockout of the Longshoremen by the PMA in 2002. Beckenbaugh himself is probably most well known for being the mediator on board when the NHL lockout of hockey players finally ended in 2013, saving the season that year.

PMA Presents Data it Says Prove ILWU Engaged in Major Work Slowdown



Source: Pacific Maritime Association

Relative to the stoppage of overnight unloading, PMA spokesperson Wade Gates said that "It makes no sense" to unload containers at night when the yards are already choked with containers and there is no room for the additional boxes. Terminals still intend to call full gangs to work the yards and gates each night order to make room for containers being unloaded from the vessels, Gates added

The **ILWU** meanwhile denies any work stoppage, and says other factors are behind the gridlock and delays. It says the gridlock has been going on prior to the alleged work slowdown, and that a new generation of megaships have been discharging 5,000-10,000 containers during each vessel call, far higher than a few years ago when smaller ships called the LA-Long Beach ports. The **union** cited the on-going shortage of chassis as a major cause of congestion.

In a press release on Monday, the **union** claimed that the PMA had conceded during negotiations that port congestion on the West Coast was caused by operational issues such as a lack of space to handle the return of empty containers and export loads.

That **ILWU** press release would seem to have broken the pledge both sides had made early in the talks not to discuss any details of the negotiations in public, unless both sides agreed, as they did in August when they together announced a tentative agreement over what was seen as a very contentious issue related to the **union**'s healthcare coverage.

Also indicating how high tensions are rising, on Monday **ILWU** dockworkers in Portland walked off their jobs at noon, leaving two vessels at berth in the port without labor for unloading, as mediator Beckenbaugh has seemingly walked into a firestorm.

With an agreement soon now seemingly a lower possibility that at any time in the talks, importers and exporters using West Coast ports should have plans B and C at the ready.

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<http://www.dailybreeze.com/business/20150114/congestion-worsens-at-ports-of-los-angeles-long-beach-as-longshore-talks-remain-unresolved>

Congestion Worsens at Ports of Los Angeles, Long Beach as Longshore Talks Remain Unresolved

By Karen Robes Meeks, the Daily Breeze; Posted: 01/14/15, 6:42 PM PST |

LONG BEACH >> A dozen ships carrying goods bound for store shelves and car lots across the nation cluttered the view from shore Wednesday, 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://lbpost.com/business/trade-transportation/2000005256-negotiations/>

Contentious Negotiations Continue Between PMA, **Longshore and Warehouse Union as Operations Approach Complete Gridlock**

By Asia Morris, Long Beach Post; January 14 2015 11:35; in Trade & Transportation

Negotiations between the Pacific Maritime Association (PMA) and the **International Longshore and Warehouse Union (ILWU)** have become even more heated this week with both parties blaming the other for resorting to economically detrimental tactics in an effort to gain the upper hand.

The PMA published a news release on Monday, January 12, stating that after more than two months of slowdowns staged by the **ILWU**, terminal operations are approaching complete gridlock, meaning there is little space available for additional import containers to arrive on the docs, as well as no space for export and empty containers returning to the docks.

The release blamed **ILWU** workers for crippling fully productive terminals in the Pacific Northwest and Oakland since October 2014, which has, in turn, exacerbated the difficult congestion issue current at the Ports of Long Beach and Los Angeles.

The news release reads, "The **ILWU**'s action in Southern California goes against 15 years of precedent and targets precisely the skilled workers who are most essential to clearing congested terminals. By withholding an average of 75 yard crane drivers each day, the **ILWU** has stalled the movement of tens of thousands of containers, PMA estimates. Since November 3, the **Union** has reduced these yard crane operator positions in Southern California by 67 percent."

The PMA also wrote that after the recent involvement of a federal mediator, no further agreements have been reached and work slowdowns due to the ongoing negotiations have left many terminals at the brink of gridlock. The PMA also wrote that **ILWU** members are among the highest paid **union** workers in America and are still receiving full wages and benefits while productivity at the West Coast port terminals slow down.

“The PMA has a sense of urgency to resolve these contract talks and get our ports moving again,” said PMA spokesperson Steve Getzug in a statement. “Unfortunately, it appears the **Union**’s motivation is to continue slowdowns in an attempt to gain leverage in the bargaining. The **ILWU** slowdowns and the resulting operational environment are no longer sustainable.”

The **ILWU** published a release Tuesday morning, January 13 in response to the PMA’s claims, saying that during contract negotiations that afternoon, the PMA made it clear that they were not blaming **union** workers primarily for the causes of the congestion crisis, yet the PMA suggested the elimination of night-shifts at many ports, as well as cutbacks to bulk and break-bulk operations.

The **union** noted that such a move would be an illogical setback and would do nothing to ease the West Coast congestion. The **ILWU** wrote that such a suggestion was made by the PMA “for no apparent reason other than as a cynical tactic to generate anxiety among workers.”

The PMA apparently admitted during negotiations that managerial mistakes regarding lack of space for returning empty and export containers are worsening the existing chassis shortage, not the previously remarked slowdowns caused by dockworkers.

Despite the PMA rescinding some of the blame, the **ILWU** wrote, “The PMA appears to be abusing public ports and putting the economy at risk in a self-serving attempt to gain the upper hand at the bargaining table, and create the appearance of a crisis in order to score points with politicians in Washington.”

“**Longshore workers** are ready, willing and able to clear the backlog created by the industry’s poor decisions,” said **ILWU** President Bob McEllrath in a statement. “The employer is making nonsensical moves like cutting back on shifts at a critical time, creating gridlock in a cynical attempt to turn public opinion against workers. This creates an incendiary atmosphere during negotiations and does nothing to get us closer to an agreement.”

According to the PMA, tentative agreements have been reached on health care and increases to pay guarantees. The agreements provide fully employer-paid health care benefits valued at \$35,000 per worker annually. According to the PMA news release, “PMA has also proposed pay increases and pension enhancements. There are no takeaways in the PMA proposal.”

Related News:

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http://www.joc.com/rail-intermodal/class-i-railroads/how-us-railroads-would-respond-west-coast-dockworker-lockout_20150114.html

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How US Railroads Would Respond to West Coast Dockworker Lockout

Mark Szakonyi, Associate Managing Editor | Jan 14, 2015 1:20PM EST

The potential impact of a U.S. West Coast port lockout on intermodal service — should it come to that — varies by expert but analysts agree that the railroads will act fast and decisively if it does occur.

If waterfront employers lock out longshoremen — a rising concern as contract talks between Pacific Maritime Association and **International Longshore Warehouse Union** keep plumbing greater depths of acrimony — BNSF Railway and Union Pacific Railroad would immediately place an embargo on accepting ocean containers, intermodal analysts told JOC.com this week. The two major U.S. Western railroads would also place an embargo on interchanging ocean container terminals from the two major U.S. Eastern railroads, CSX Transportation and Norfolk Southern Railway. BNSF last week imposed such an embargo on westbound ocean — only to lift the ban two day later, saying intermodal freight movement had “become more manageable.”

While the ways the railroads would respond to a lockout is pretty clear, the impact is less so. Larry Gross, a senior consultant at FTR Associates, thinks a lockout would likely wipe away many, if not all, of the service improvements the railroad industry has made in recent months. Domestic intermodal equipment would start piling up in southern California as transloaders wouldn't be able to stuff the contents of ocean containers into the 53-foot containers, because no ocean containers would be moving through the ports. The lockout would "put everything out of whack," as the railroads are loath to move empty domestic containers eastbound just to position them for westbound moves out of the Midwest.

"UP and BNSF would have to put an embargo (on marine containers)," Gross told JOC.com. "There is no other choice. You would have a fire hose putting water into the pool and if there is no outlet to the pool, it's going to overflow."

Shippers that transload their imports from marine containers to domestic equipment would have fewer options to divert shipments away from U.S. West Coast ports than the liners' moving ocean containers inland would have, said Ron Sucik, principal at RSE Consulting. Shippers that depend on transloading in the San Pedro Bay "would have to stick with their plan and wait it out."

Ted Prince, a veteran intermodal analyst and chief operating officer at Tiger Cool Express, a refrigerated intermodal provider, doesn't think a West Coast port lockout means the railroads would necessarily lose all their service improvements, largely because carriers have taken steps to separate their international and domestic intermodal operations.

"They've all become separate networks," said Prince, who added that the strategy will allow BNSF and UP to keep their domestic intermodal service humming even if they are no longer moving ocean containers.

If a lockout occurs, he doesn't expect a huge diversion of freight to Port Metro Vancouver and Prince Rupert, as each port has limited additional capacity to handle an influx of U.S.-bound cargo. Plus, moving U.S.-bound rail shipments through Canada is an onerous process requiring more paperwork and involving additional customs hurdles.

UP and BNSF would issue equipment allocations to customers only when longshore workers return to work, so they wouldn't be hit with an influx of volume on restarted international intermodal service. It took the rail industry a couple of weeks to restore service after the 10-day U.S. West Coast lockout in 2002, but it took marine terminals months before they were able to bring operations back to normal, Prince said.

Although BNSF didn't detail how it would respond to a port lockout, spokesman Amy Casas said the railroad is working with shippers and marine terminals "to keep resources and freight moving" and letting them know when conditions change. UP didn't respond to a request for comment from JOC.com.

In the case of a lockout, Norfolk Southern Railway would embargo traffic heading to BNSF and UP as it did in 2002, NS spokesman Robin Chapman said. NS said it received additional freight that was diverted away from the U.S. West Coast following the lockout but wasn't able to quantify the scale of the shift. Like NS, CSX gained some international intermodal freight from short-term diversions in 2002 and from shippers' long-term re-routing of more of their freight to East Coast ports after being burned by routing too much of their freight through the West Coast.

"The flexibility of the CSX intermodal network allows us to be able to provide alternate solutions for customers looking to divert freight around the West Coast, and we are prepared to handle that migration if it occurs," CSX spokesman Melanie Cost said.

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<http://blogs.rollcall.com/the-container/drivers-suffering-as-delays-continue-to-clog-ports/?dcz>
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Drivers Suffering as Delays Continue To Clog Ports

By Tom Curry, Roll Call, Posted at 7:20 a.m. Jan. 15, 2015

Drayage, the business of carrying cargo containers by truck from a port terminal to a distribution center, warehouse, or rail ramp, is in a god-awful mess right now at ports from California to New Jersey.

The problems:

- Shortages of chassis and dislocations of chassis, meaning that chassis are in the wrong places at a port when truckers need to put a container on a chassis and move it to a distribution center. The chassis problems mean delays for truckers.
- Growing frustration among drayage drivers and shortages of drivers.
- Bigger ships bringing more containers when they arrive at a port.
- A labor dispute between the **International Longshore & Warehouse Union** and the Pacific Maritime Association, which represents terminal operators and shipping companies.

“The current congestion issues that we’re facing now are unprecedented, both nationally and in the San Pedro Bay port complex [the ports of Long Beach and Los Angeles],” said Alex Cherin, a former executive at the Port of Long Beach who is now senior vice president at Englander Knabe & Allen, a Los Angeles lobbying and public policy firm.

Cherin spoke at the Transportation Research Board annual meeting in Washington Wednesday.

“Although the current PMA/**ILWU** contract negotiations are a component of that congestion, they are not the only component. The congestion issues that we face... pre-dated the contract dispute between the PMA and the **ILWU**,” he said.

Part of the congestion problem is the PierPass program at the ports of Los Angeles and Long Beach, which incentivizes a shift of truck traffic from daytime to nighttime hours (by charging a premium for daytime service). Cherin said PierPass has caused truck backups to build right before 6 p.m. when the daytime premium ends.

PierPass “needs to be re-structured,” he said, suggesting tier pricing and other steps to thin out traffic.

Curtis Whalen, executive director of the Intermodal Motor Carriers Conference, which is an affiliated conference of the American Trucking Associations, told the TRB audience that they shouldn’t think that “there is somehow a plan that gets us from where we are to where we want to be. There is none. From a trucker’s perspective, this is really chaos right now.”

He added, “I’m definitely a pessimist on a lot of this” because the drayage and ports puzzle has so many interlocking parts that the participants (terminal owners, shipping companies, truckers, cargo owners, etc.) can’t fully control.

For drayage drivers, the delays mean lost income.

They “are paid by the trip, they’re not paid by time; they’re not paid by the mile; they’re paid by the pickup and the drop-off, so if they only can accomplish one turn a day, that’s what they’re getting paid for,” noted Thomas O’Brien at the Center for International Trade & Transportation at California State University in Long Beach.

“The structure of the drayage industry makes them the weak link in the supply chain in many ways.”

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http://seattletimes.com/html/business/technology/2025463954_portslowdownxml.html/
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Senators Hear of Fallout from Port Slowdown - State Senators Hear from Businesses Hurt by Port Slowdown

By Walker Orenstein, Seattle Times staff reporter; Originally published January 14, 2015 at 5:23 PM | Page modified January 14, 2015 at 5:36 PM

OLYMPIA — The labor contract dispute between dockworkers and their employer at major West Coast ports could affect Washington state revenue, and lawmakers are grappling with ways they can help.

Sen. Michael Baumgartner, R-Spokane, held a work session in Olympia on Wednesday that included representatives from businesses, agriculture, truckers, the Seattle and Tacoma ports, and the International Longshore and Warehouse Union (ILWU). No one represented the Pacific Maritime Association (PMA), whose members include terminal operators and shipping lines.

The ILWU and the maritime association have been in contract negotiations since May to replace a six-year agreement that expired July 1. They brought in a federal mediator this month.

“If the mediator is really good and both parties are fully committed to this,” said Eric Schinfeld, of the Washington Council on International Trade on mediation, “I think we could see some progress by the end of the month.”

Most at the work session weren’t interested in blaming any one party for the cargo- shipping slowdown. But Baumgartner and others pressed panelists on ways they could help.

The dispute reverberates throughout the state’s economy.

Clare Gallagher, of the Port of Seattle, said Port-related activity generates \$138.1 billion annually, a figure that is over one-third of the state’s total gross domestic product. The state collects fewer taxes when the port makes less money.

“I don’t want a special session because of a drop in [state] revenue because of a labor dispute that I can’t control,” Baumgartner said.

Testimony from business representatives pointed to huge numbers in lost revenue and wasted product. Dan Coyne, of Darigold, said that the company has lost \$30 million and has not made any additional sales due to the shipping backlog at the ports.

“The longer that the slowdown continues, the longer Washington dairy farmers are put at risk,” he told the committee.

Not only are current sales being lost, but businesses and port representatives said overseas companies are looking to other ports to get their fruit, potatoes and other products in the future.

“There are a lot of other places in the world that do produce potatoes, and process potatoes, and they’re after our business in a big way,” said Mike Dodds, of Basic American Foods. He said normal shipments to the Pacific Rim took about six weeks, and now it’s taking 10 weeks. “Believe me, they see this going on and we’re seeing extreme competition.”
