

2-5-15

ILWU News:

-

<http://www.lloydslist.com/ll/sector/containers/article456683.ece>

-

US West Coast Employers Make All-In Offer to ILWU

By Janet Porter – Lloyds List | Wednesday 04 February 2015, 23:49

After nine months of negotiations, PMA seeks to break deadlock with deal that meets **union's** two biggest demands, on pay and jurisdiction

US WEST coast employers have made an "all-in" offer to longshore workers in a bid to end the deadlock over a new labour contract that has added to the chaos afflicting some of the country's largest ports.

The dramatic breakthrough came on Wednesday, when the Pacific Maritime Association, representing shipowners and terminal operators, revealed details of the offer that, it said, would significantly increase compensation to members of the **International Longshore and Warehouse Union**.

Full-time **ILWU** workers, who already earn an average of \$147,000 per year, would see their wages rise roughly 3%, along with fully paid health care, which costs employers \$35,000 per worker per year.

The maximum **ILWU** pension would rise to \$88,800 a year as part of the proposed five-year contract.

PMA said its offer was designed to bring contract negotiations to a close after nearly nine months, and follows three months of severe **ILWU** slowdowns that had hit productivity at major west coast ports.

"Our members have shown tremendous restraint in the face of **ILWU** slowdowns that have cut productivity by as much as 30%, 40%, even 50%," said PMA president Jim McKenna.

"This offer puts us all-in as we seek to wrap up these contract talks and return our ports to normal operations."

PMA said its offer also met the **ILWU's** two biggest demands: maintenance of its so-called Cadillac health benefits — which feature no worker premiums, no co-pays and no deductibles for in-network benefits — as well as jurisdiction over maintenance and repair of truck chassis.

Those two issues consumed months of contract talks, said employers, and in both cases PMA has offered significant concessions to the **ILWU**.

The resulting offer calls for a cost increase of roughly 5% each year over the life of the five-year contract.

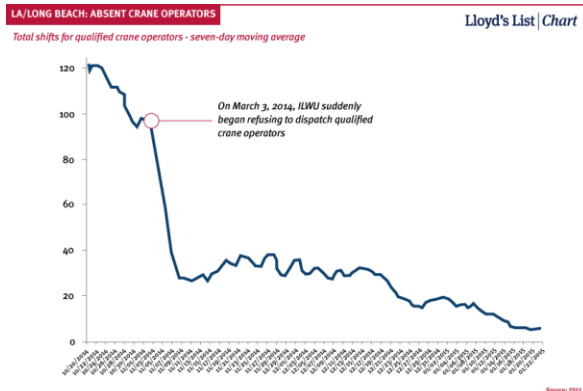
In a statement released at a press conference, the PMA said **ILWU** slowdowns — which are prohibited by contract — were now in their 14th week, severely impacting operations at major Pacific coast ports, including Tacoma, Seattle, Oakland, Los Angeles and Long Beach.

The PMA added it had requested a contract extension, which would prohibit slowdowns, but the **ILWU** has refused.

Despite four weeks of participation by a federal mediator, the parties have not yet been able to bridge the considerable gaps between them, according to the employers' group, which said the union has recently made significant new demands, and was also insisting on changes to the decades-long process for selecting arbitrators.

"The deteriorating situation on the docks is in nobody's long-term interest," said Mr McKenna.

"I hope the ILWU leadership will give very serious consideration to this contract offer, which I believe respects their members and gives us a clear path to conclude these talks. We owe it to workers and businesses across the nation to resolve our differences and get our ports moving again."



Negotiations began in May last year and there was every expectation then of an agreement by the end of July. The last contract expired on July 1, but both sides appeared to enter the talks in good faith, with little obvious sign back then of the problems ahead.

However, it took until late-August to reach a tentative agreement on healthcare, thought to have been the first item on the agenda.

Relations deteriorated in October, when a war of words erupted, with the PMA accusing the union of orchestrating go-slows and withholding skilled workers.

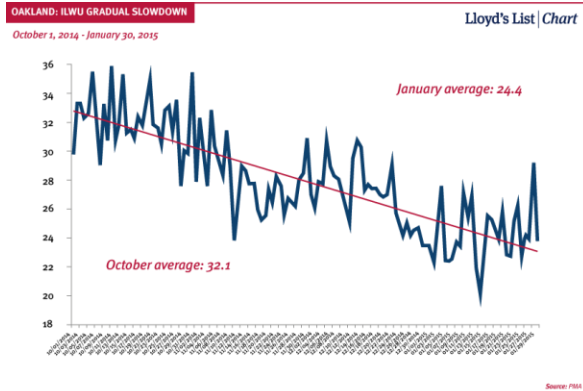
The ILWU blamed the congestion and delays at ports up and down the US Pacific seaboard — but worst in Los Angeles and Long Beach — on equipment shortages, larger vessels, and insufficient training.

On Wednesday, 22 vessels were at anchor outside the two ports because of lack of space in the harbour, of which 17 were containerships. The biggest was the recently arrived 10,700 teu APL Dublin. Yang Ming's 8,500 teu Xin Fei Zhou has been in the anchorage since January 17.

The Marine Exchange of Southern California has been forced to open up temporary anchorages to cater for the number of ships unable to berth,

After eight months of talks, the two sides accepted federal mediation at the start of the year.

The Federal Mediation and Conciliation Service sent deputy director Scot Beckenbaugh to try to broker a deal.



<http://abcnews.go.com/US/wireStory/west-coast-port-employers-lockout-days-28733298>

West Coast Port Employers: Shutdown Could Be 5 Days Away

By Justin Pritchard Associated Press – Los Angeles — Feb 4, 2015, 9:53 PM ET

West Coast seaports could shut down in as soon as five days — hobbling U.S. trade with Asia — if dockworkers and their employers cannot reach a new contract, the head of a maritime association warned Wednesday in remarks intended to pressure an agreement after nine months of negotiations.

Operators of port terminals and shipping lines do not want to lock out longshoremen, but that would be inevitable if cargo congestion persists at ports that handle about \$1 trillion in trade annually, Pacific Maritime Association CEO James McKenna said.

The maritime association has been negotiating since May with the **International Longshore and Warehouse Union**, which represents dockworkers at 29 ports from San Diego to Seattle. For months, employers have said ports in Los Angeles/Long Beach, Oakland and Washington state are on the "brink of gridlock" — and in recent weeks, queues of massive ships have grown longer in the waters off docks now stacked high with containers of goods.

On Wednesday, McKenna said the congestion crisis has reached a tipping point, and it would make no sense to pay crews if there is no way to move cargo containers into the flow of commerce because dockside yards are too jammed.

"The system can only take so much," McKenna told reporters by phone before returning to negotiations in San Francisco. "At some point, this will collapse under its own weight."

Without a new contract, employers could begin a lockout in as soon as five days, or as many as 10 days. "I couldn't tell you exactly, but I can tell you it's imminent," McKenna said.

Congestion began building earlier last year, even before the last contract expired July 1. Employers have said **union**-coordinated work slowdowns exacerbated the problem, and provided data that cargo has been moving at about half its normal rate since the fall.

The **union** has disputed slowdown claims. Its members instead blame the congestion on issues beyond their control, including a shortage of truck beds to take containers from the docks to distribution warehouses.

In response to McKenna's remarks — his most extensive public comments since talks began in May — the **union** said the differences between negotiators are now small.

"We've dropped almost all of our remaining issues to help get this settled — and the few issues that remain can be easily resolved," **union** President Robert McEllrath said in a written statement.

McEllrath said a worker lockout would be "reckless and irresponsible."

In his remarks, McKenna also detailed the proposal his association made Tuesday, which he characterized as his "best offer" even as he said he would be open to reasonable changes. He said that a proposed 5-year contract included wage increases of about 3 percent annually, an increase in pension contributions, the maintenance of hefty health benefits and an agreement to let the **union** have jobs inspecting truck chassis.

Wages for full-time workers currently average \$147,000 per year, McKenna said. **Union** spokesman Craig Merrilees called that figure "a PR fantasy number," saying that while some workers earn that much, the true average is less than \$100,000, in part because many longshoremen don't work full-time, and when they do, pay ranges from \$26 to \$36 per hour.

Related News:

-

<http://feedstuffs.com/story-pma-makes-offer-ilwu-contract-talks-lag-45-123614>

-

PMA makes 'All-In' Offer to ILWU as Contract Talks Lag

Feedstuffs | Published on: Feb 4, 2015

Seeking to break the deadlock in stalled West Coast longshore negotiations, the Pacific Maritime Association has made an "all-in" contract offer that would significantly increase compensation to members of the **International Longshore and Warehouse Union (ILWU)**.

PMA said full-time **ILWU** workers currently earn an average of \$147,000 per year, and would see their wages rise roughly 3% per year, along with fully paid health care that costs employers \$35,000 per worker per year. The maximum **ILWU** pension would rise to \$88,800 per year as part of the proposed five-year contract.

PMA's offer was designed to bring contract negotiations to a close after nearly nine months, and followed three months of severe **ILWU** slowdowns that have crippled productivity at major West Coast ports.

"Our members have shown tremendous restraint in the face of **ILWU** slowdowns that have cut productivity by as much as 30, 40, even 50%," said PMA president Jim McKenna. "This offer puts us all-in as we seek to wrap up these contract talks and return our ports to normal operations."

The PMA offer meets the **ILWU**'s two biggest demands: maintenance of their Cadillac health benefits – which feature no worker premiums, no co-pays and no deductibles for in-network benefits – as well as jurisdiction over maintenance and repair of truck chassis. Those two issues consumed months of contract talks, and in both cases PMA has offered significant concessions to the **ILWU**.

The resulting contract offer calls for a cost increase of roughly 5% each year over the life of the five-year contract.

PMA said **ILWU** slowdowns – which are prohibited by contract – are now in their 14th week, severely impacting operations at major West Coast ports including Tacoma, Seattle, Oakland, Los Angeles and Long Beach. PMA has requested a contract extension, which would prohibit slowdowns, but the **ILWU** has refused.

Despite four weeks of participation by a federal mediator, the parties have not yet been able to bridge the considerable gaps between them. The **Union** has recently made significant new

demands, and has also insisted on changes to the decades-long process for selecting arbitrators – trying to change the rules on the waterfront in their favor, giving them the ability to unilaterally remove arbitrators who rule against them.

“The deteriorating situation on the docks is in nobody’s long-term interest,” McKenna said. “I hope the **ILWU** leadership will give very serious consideration to this contract offer, which I believe respects their members and gives us a clear path to conclude these talks. We owe it to workers and businesses across the nation to resolve our differences and get our ports moving again.”

-
<http://www.nbcnews.com/business/economy/west-coast-ports-could-shut-down-days-cripple-asia-trade-n300701>

West Coast Ports Could Shut Down in Days, Cripple Asia Trade

Karma Allen, CNBC - First published February 5th 2015, 5:01 am

Traffic at nearly 30 West Coast ports is on the verge of "complete gridlock" and shipping officials have threatened to stop paying dockworkers if a contract deal is not reached soon.

Speaking at a press conference on Wednesday, Pacific Maritime Association CEO James McKenna said West Coast seaports, which handle some \$1 trillion in trade per year, could shut down in the next five to 10 days and cripple U.S. trade with Asia. He said the organization is not considering a technical "lockout," but warned that the shipping system would inevitably bring itself to a stop if congestion persists.

PMA and the **International Longshore & Warehouse Union** have been working to negotiate new contracts since May. Nearly 20,000 dockworkers at 29 ports are impacted. PMA says **ILWU** has conducted slowdowns, walk-offs and other actions at key ports, aggravating congested conditions and disrupting cargo movement in a bid to influence the talks. He said productivity had dropped between 30 percent and 50 percent in recent months, crippling whole strings of vessels, in some cases. It's like "they're getting paid to grind us into the ground," McKenna said.

The union denied the claims and said the congestion crisis was "employer-caused."

-
http://www.joc.com/port-news/longshoreman-labor/pacific-maritime-association/pma-head-hold-teleconference-amid-fears-talks-ilwu-collapsing_20150204.html

PMA Head to Hold Teleconference amid Fears Talks with ILWU Collapsing

Bill Mongelluzzo, Senior Editor | Feb 04, 2015 2:58PM EST

Amid a flurry of rumors that contract negotiations between the International Longshore and Warehouse and the Pacific Maritime Association are in danger of collapsing, PMA CEO James McKenna will hold a teleconference at 2 p.m. Pacific today to update the media on the negotiations.

Negotiations began on May 12, 2014, and the **ILWU** has been working without a contract since the previous contract expired on July 1. The **union** since early November has conducted punishing, non-stop work slowdowns that have raised congestion levels at all U.S. West Coast ports to a crisis point.

“For the past three months, the **ILWU** has conducted slowdowns, walk-offs and other actions at key ports, aggravating congested conditions and disrupting cargo movement in a bid to influence the talks,” the employers’ organization stated in a press release.

Contract negotiations have been held under the auspices of the Federal Mediation and Conciliation Service since Jan. 6. The teleconference will be the first time the heads of either of the two sides have spoken publicly and taken live questions.

- <http://www.wsj.com/articles/west-coast-ports-labor-dispute-could-halt-operations-1423099332>

-

West Coast Ports Labor Dispute Could Halt Operations - Wages, Pensions, Health-Care Benefits Still Being Negotiated

By Erica E. Phillips – The Wall Street Journal - Feb. 4, 2015 8:22 p.m. ET

LOS ANGELES—The chief executive of the Pacific Maritime Association, a group representing port employers on the West Coast, said Wednesday that port operations could grind to a halt in as little as five to 10 days if agreement on a new labor contract isn't reached.

"I'll tell you, it's imminent," PMA CEO James McKenna said in a conference call with reporters. The association has made its "best offer" in contract negotiations with the **International Longshore and Warehouse Union**, he said, which includes a 3% wage increase each year, fully-paid health care and maximum annual pension benefits of \$88,800. Mr. McKenna said **ILWU** workers currently earn an average of \$147,000 a year.

In a statement, **ILWU** President Robert McEllrath urged the PMA to complete negotiations, saying the parties were "this close," and adding, "We've dropped almost all of our remaining issues to help get this settled-and the few issues that remain can be easily resolved." The contract would cover 20,000 dockworkers at 29 west coast ports.

Contract negotiations between the PMA and **ILWU** began nearly nine months ago. In recent months, the employers association has blamed worker slowdowns for a growing backup of dozens of ships outside ports up and down the coast, slowing productivity by as much as 50%, according to the PMA.

The **ILWU** responded to those allegations in a statement Wednesday, saying workers have kept cargo flowing and that it's the employers who have caused the "congestion crisis."

The parties say they've made progress since a federal mediator was called in last month, but they have yet to settle differences on several issues, including wages, pensions, health-care benefits, arbitration process rules and operations.

On Wednesday morning, 22 ships were waiting at anchor outside the ports of Los Angeles and Long Beach. Mr. McKenna said at least a dozen more ships were waiting outside ports in Northern California and the Pacific Northwest.
