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ILWU News

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<http://thehill.com/blogs/pundits-blog/labor/232126-obamas-showdown-at-west-coast-ports-slowdown/>

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Obama's Showdown at West Coast Ports Slowdown

By Rick Helfenbein, contributor | February 09, 2015, 07:00 am

It may not be a happy Valentine's Day for President Obama if the Pacific Maritime Association (PMA) decides to lock out the **International Longshore and Warehouse Union (ILWU)** at the West Coast ports. Although the Obama administration has worked favorably with organized labor, we're about to find out what a real State of the **Union** speech sounds like. By Valentine's Day, the president may have to choose between the love of labor and the love of commerce — if he is forced to throw the switch and invoke Taft-Hartley. Either way, we all have a big problem here.

A flotilla of cargo vessels is rapidly building up off the West Coast of the U.S. Ships are stacked up at the ports of Long Beach, Calif.; Los Angeles; and Oakland, Calif. They are loaded with cargo and sit idle while waiting for berth time at America's busiest ports. On the land side, trucks are lined up and waiting to unload American exports to the vessels. Between the importers and exporters stands the **ILWU**, who has been "slowing down" for weeks, and the PMA, who has been making counteroffers to try to sort out the issues.

This all started last July, when the 20,000 members of the **ILWU** at 29 West Coast ports watched their labor contract expire. Negotiations have been about benefits, work rules, safety, pensions and salary. Some of the negotiations have progressed quite well, but the ports are stacking up with containers and have now reached a point where chaos is setting in. Even if this were to end tomorrow, it will take weeks to sort out the backlogs.

Just last week, the PMA decided to publicize their offering, likely in a bid to win public empathy by revealing a generous package that they openly displayed. They did this to create some angst amongst the business community for comparison, while companies in the U.S. are suffering immense losses by failing to import or export cargo in a timely manner. Estimates of the losses run in the millions or probably billions, but that's all fuzzy math for people who have perishable cargo or require on-time deliveries. Nobody wants heart-shaped candy boxes after Valentine's Day and what do we do with the California navel oranges consigned to Asia for Chinese New Year? People often forget that the pendulum swings both ways.

While the president may have to backtrack on the administration's statement that encouraged both sides to reach an agreement "through the time-tested process of collective bargaining," this port fiasco continues to be an ugly situation, and the biggest loser (when the dust settles) may be the West Coast ports themselves. Keep in mind that by 2016, the Panama Canal will be widened to accommodate the larger (New Panamax) vessels that can haul monster cargo. For sure, the East Coast ports of Bayonne, N.J.; Elizabeth, N.J.; New York; Norfolk, Va.; Charleston, S.C.; and Savannah, Ga. will be very excited to grab more business.

The advice to the West Coast negotiators and to the ports is, quite simply: Be careful what you wish for — you might get it.

Comments

Adan Ortega • 3 hours ago

Only problem with this article is that some basic facts are wrong. The **ILWU** has not initiated any slow downs. PMA has eliminated night and now weekend shifts and reduced day crews to 1/3 of normal since the contract expired in July. By what stretch of the imagination are 16 workers supposed to do the work of over 120 in unloading a ship? Secondly, recently taken aerial photos

of the Ports of LA and Long Beach show that there is ample space for more containers that could be unloaded from ships waiting off shore. If PMA and its foreign based members prevail, they will reap profits from the sacrifices of American workers, and the retailers who will have to pass "congestion" fees to US consumers. The PMA position is smoke and mirrors and Mr. Helfenbein is invited to check it out for himself if he pays us a visit in San Pedro CA.

IndubitablyImimicable • 4 hours ago

How much do West Coast longshoremen earn?

ILWU workers receive a compensation package that is "among the most lucrative among all blue-collar workers in the United States," according to the PMA. Full-time workers earn an average of \$142,000 annually in wages, along with a non-wage benefits package costing more than \$82,000 per active worker per year. Pay ranges depend on the job, with regular longshoremen earning less than clerks and both of them earning less than foremen. According to the 2013 Pacific Maritime Association Annual Report, most of the 9,985 "Class A" longshoremen working that year, which comprised those who worked 2,000 or more total hours, earned roughly \$137,000 per year, though many earned less and a few of the highest paid longshoremen, those who worked an average of more than 50 hours per week, earned over \$200,000. Most clerks earned roughly \$147,000, while the highest-paid earned well over \$200,000 per year. Walking bosses, or foremen, are the highest-paid **ILWU** workers, many of them earning well over \$200,000 and some more than \$300,000. Nearly 13,600 **ILWU** workers are employed at West Coast ports. In 2013, the total payroll for the nearly 13,600 **ILWU** members was roughly \$1.4 billion. For detail on **ILWU** worker incomes, see this display."

IndubitablyImimicable • 4 hours ago

"The six-year duration was introduced in 2002 following the 10-day shutdown and was repeated in 2008. Prior to that contracts had lasted three years. Shippers, carriers and other industry players prefer six-year agreements because they mean longer periods of labor peace. But the **union** is seeking a three-year contract this time. At the JOC's TPM conference in March, PMA President James McKenna indicated that negotiators may decide to postpone the issue of who — dockworkers or employers — must pay for an estimated \$150 million per year Obamacare tax on the **union**'s premium health care plan under which employers pay 100 percent of premiums in the **ILWU** health and dental care plan for members and their families, and **union** members pay just a \$1 co-pay per prescription for medicine. Such "Cadillac" plans are subject to tax under Obamacare. Employers have indicated that a cost-sharing formula can be worked out, while the **ILWU**, in its traditional "no-give-back" strategy, does not want to pay any taxes on its health care plan. Since the tax takes effect in 2018, some have the idea that by then Congress will change Obamacare to eliminate the tax. If not, the **union** and employers can revive the issue then as part of a separate negotiation."

This is the crux of the issue.

You thought coal Miner's were stupid schmucks? Longshoremen are the Dunderheads of all workers. God bless their big dumb asses, but \$10 a week is NOT gonna break these workers, who make close to 6 figures when all is said and done.

PMA on the other hand has been AXING JOBS for almost 2 decades. We may end up with a Fireman/Brakeman situation here. As railroads transitioned from steam to diesel, firemen and brakemen were no longer needed. But as **Union** Employees, they were protected. We are talking about HALF the railroad workers in America back when RAIL was KING and Howard Hughes was just starting up TWA.

My questions is, WHAT does the PMA think DEFINES "generous".

IndubitablyImimicable • 4 hours ago

This is a poor article. It FAILS in a Big CBS/BRietbart/Fox way so say anything substantive.

WHAT "generous package" did PMA offer? It must have been CRAP for the ILWU to scuttle it for the better part of a year.

WHAT is the Union asking for?

And in the ned, even with taft-Hartley invoked. ALL these workers have WEEKS of vacation and sick time they can NOT BE PENALIZED for taking.

the bottom line is, can Congress screw this pooch, because the President is NEVER gonna go all SCOTT WALKER and screw the people he made promises to. No matter how badly he wants the TPP to get approved.

http://californianewswire.com/2015/02/06/CNW23402_175133.php/calif-senator-isadore-hall-statement-on-pacific-maritime-association-shutting-down-west-coast-ports-this-weekend/

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Calif. Senator Isadore Hall Statement on Pacific Maritime Association Shutting Down West Coast Ports this Weekend

By Christopher Simmons on Fri, 06 Feb 2015

SAN PEDRO, Calif. /California Newswire/ — Tonight, Calif. Senator Isadore Hall, III (D – South Bay) released the following statement regarding the Pacific Maritime Association's (PMA) decision to shut down vessel loading and unloading at West Coast ports this weekend: "I am extremely concerned and disappointed in the Pacific Maritime Association's (PMA) latest reckless and irresponsible decision to suspend activity at ports along the West Coast this weekend.

California's ports drive our state's and our nation's economy. The Port of Los Angeles, which is in my district and the neighboring Port of Long Beach are the busiest ports in the United States. The goods that are imported and exported out of these two ports alone feed, clothe and supply vital goods to people all over our country and throughout the world.

The latest actions by the PMA show a blatant disregard for the workers who have built our California's port system, for the small, medium and large businesses across the country that rely on stable and reliable goods movement and for the economic security that these ports provide to our nation.

Instead of working constructively with ILWU, Local 13 towards a fair and responsible labor contract, the PMA has chosen to unfairly penalize workers and has shown willingness to sacrifice the great economic recovery currently underway for their own economic benefit.

The PMA has entered into a very dangerous and unnecessary game. California's and the United States' economic security is no game – it is central to our national security and to the economic wellbeing of nations and continents throughout the world. I demand that the PMA reconsider its decision to suspend port activity this weekend, reopen our ports, re-enter into good faith negotiations with ILWU, Local 13 and stop being a barrier to California's economic recovery."

Isadore Hall, III, represents California's 35th Senate District that includes the communities of Carson, Compton, Gardena, Harbor Gateway, Hawthorne, Inglewood, Lawndale, Lennox, Lynwood, North Long Beach, Rancho Dominguez, Rancho Palos Verdes, San Pedro, South Los Angeles, Torrance, Watts/Willowbrook and Wilmington.

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<http://www.laweekly.com/news/billions-at-stake-as-west-coast-ports-shut-down-5376458/>

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BILLIONS AT STAKE AS WEST COAST PORTS SHUT DOWN

BY DENNIS ROMERO - FRIDAY, FEBRUARY 6, 2015 | 3 DAYS AGO



Evan Blaser/Flickr

In what could amount to a \$1 billion a day loss in economic activity, the operators of all 29 West Coast say they're shutting down loading and unloading operations for the weekend.

The temporary suspension is a response to an ongoing contract dispute with dockworkers, whom operators say have been conducting job slowdowns so severe that it's better to close up shop than pay them to loaf. "It makes no sense to pay extra for less work," said Wade Gates of the Pacific Maritime Association (PMA), which negotiates contracts with dockworkers represented by the [International Longshore and Warehouse Union \(ILWU\)](#).

The West Coast shutdown will affect the busiest ports in the United States, those of Los Angeles and Long Beach.

A full West Coast suspension of operations hasn't happened since 2002, when a 10-day shutdown cost an estimated \$20 billion in lost revenue, Craig Merrilees, a spokesman for the [ILWU](#), told us. He said he believes this shutdown could be worth \$1 billion a day.

That 2002 suspension was also a reaction to a labor disagreement.

The PMA calls this a partial shutdown, because yard, rail and gate operations will continue "at terminal operators' discretion," according to a statement from the association. "Processing containers and moving them for rail and truck delivery to customers can continue through the weekend at terminal operators' discretion," Gates explained to us.

He said weekend loading and unloading at time-and-a-half "premium pay" made no sense "if there is no end in sight to the [union's](#) actions which needlessly brought West Coast ports to the brink of gridlock."



Pete/Flickr

Both sides agree the labor dispute will have widespread economic effects. Gates:

The ongoing **ILWU** slowdowns have created delays and backlogs up and down the West Coast, and there's been resonant economic harm – from growers in Washington and California who can't get their crops on ships and off to foreign markets, to businesses that are experiencing long delays in receiving goods, or manufacturers who have had to airlift parts.

Merrilees of the dockworkers **union** called the shutdown "reckless and irresponsible."

"This ... looks more like an economic terrorism tactic than good-faith bargaining," he told us. "We have to resolve our differences at the bargaining table. Those differences are now very small, and we're very close to an agreement."

Workers have not shut the ports down since 1971, he said.

"Vessel operations are scheduled to resume Monday," PMA said in a statement.

South Bay state Sen. Isadore Hall is not happy with the suspension of loading and unloading, calling it a threat to the nation's economic security. He blames the PMA, and he clearly sides with the longshoremen:

The PMA has entered into a very dangerous and unnecessary game. California's and the United States' economic security is no game - it is central to our national security and to the economic wellbeing of nations and continents throughout the world. I demand that the PMA reconsider its decision to suspend port activity this weekend, reopen our ports, re-enter into good faith negotiations with **ILWU, Local 13** and stop being a barrier to California's economic recovery.

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http://www.joc.com/port-news/longshoreman-labor/west-coast-ports-expected-resume-normal-operations-monday_20150208.html/

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West Coast Ports Expected to Resume Normal Operations on Monday

Bill Mongelluzzo, Senior Editor | Feb 08, 2015 9:05PM EST

Operations at West Coast ports were scaled back this weekend as employers balanced a need to reduce the container backlogs that are choking marine terminals with a desire to cut labor costs, while work slowdowns by the **International Longshore and Warehouse Union** show no sign of ending.

The loading and unloading of vessels was suspended at all of the major container ports beginning with the night shift on Friday. Some, but not all marine terminals maintained yard and gate operations through the weekend, however. According to the Pacific Maritime Association, vessel loading and unloading will resume at all ports on the day shift Monday.

Employers in recent weeks have cut back on the unloading of containers from vessels because the yards are too full to accept more containers, the PMA stated. The strategy is to clear as many containers out of the yards as possible at night so vessel unloading can be resumed the next day.

The **ILWU** disputes that reasoning, saying there is sufficient space at most terminals to support vessel unloading. The **union** last week released photos showing unused space at several terminals in Los Angeles-Long Beach. The **ILWU** accuses employers of attempting to intimidate its rank and file.

Employers are also cutting back on expensive vessel work at night to save money. The PMA each week documents container moves per crane, per hour, at the ports, and the numbers show that average crane productivity in Seattle, Tacoma and Oakland dropped from the historical level of about 26-28 to below 20.

The **ILWU** in Southern California is using another hard-timing strategy, which is to slash the number of yard crane operators that are dispatched from the **union** hall to 35 per day, down from 110 per day as had been the norm for years, the PMA stated. Employers accused the **ILWU** of increasing employers' costs by slowing down productivity as the **union** seeks to gain leverage in the coast wide contract negotiations that have been underway since May 12, 2014.

The **ILWU** denied that claim as well, saying the **union**, for safety reasons, will not dispatch yard crane operators who are not certified to operate the equipment. PMA President James McKenna last week said there are dozens of qualified equipment operators that have worked thousands of hours, some as many as 10,000 hours, operating the yard cranes. Before the hard-timing began, the **ILWU** regularly dispatched those qualified equipment operators when there weren't enough certified crane operators to meet demand.

After weeks of failing to bring the contract negotiations to an end, the PMA on Friday ramped up its pressure by saying terminals at West Coast ports would open this weekend at their discretion, implying that some would choose to suspend all operations. The PMA said it was becoming too costly, and useless, for some terminals to pay longshoremen full wages for working at half speed.

In Tacoma, port spokeswoman Tara Mattina said Washington United Terminal and the North Intermodal Yard were the only facilities working this weekend. In Oakland, only the SSA terminal opened its gates, said port spokesman Mike Zampa. In Los Angeles-Long Beach, PMA spokesman Steve Getzug said six of the 13 container terminals worked Saturday night, and two worked the third shift as well. On Sunday, seven terminals worked the day shift, and six terminals announced preliminary plans to work the night shift.

ILWU spokeswoman Jennifer Sargent said the PMA was "playing a dangerous and unnecessary game of brinkmanship by idling vessels for two days in a not-too-disguised effort to intimidate the **ILWU** membership." The **ILWU** said the PMA's actions in recent weeks have caused more and more vessels to back up at West Coast ports.

Indeed, the Marine Exchange of Southern California reported Sunday morning that 20 containerships were at anchor and awaiting berthing space in Los Angeles-Long Beach. Mattina said seven container ships were at anchor outside of Tacoma.

The coming week, which closes out nine months of unsuccessful talks, could be eventful in the contract negotiations. Employers are expected to ramp up the pressure on the **union** to accept a contract offer that will increase base wages by 5 percent, maintain employers' 100 percent funding of **ILWU** medical benefits, including new costs associated with the Cadillac tax in the Affordable Care Act, guarantees pensions of up to \$88,800 per year and acceptance of a key **union** demand that the **ILWU** will inspect and repair all chassis at marine terminals.

The **ILWU** has been standing firm on what is believed to be the last major issue remaining, which is a demand by the **union** to be able to unilaterally fire local arbitrators. The time-honored arbitration protocol requires that both the PMA and **ILWU** must agree that an arbitrator should be fired. McKenna said the arbitration system, which is crucial to quickly addressing waterfront disputes so they do not interrupt productivity in the handling of today's big ships, would be severely compromised if an arbitrator feared that he or she would be fired for issuing a ruling against the **ILWU**.

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<http://www.usatoday.com/story/money/business/2015/02/08/west-coast-ports-closure/23086097/>

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West Coast Ports to Reopen after Weekend Shutdown

Chris Woodyard, USA TODAY 6:13 p.m. EST February 8, 2015

LOS ANGELES — West Coast ports were expected to reopen to shipping Monday after a weekend shutdown that heightened labor tensions and hinted at the ongoing dispute's potential to sap billions of dollars from the U.S. economy.

At the normally busy Port of Los Angeles, cranes sat idly perched over ships stacked high with containers during the weekend while other loaded vessels bobbed at anchor offshore. The terminal operators' decision to shut down ship movements at 29 West Coast ports affected not only goods such as cars, clothing, building materials and electronics from Asia, but also American agricultural exports.

Even before the weekend, the Pacific Maritime Association, representing port terminal operators, said that a 14-week dockworker slowdown had choked cargo and ship movements. Though ship movements were at a standstill, the association said Sunday that yards in the five busiest ports — Seattle, Tacoma, Oakland, Los Angeles and Long Beach — were busy moving cargo off the docks.

A full-blown port shutdown could cost the U.S. economy some \$2 billion a day, the National Retail Federation has warned. Unlike some past labor disputes involving the ports, the latest escalation at least comes at a time when the holiday season has passed and many retailers aren't as in dire need of shipments of merchandise.

The **International Longshore and Warehouse Union**, which represents dockworkers, says the move to shut the ports only made matters worse. The temporary closure came amid negotiations for a new contract.

"Employers are deliberately worsening the existing congestion crisis to gain the upper hand at the bargaining table," said **union** president Robert McEllrath in a statement. He disputed operators' assertions that the docks are clogged with cargo, saying photos prove "there are acres of asphalt just waiting for the containers on those ships."

But the terminal operators' association said it was no longer willing to pay top dollar to **union** members working at a snail's pace.

"After three months of **union** slowdowns, it makes no sense to pay extra for less work," said association spokesman Wade Gates in a statement. The reduced pace has "needlessly brought West Coast ports to the brink of gridlock."

Unionized dockworkers are among the nation's best-paid blue-collar workers. The **union** has successively negotiated pay increases for its members over the years that compensate for vastly increased productivity, made possible through containerization of freight, that has dramatically reduced the number of workers needed to load and unload ships. As a result, the association said the average longshoreman **union** member earns \$147,000 a year.

Last Wednesday, the association said it was making an "all-in" five-year contract offer that would boost wages by 3% a year, offer full health care benefits and a maximum \$88,800 annual retirement benefit.

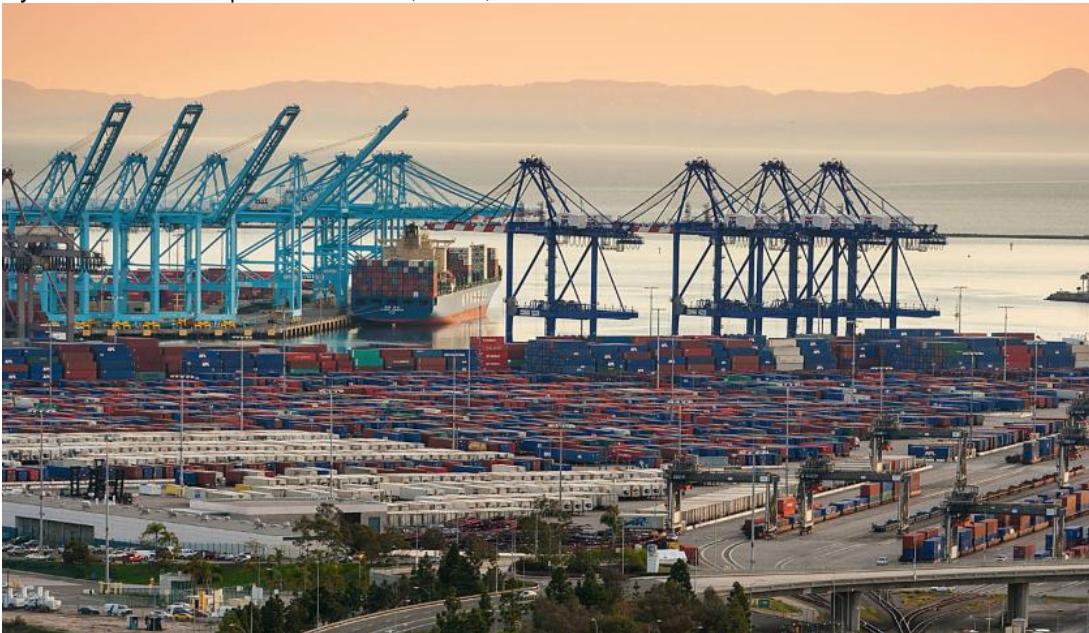
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<http://fortune.com/2015/02/06/america-biggest-dysfunctional-port/>

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Slow Progress at America's Biggest (and Most Dysfunctional) Port

By David Z. Morris | FEBRUARY 6, 2015, 10:54 AM EST



Changes in shipping technology and practices at L.A.-Long Beach have slowed the flow of trade through the port—with costly ramifications.

The adjacent ports of Los Angeles and Long Beach in California are the beating heart of United States international trade. They handle two-thirds of all ocean cargo volume on the West Coast, and more than one-third of all volume in the U.S. Their steel ventricles sprawl over more than 11 square miles of land—one-third the size of Manhattan. Tugboats weighing tons look like bathtub toys next to container ships the size of city blocks. Squadrons of semi trucks and mile-long trains disappear into the horizon, pumping goods from across Asia eastward to American manufacturers, businesses, and consumers.

Since last summer, though, changes in shipping technology and practices at L.A.-Long Beach have slowed the flow of trade through the port. Starting in October 2014, a labor slowdown by longshoremen worsened problems and spread them to other ports along the West Coast. Cargo unloading times have more than doubled to the slowest rate in a decade. Twenty-five-ton

containers are now stacked five deep, frustrated truckers spend hours waiting for their loads, and full ships wait at anchor for an open terminal.

Retailers avoided a disastrous disruption of the prime Christmas shipping season—late summer and early fall—only through canny planning and some expensive short-term solutions. “Leading into the [labor] negotiations, retailers were looking at contingency planning options, knowing how negotiations typically go,” says Jonathan Gold, vice president of supply chain and customs policy at the National Retail Federation. “[They’ve been] bringing cargo in early, and shifting to non-West Coast ports like Canada, Mexico, East Coast, Gulf Coast. And the last option is air cargo.”

Those workarounds kept store shelves stocked for the 2014 winter holidays, but the costs of compensating for port congestion have been substantial. Ocean carriers have begun to levy congestion surcharges against cargo owners, despite some initial hesitation. And while the Targets TGT -0.85% and Wal-Marts WMT -1.12% of the world were able to adjust their surface shipping plans, many small and mid-size retailers were forced to rely on air cargo to get Christmas shipments on time. Gold says that additional costs of air cargo for individual retailers have run into the millions of dollars.

The single biggest factor in the costly chaos at L.A.-Long Beach is amazingly mundane: a change in the handling of the long, wheeled chassis that allow semi trucks to pull shipping containers from the ports to their destinations inland.

For many years, these chassis were owned by the same ocean cargo companies that own container ships. But many shipping lines, in part to heal balance sheets wounded by the global recession, have recently spun off or sold their chassis to equipment leasing companies including Flexi-Van, TRAC, and Direct ChassisLink (a former Maersk subsidiary). The transition has been extremely rocky.

“The chassis availability is scrambled, because there are all these companies that were supposed to have taken over, but didn’t have things entirely together,” says Val Naronha, president of the port research firm Digital Geographic. “If I [as a trucker entering a terminal] haven’t made my own arrangements for a chassis, I turn around. I’ve achieved nothing at the terminal having waited all that time.”

The chassis logjam may begin to clear up this month as an agreement among chassis providers establishes a common pool of chassis, making them easier to manage. But other factors contributing to congestion have no clear resolution timeline. Poor pay and conditions for truckers have caused driver shortages and discontent, while overall U.S. rail shipping capacity is under pressure from rising oil and gas loads from Midwest fracking operations. It’s simply getting harder to get loads out of port, even as overall volume increases.

The ongoing automation of L.A.-Long Beach has also, ironically, added to congestion, as longshoremen have demanded work-stopping safety reviews at the automated terminal run by TraPac. Other problems include bottlenecks caused by ever-larger ships and extra congestion caused by the timing of port workers’ lunch breaks.

For ports and labor **unions**, who are now in the ninth month of negotiations to renew a contract that expired in July, the sclerosis at L.A.-Long Beach has become ammunition in a war of position: the ports argue that longshoremen are engaged in an illegal slowdown, but workers blame the ports and carriers.

“The true origins of the crisis involve other industry problems and bad decisions,” says Craig Merrilees, spokesperson for the **International Longshore and Warehouse Union**, which represents West Coast dockworkers. “The resulting mess has left customers angry, public port officials frazzled, and workers frustrated because the congestion makes their jobs more dangerous.”

But there has been rising congestion even at West Coast ports with fewer operational issues than L.A.-Long Beach, which some say proves that a labor slowdown is a major factor. “The ports at Seattle and Tacoma had been running at about 25 to 35 [container] moves per hour,” says Wade Gates, a representative of the Pacific Maritime Association, which negotiates with the longshoremen on behalf of port operators. “And at one point in time [in late 2014] that actually moved to as low as 10 to 14.”

“At L.A. and Long Beach,” continues Gates, “We’re seeing the unions . . . make a difficult situation even worse.”

One of the situation’s few bright spots is that a complete labor stoppage is unlikely. “They will not shut down the ports,” says Bill Mongelluzzo of the shipping trade publication The Journal of Commerce. “The ILWU doesn’t want to attract federal mediation.”

Even once the chassis gridlock clears and the labor slowdown ends, though, the multiple chronic issues facing West Coast ports have observers wondering whether the future will be much smoother.

“We know trade is going to continue to grow,” says the NRF’s Gold. “Looking at how our ports work today, we’re not ready.”