

**ILWU News:**

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**Cargo Climbs at Ports**

**L.A.-Long Beach Complex has its Best Year since the Recession**

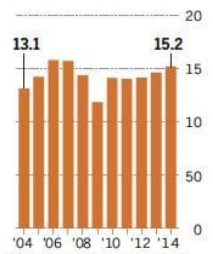
By Andrew Khouri; 1-21-15

THE PORT OF LOS ANGELES, above, and the neighboring port in Long Beach serve as the nation's premier gateway to Asia.

**More traffic**

The ports of Los Angeles and Long Beach in 2014 saw their busiest year since before the Great Recession.

(In millions of container units)



Sources: Ports of Los Angeles and Long Beach

Los Angeles Times



MARCUS YAM Los Angeles Times

**BOBBY OLVERA JR.**, president of **ILWU Local 13** in San Pedro, says the union limited the number of untrained, noncertified crane operators available to work for safety reasons after several accidents.

The nation's busiest port complex saw its best year since before the Great Recession, a sign of renewed economic strength across the country.

Analysts said the cargo increase at the ports of Los Angeles and Long Beach — coming despite severe problems moving cargo off the docks and uncertainties over a new dockworker contract — shows that the U.S. economy is kicking into a higher gear.

“We are throwing off the shackles of the recession,” international trade economist Jock O’Connell said.

Locally, logistic jobs increased and dockworker pay surged as businesses throughout the United States ordered more products from Asia to meet growing demand at home. Cargo volumes at the neighboring ports climbed nearly 4% from 2013 to 15.2 million container units, making 2014 the third-busiest year on record, behind only 2006 and 2007.

The San Pedro Bay harbors, which handle roughly 40% of U.S. imports, serve as the nation’s premier gateway to Asia, accepting goods destined for locales across the country. The complex benefited last year from the strongest national job growth since 1999. President Obama used those figures during the State of the **Union** address to argue that “the shadow of crisis has passed.”

A growing U.S. economy pushed imports up nearly 5% last year in L.A. and Long Beach. But exports fell 2.5% as growth slowed overseas, economists said. Continued U.S. economic expansion is likely to send cargo volumes higher this year, trade experts said. A strong dollar should provide further support for imports, which account for far more traffic than exports at the ports.

As the U.S. economy hits a “cruising speed,” cargo volume probably will raise around 4% this year, said Robert A. Kleinhenz, chief economist with the Los Angeles County Economic Development Corp.

Firms in the local goods movement industry are betting that higher volumes are here to stay. Warehouse developer and landlord Goodman Birtcher has five Southern California logistics centers in the works worth a total of \$738 million.

“Southern California is a prime growth market,” Chief Executive Brandon Birtcher said. The cargo increase wasn’t without pitfalls, however, and it laid bare festering problems in the supply chain. A shortage of the trailers that truckers use to haul goods from the ports and the increased use of behemoth container vessels — which unload more cargo onto terminals than ships of old — helped create the worst congestion crisis in a decade.

Business are still grappling with debilitating delays and some are losing sales as a result, placing a drag on the national economy, experts said.

According to employers operating shipping lines and terminals, the dockworkers **union** has worsened congestion since November by refusing to dispatch many skilled crane operators who place goods onto trucks and rail cars. Employers say the **union** is trying to gain leverage in contract talks that have dragged on for more than eight months.

The **union** has a different take: **Bobby Olvera Jr.**, president of the **International Longshore and Warehouse Union Local 13** in San Pedro, said the **union** limited the number of untrained, noncertified crane operators available to work for safety reasons after several accidents. Employers have failed to train enough operators and could fill crane positions with their own employees if they choose to, he said.

The **union** points to management decisions as causing congestion, including the move by shipping lines to stop providing trailers to truckers over the last year and a half. Regardless of who’s to blame, the continued delays and labor uncertainty threatens cargo growth this year, economists said. During 2002 negotiations, following slowdown accusations, employers locked out dockworkers for 10 days, shutting ports up and down the coast in the process.

Already, some importers are looking elsewhere, seeking to avoid the bottleneck and fearful that a work stoppage could arrive on the docks.

"We need to dig in and work every day to earn that cargo back," said Gene Seroka, executive director of the port of Los Angeles. "I believe it will take some time, but that the issue is fixable." One important step, Seroka said, is a new contract for roughly 20,000 dockworkers at 29 West Coast ports, who have been working without one since July.

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<http://www.presstelegram.com/general-news/20150120/tacoma-longshore-workers-to-hold-simultaneous-march-thursday-in-support-of-san-pedro-dockworkers-protest/>

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### **Tacoma Longshore Workers to Hold Simultaneous March Thursday in Support of San Pedro Dockworkers' Protest**

By Karen Robes Meeks, Long Beach Press Telegram; Posted: 01/20/15, 4:58 PM PST | Updated: 14 Hrs Ago

A community march to support hundreds of Los Angeles and Long Beach longshore workers is gaining momentum more than 1,100 miles away.

Members of the **International Longshore and Warehouse Union** in Tacoma, Wash., will march downtown Thursday at the same time that **union** members and their families participate in a march and rally in San Pedro.

Dean McGrath, president of **ILWU** Local 23 in Tacoma, was inspired by how ingrained the **ILWU** members are in the Long Beach/Los Angeles harbor community and wanted to show Tacoma how much his own membership of 1,350 registered and casual longshore workers were part of their city's fabric.

"It's a chance to rebuild the worker movement here," he added, saying that many of the longshore workers live in or around Tacoma. "It's well past time."

More than 700 members, family and friends are expected to march in Tacoma.

In San Pedro, about 5,000 people are expected to attend the march, organized by Los Angeles Councilman Joe Buscaino days after employers cut night shifts for unloading ships at the ports of Los Angeles and Long Beach so they could focus on moving containers out of congested yards.

The decision affected about 800 jobs, **ILWU** officials said.

Last week, Buscaino invited the community to the march on Facebook, saying that the employers' action to cut night shifts "is another step closer to a lockout" that hurts the residents he represents and worsens congestion at the ports.

A large percentage of **ILWU** members who work at the ports of Los Angeles and Long Beach lives in San Pedro, Wilmington and Long Beach, an **ILWU** official said.

"My fear is that we are creating irreparable damage to our ports complex which could lead to permanent loss of business because the PMA and **ILWU** cannot reach an agreement," Buscaino said in an email. "The fact that the Port of Tacoma has joined our **ILWU** community march by hosting one as well illustrates the strength and unity of the **union**. We encourage everybody to join us on Thursday evening."

The march comes as talks intensify between the **ILWU** and the Pacific Maritime Association, which represents the employers. Since May, both sides have been working on a contract that would cover 20,000 dockworkers at 29 ports along the West Coast, including Los Angeles, Long Beach and Tacoma. The last contract expired in July.

Despite reaching a tentative agreement on health benefits, talks have grown acrimonious, with both sides accusing the other of slowdowns.

Employers said they were forced to cut night vessel shifts at the ports because the **ILWU** would not dispatch enough crane operators to move containers out of yards. The **union** fired back, saying that the employers are creating the slowdowns at the ports by cutting shifts and not providing the training needed to generate more skilled operators.

A federal mediator recently stepped in to intervene in contract talks.

Meanwhile, the supply chain continues stuck in gridlock, with ships in the water waiting to be unloaded and shipments across the nation delayed.

State Sen. Isadore Hall, D-Compton, who plans to attend the San Pedro march, criticized PMA's move; "The ports of Los Angeles and Long Beach have always played a pivotal role in our region's economic success," he said. "As such, we can't afford continued dysfunction and stagnation at our ports. The Pacific Maritime Association's decision to halt the unloading of cargo ships in the evening does nothing but add further fuel to the fire during these tense contract negotiations."

Thursday's march will end at the San Pedro Downtown Harbor with a rally and concert by the Flying Squad.

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#### **US West Coast Marine Terminals Resume Daytime Shifts**

Bill Mongelluzzo, Senior Editor | Jan 20, 2015 7:04PM EST

Terminal operators resumed daytime vessel unloading Tuesday after a one-day hiatus, but otherwise it was status quo at all U.S. West Coast ports.

That means the ports remained congested due to slowdowns by the **International Longshore and Warehouse Union** in Seattle-Tacoma and Oakland, and a refusal by the **union** to dispatch sufficient skilled labor in Southern California, said Steve Getzug, spokesman for the Pacific Maritime Association. "Congestion still exists," he said.

Nine containerships were at anchor in Los Angeles-Long Beach, which is the same number of container ships that were awaiting berths on Monday, according to the Marine Exchange of Southern California, a nonprofit dedicated to developing commerce in the region.

The PMA on Monday announced that it would not assign longshoremen to unload vessels so terminal operators could concentrate their resources on clearing out the backlog of containers that is choking all of the ports. The **ILWU** criticized employers for cutting out vessel labor, saying the move would result in further vessel delays and would not result in diminishing the congestion on the docks. Truck traffic at the ports was light over the three-day weekend.

Employers are continuing their recently implemented policy of not assigning vessel labor at night in Los Angeles-Long Beach to ease the backlog in the container yards, although they continue to man all yard and gate positions at night in Southern California. Terminal operators have not opened their facilities at night for several weeks now in Seattle-Tacoma and for the past two weeks in Oakland.

Getzug said container crane productivity in the northern ports remains below normal, while in Los Angeles-Long Beach the **ILWU** since early November has been dispatching only 35 yard crane operators each day, down from 110, which has been the norm for years. The skilled equipment operators are essential to full yard operations.

Port of Los Angeles Executive Director Gene Seroka told the annual conference of the California Trucking Association on Saturday that terminals were operating at 95 to 97 percent of utilization, which is far above the 80 percent utilization that terminal operators consider the limit before service is degraded.

On Tuesday, a disagreement between the **ILWU** local in Seattle and SSA Marine resulted in longshoremen working for only four hours at Terminal 18. "The clerks conducted a short grievance strike that's protected conduct under Section 7, NLRB. In retaliation, SSA fired all of its longshore gangs," said **ILWU** spokeswoman Jennifer Sargent.

The employer said the disagreement began when the port last week opened up a nearby terminal to be used as a truck queueing site because of long lines at Terminal 18. No trucks used the Terminal 5 site on Tuesday, but the **ILWU** wanted a marine clerk to be assigned to the site, and longshoremen walked off when SSA refused to assign a clerk.

Meanwhile, contract negotiations between the **ILWU** and PMA continued all of last week through Saturday. Negotiators took a break on Sunday, but were back at the table Monday and again today. Chassis maintenance and repair jurisdiction continues to be a major issue preventing a contract. Contract negotiations began on May 12, 2014, and have been held under the auspices of the Federal Mediation and Conciliation Service the past two weeks.

West Coast ports have experienced congestion since last summer, due to operational issues such as cargo spikes each week from big ships, a chassis shortage and service issues on the intermodal rail networks. **ILWU** job actions since early November have intensified the congestion issues to the point of near-gridlock, the PMA stated.

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<http://mynorthwest.com/11/2693519/Labor-dispute-shuts-down-Terminal-18-at-Port-of-Seattle>

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### **Labor Dispute Shuts Down Terminal 18 at Port of Seattle**

By Brandi Kruse, Kiro Radio Reporter | January 20, 2015 @ 2:51 pm

Work has stopped at Terminal 18 at the Port of Seattle after Longshoremen walked off the job Tuesday, according to terminal operator SSA Marine.

The terminal will remain closed for the day, although SSA is hopeful it will reopen Wednesday.

SSA claims that Longshoremen walked off the job early Tuesday after demanding that the operator hire more labor at Terminal 5.

Bob Watters, SSA Marine's senior vice president, said the walkout has nothing to do with an ongoing labor dispute.

"These kinds of things happen periodically," Watters told KIRO Radio.

Despite the fact that the terminal was closed, Watters insisted that it "wasn't a news story" and it "must be a slow news day."

Terminal 18 is the largest container facility in the Pacific Northwest, according to the SSA Marine website.

The Port of Seattle is among several West Coast ports that have suffered work slowdowns as the Pacific Maritime Association (PMA) and the **International Longshore and Warehouse Union (ILWU)** continue contract negotiations that have been going on since May.

While the **union** has denied intentionally slowing down the flow of commerce, the PMA called their actions orchestrated.

An email and phone call to the **ILWU** Local 19 were not immediately returned.

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[http://www.dailystorian.com/Local\\_News/20150120/mediators-prevent-port-dispute-from-escalating/](http://www.dailystorian.com/Local_News/20150120/mediators-prevent-port-dispute-from-escalating/)

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### **Mediators Prevent Port Dispute from Escalating**

By Mateusz Perkowski, Capital Press; Published: January 20, 2015 10:38AM

Federal mediators are expected to prevent a labor contract dispute between longshoremen and container terminal operators from escalating, but disruptions to agricultural exports won't end soon.

Federal intervention in a labor contract dispute between longshoremen and container terminal operators will stop the conflict from escalating but won't immediately end port disruptions, experts say.

The longshoremen's **union** and their employers recently allowed federal mediators to participate in contract negotiations, which will probably prevent a strike or lockout, said Michael LeRoy, a law professor at the University of Illinois who specializes in labor relations.

While the mediators can keep the parties from going over the brink, persuading them to hammer out a resolution usually involves a longer process. LeRoy said.

"It's a bit like untying a knot that's tied very tightly," he said. "I would not expect a quick outcome."

The **International Longshore and Warehouse Union**'s prior labor contract expired in July 2014, and in recent months terminal operators represented by the Pacific Maritime Association accused it of deliberately staging work slowdowns to gain leverage in negotiations.

The **ILWU** was initially undecided about PMA's request for federal intervention but agreed to let mediators participate in early January after thinking over the option for two weeks.

Federal mediators are able to settle more than 80 percent of collective bargaining disputes, according to government statistics.

"It's an encouraging sign," said Peter Friedmann, executive director of the Agriculture Transportation Coalition. "It's better than the two of them not talking to each other."

Even so, agricultural exporters continue to face a "dire" situation at ports along the West Coast as congestion impedes the shipping of perishable crops, meat and dairy products while overseas buyers secure alternate sources of farm goods, he said.

"Foreign customers are looking elsewhere for dependable suppliers," Friedmann said.

The Federal Mediation and Conciliation Service's engagement in the talks is a relief for shippers, as the public vitriol between **ILWU** and PMA over the reasons for port congestion had grown worse in late 2014, said Eric Schinfeld, president of the Washington Council on International Trade.

“It was pretty clear they were not on the same page at all,” he said. “That was sort of the ‘darkest before the dawn’ moment.”

However, even under the most optimistic timeline, the parties probably will not reach a tentative agreement before the end of January, Schinfeld said.

After that, it will still take many months to clear the backlog of cargo that has accumulated at container yards, he said.

Until they strike a deal, it’s unlikely that the longshoremen and terminal operators will resume the public sniping seen in late 2014, said LeRoy.

Parties are discouraged from speaking to the media to avoid aggravating tensions and but are allowed to vent their frustration to mediators, he said.

“These mediators are like giant shock absorbers,” LeRoy said. “They absorb a lot of negative energy.”

Mediators often speak separately to negotiators from opposing camps to focus on the fundamental issues and avoid confrontational tactics, he said.

This process provides the mediators with insights about points of possible compromise and allows them to spot “horse trading” opportunities, LeRoy said.

Mediators have an “encyclopedic knowledge” of the problems facing the **ILWU** and PMA — like increased automation aimed at relieving high labor costs — and can float proposals that allow the parties to save face and not appear to be backing down, he said.

“It’s a way of resetting the conversation,” LeRoy said. “It’s a good way of injecting some new energy into the talks.”

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[http://www.joc.com/port-news/us-ports/port-los-angeles/us-west-coast-marine-terminals-resume-daytime-shifts\\_20150120.html](http://www.joc.com/port-news/us-ports/port-los-angeles/us-west-coast-marine-terminals-resume-daytime-shifts_20150120.html)

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