



The American Companies

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U.S. Maritime Administration

Office of Cargo Preference
and Domestic Trade

NEWS WATCH

PMA: WEST COAST CONTRACT NEGOTIATIONS UP DATE

July 2, 2008

San Francisco

The Pacific Maritime Association (PMA) issued the following statement today regarding the ongoing negotiations on a new waterfront labor agreement:

The six-year West Coast waterfront labor agreement expired Tuesday, but negotiations between the Pacific Maritime Association and the International Longshore and Warehouse Union (ILWU) on a new contract will continue beyond the deadline. While the ILWU has stated that work will continue as normal as we negotiate, we regret that it did not agree to a formal extension of the contract and its no strike clause and arbitration procedures for resolving workplace disputes, including the tactic of slowdowns. An extension would have sent a much stronger message to the shippers and the public that the West Coast Ports will continue to operate without disruption.

As it has since negotiations began March 17, PMA remains focused on reaching a new agreement that is fair and reasonable to both sides, while at the same time keeping the ports running smoothly and safely. We will continue to work as hard and as quickly as possible to resolve remaining issues. The West Coast ports are a critical economic engine for the U.S., generating almost \$1.3 trillion in domestic business impacts -- which represents 11 percent of total U.S. gross domestic product -- and supporting more than 8 million direct and indirect U.S. jobs. With a weakened economy, the country can't afford uncertainty or disruption at the ports.

The contract covers wages, benefits and conditions of employment for the more than 26,000 ILWU members and identified casuals working at 29 West Coast ports in California, Oregon and Washington.

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[SOURCE Pacific Maritime Association]

PORT CONTRACT TALKS CONTINUE BEYOND DEADLINE

July 2, 2008

LA Times reports the PMA and the ILWU said talks were continuing past Tuesday's 5 p.m. deadline and would go days later if needed. Union spokesman Craig Merrilees said: "We're going to keep talking, and the ports are going to keep working." Key issues remain unresolved between the 71 international cargo carriers and terminal operators and the 15,068-member union. An additional 11,000 nonunion dockworkers would be bound by whatever contract is reached.

Retailers still were nervous. They remember the 10-day employer lockout at all 29 West Coast ports in 2002 that ended only after President Bush invoked the Taft Harley Act to reopen the docks. By one estimate, the lockout and the several weeks it took to clean up the backlog cost the U.S. economy as much as \$15 billion.

"You can kiss my summer goodbye if that happens again," said Steve Young, president of Allan Co. in Baldwin Park, one of the largest independently owned recycling businesses in the Western U.S. The company, which exports scrap paper to China, South Korea, India and Indonesia, had to rent three additional warehouses in 2002 and hire more workers to move and store the paper.

Lonnie Kane, president of Los Angeles women's apparel company Karen Kane, also worries about a work stoppage. He said fashion apparel is time-sensitive and could miss contracted delivery dates as well as lose its cachet if stuck on a ship too long. "At some point, you'd just start drinking arsenic," Kane said.

Last year, the 29 West Coast ports, led by Los Angeles and Long Beach, handled about 1 million tons of cargo a day valued at about \$465 billion, according to the maritime association. Labor experts said today's weak economy makes a walkout or a lockout much less likely this time. The two sides began negotiating in March. "When you have quiet negotiations like these, it tends to get resolved. Neither side wants a big fight right now," said Nelson Lichtenstein, a labor historian at UC Santa Barbara.

Harley Shaiken, a professor at UC Berkeley who specializes in labor issues, said: "Both sides know the economy is spiraling down at a rapid rate and that adding a strike or a lockout would be pretty damaging."

[Source: LA Times / ron.white@latimes.com]

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