



# The American Companies

## "NEWS-UPDATE"

July 19, 2008



**U.S. Maritime Administration**  
Office of Cargo Preference  
and Domestic Trade

### NEWS WATCH

- **FRIDAY: PMA STATEMENT ON WEST COAST WATERFRONT LABOR NEGOTIATIONS**
- **JOC: EMPLOYERS SAY ILWU TRYING TO PRESSURE CONTRACT TALKS**
- **SATURDAY: PMA STATEMENT ON ILWU ACTIONS AT WEST COAST PORTS**



#### **FRIDAY: PMA STATEMENT ON WEST COAST WATERFRONT LABOR NEGOTIATIONS**

Friday July 11, 2008

SAN FRANCISCO

The PMA issued the following statement on Friday:

This morning we learned of a concerning development on the docks in Southern California: the International Longshore and Warehouse Union (ILWU) ordered workers to change standard workplace practices without the approval or knowledge of the employers.

Specifically, the ILWU leaders ordered members to take "unit breaks" whereby ILWU workers take breaks at the same time, rather than staggered breaks that allow continuous flow of operations. While it is not yet clear what impact, if any, this move will have on productivity, it is concerning to us that the Union has taken this step unilaterally during such a sensitive time in the contract negotiations.

Under our labor contract and longstanding practice, unit breaks are permissible only if the employers request it. That is not the case today. It is also worth noting that this action has been found to be an illegal work stoppage in the past, according to arbitration awards. As there is no contract currently in place, there is no means to arbitrate this matter.

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Again, we are waiting to see what impact, if any, this will have on productivity. In the meantime, we look forward to a return to normal work-practice and a resumption of workplace processes consistent with the way the terminals at Los Angeles and Long Beach run every other day of the year.

PMA remains committed to reaching a labor agreement that is fair and reasonable to both sides and keeping the West Coast ports running smoothly as negotiations proceed.

Keeping the ports open, productive and secure are critical to the American economy. The West Coast ports generate almost \$1.3 trillion in domestic business impacts - representing 11 percent of total U.S. gross domestic product - and support more than 8 million direct and indirect U.S. jobs.

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.

[Source: PMA Press Release ]

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## **JOC: EMPLOYERS SAY ILWU TRYING TO PRESSURE CONTRACT TALKS**

July 11, 2008

JOURNAL of COMMERCE ONLINE

LONG BEACH, Calif. -- The Pacific Maritime Association on Friday expressed concern about dockworker actions in Southern California that employers view as an attempt by the International Longshore and Warehouse Union to gain leverage in contract negotiations.

According to the PMA, longshoremen in Los Angeles-Long Beach unilaterally changed standard workplace practices in taking coffee breaks, an action that could affect the productivity of cargo-handling operations at the nation's largest port.

Rather than stagger morning and afternoon coffee breaks so there would be a continuous flow of work, as is standard practice, the ILWU ordered workers to take "unit breaks." When all workers take their breaks at the same time, work at a marine terminal comes to a stop.

"While it is not yet clear what impact, if any, this move will have on productivity, it is concerning that the union has taken this step unilaterally during such a sensitive time in the contract negotiations," the PMA said in a media release.

Friday's job action occurred following a day of apparent progress in the negotiations on Thursday. ILWU spokesman Craig Merrilees said there was a new sense of urgency when talks resumed on Friday. "They will knuckle down and work hard all weekend," he said.

The ILWU is preparing to open its general caucus at 9 a.m. Monday in San Francisco. The caucus, which was scheduled weeks ago, is supposed to be the time when the union's negotiating team presents a tentative contract agreement to representatives of the general membership for their consideration.

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As of late Wednesday, spokesmen for both parties had indicated the two sides still had a number of contract issues to resolve, but events apparently turned more positive during Thursday's negotiations.

"There seems to be some movement at this point," Merrilees said Friday morning.

PMA spokesman Steve Getzug did not comment on what happened in negotiations Thursday but said employers are prepared to bargain through the weekend with the intent of reaching a fair and reasonable agreement.

The union's decision to take unit breaks is considered one more troubling sign in negotiations that have moved backward and forward since the talks began in March. Getzug noted that the ILWU on May 1 disregarded an arbitrator's ruling and refused to work the day shift to protest the war in Iraq.

Also, the union refused to extend the previous contract when it expired on July 1. With no contract in place, employers have no policing mechanism in the event of ILWU job actions.

Although the unit break tactic has the potential to slow down cargo-handling operations, workers were apparently hustling when they were working because it appeared that productivity at the terminals was close to normal.

Merrilees said he was unaware of the unit break development.

[Source: Journal of Commerce]

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## **SATURDAY: PMA STATEMENT ON ILWU ACTIONS AT WEST COAST PORTS**

Saturday July 12, 2008

SAN FRANCISCO

The Pacific Maritime Association issued the following statement today:

In developments over the past 24 hours, an International Longshore and Warehouse Union (ILWU) local walked off the job at the Port of Tacoma for several hours Friday, while at the ports of Los Angeles and Long Beach, workers continued taking coordinated unit breaks that have affected productivity.

These unilateral actions by the ILWU are of heightening concern to us because they are occurring and escalating at a sensitive time during negotiations on a new West Coast waterfront labor agreement.

At the ports of Los Angeles and Long Beach, workers continue to deviate from standard practices that allow for continuous operations by taking mid-shift breaks together, rather than on a staggered basis, as had been the case until yesterday. As a result, cargo activity is brought to a temporary halt during these periods.

Although the time periods are brief, their cumulative impact can be measurable: productivity has fallen at some terminals by 10 percent to 15 percent.

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Under our labor contract and longstanding practice, unit breaks can be taken only if the employers agree to them. That is not the case at these two ports. It is also worth noting that this is the kind of action that has been found to be an illegal work stoppage in the past, according to arbitration awards.

Because the previous waterfront contract expired July 1 and the union refused to extend it as negotiations progress, there are currently no means to arbitrate this matter nor police against any other potentially disruptive tactics, including the tactic of slowdowns.

At the Port of Tacoma, meanwhile, several ILWU members walked off the job for about four hours late Friday, bringing operations at one terminal to a halt.

The walkout - apparently in protest over a lack of progress in negotiations on a local ports supplemental issue - led to delays, and resulted in a vessel sailing without 82 American export containers aboard.

PMA remains committed to reaching a labor agreement that is fair and reasonable to both sides and keeping the West Coast ports running smoothly as negotiations proceed. We look forward to a return to normal work-practice and a resumption of workplace processes consistent with the way the terminals run on a normal basis.

Keeping the ports open, productive and secure are critical to the American economy.

The West Coast ports generate almost \$1.3 trillion in domestic business impacts - representing 11 percent of total U.S. gross domestic product - and support more than 8 million direct and indirect U.S. jobs.

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[Source: PMA Press Release ]



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