

Agriculture Transportation Coalition

"The principal voice of agriculture in U.S. transportation policy"

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Crystal Ball for the 2014 ILWU - PMA Negotiations and Impact on West Coast Port Operations

1. The issues in this year's negotiations will be tough, a) ILWU jurisdiction (versus other unions), b) who will pay the Obamacare tax on their "cadillac" health plans, c) automation.
2. Negotiations will get underway in earnest the middle to end of May.
3. My sense is that they will not get the issues resolved by the date the current contract expires at the end of June, 2014, and there will be an extension
4. We can learn from the recent past: over the past 12 months, ALL container terminals on the West Coast have been shutdown by ILWU for varying lengths of time (from a few hours in Tacoma to 5 days in LA/Long Beach), and this was without any contract expiration in sight. The ILWU locals, to varying degrees, have been willing, even eager, to flex their muscles. So we should not be surprised to see disruption and slow-downs at all the US west coast marine terminals during June and beyond.
5. ILWU has engaged in battles against the IBEW and the Machinists Union. It has now dropped out of the AFL-CIO suggesting jurisdictional disputes with other unions.
6. President Obama, a close friend of organized labor, will not invoke Taft-Hartley to force the union back to work, should they walk.
7. Based on the past 12 months, particularly at Oakland and Portland, many wonder if all the locals will adhere to contract provisions negotiated by the ILWU. Further one has to wonder if in the months leading up to contract expiration, the locals will all be coordinated, or will some locals engage in their own strategies to pressure the terminal operators?
8. The employer funded "Pay Guarantee Fund," which is part of the existing PMA-ILWU contract, pays longshoremen at a rate of \$70,000/year, when they are not working due to lockout or other dispute. This may reduce the incentive to settle.
9. Large importers are already developing, testing and implementing alternative routing to US west coast ports, either all-water via Panama Canal, or via Canadian west coast ports. Both importers and exporters should be developing options, should there be disruption at the west coast ports. This includes developing relations with alternative ports, with carriers serving those ports, the truckers, warehouses, etc.
10. In case of west coast port shutdown, Canadian ports' longshoreman should handle cargo that has some history of coming through Canadian ports, and is arriving on ships that regularly call the Canadian ports. However, they will not likely handle ships diverted from US ports.
11. An unprecedented development has occurred recently in Oregon - the major newspaper has taken an editorial position critical of the ILWU, as needing "a reality check". If this were to occur in other West Coast cities, it could impact the ILWU approach to the negotiations.
12. We will be providing continuous updates as we gain more insight.
13. At the AgTC Annual Meeting, three days before contract expiration, Bill Mongelluzzo of the Journal of Commerce will moderate an extremely timely panel on the West Coast ports situation at that time. For Annual Meeting info: www.AgTrans.org