With the deadline for negotiating a West Coast dockworker contract at hand, the executive director of the Port of Oakland urged both sides to reach a successful conclusion for the good of all West Coast ports.

“My message to [Pacific Maritime Association President] Jim McKenna and [International Longshore and Warehouse Union President] Bob McEllrath is to get it done quickly,” Oakland head Chris Lytle told the annual conference of the Agriculture Transportation Coalition in San Francisco at the weekend.

Although he echoed the comments of McKenna last month that a settlement by July 1 is unlikely, Lytle said the talks should not be allowed to drag on for too long. “It will not be done by July 1, but it shouldn’t go into August, either,” Lytle said.

Agricultural exporters remember well the 10-day lockout of longshoremen in the 2002 contract negotiations, and the pain that all cargo interests experienced when their supply chains were disrupted. Over the past 12 years, West Coast ports have lost about 8 percent of their market share among U.S. ports, Lytle said. “We can’t afford to lose more cargo,” he said.

The PMA and ILWU have kept a tight lid on negotiations, which is normally how they operate. The main issues appear to be a call by the ILWU to protect its jurisdiction as technology and automation change the workplace, and who will bear the cost of the “Cadillac” tax on the ILWU medical plan under the Affordable Health Care Act.

When the tax takes effect in 2018, it is projected to cost the industry about $150 million a year. Employers pay 100 percent of the insurance premiums for the ILWU. Dockworkers pay only $1 per prescription.

The steady introduction of large container ships into the trans-Pacific trades is having a noticeable impact on productivity at West Coast ports, not only in working the vessels, but also in the container yards and especially at the terminal gates, Lytle said.

He called upon employers, longshoremen, truckers and beneficial cargo owners to improve communication with each other in order to keep cargo flowing smoothly. Terminals must immediately work to eliminate the long truck lines that plague the terminals during cargo surges.
Oakland is in discussions with the port’s stakeholders to find an affordable way to extend gate hours in order to reduce gate congestion during the peak daytime hours, Lytle said.

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