ILWU Local leader: Liners stopped providing chassis to cut union jobs

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Bill Mongelluzzo, Senior Editor | Jun 27, 2015 4:29PM EDT

SAN FRANCISCO-- The International Longshore and Warehouse Union doesn't buy ocean carriers' explanation that they stopped providing chassis to truckers and cargo interests in order to save money, said Bobby Olvera, president of ILWU Local 13 in Southern California.

Instead, Olvera said employers are intentionally undermining the agreement made a decade ago that terminals can automate and in return longshoremen's remaining jobs, such as maintaining and repairing chassis, would be protected, he said.

"We agreed to automation. A promise is a promise," Olvera told the annual conference of the Agriculture Transportation Coalition at the weekend.

Mandatory safety inspections of chassis is the most important issue today for maritime labor on

both coasts. It held up contract negotiations between the ILWU and Pacific Maritime Association this past year, and will be a major topic of discussion if the International Longshoremen's Association and the United States Maritime Alliance begin early contract negotiations later this year as they are considering.

A story this week on JOC.com quoted an executive of the American Trucking Associations as saying mandatory ILWU and ILA safety inspectons of chassis violate federal law and must stop mmediately, to which ILA President Harold Daggett responded, "That's never going to happen, not on my watch." ATA has asked the Federal Motor Carrier Safety Administration and the Federal Maritime Commission to look into this matter.

Since the dawn of containerisation more than 50 years ago, shipping lines have provided chassis to truckers and cargo interests along with the containers, but only in the U.S. In every other country, truckers or freight forwarders own the chassis. Ocean carrier executives have in recent years told public gatherings of importers and exporters that the purchase, maintenance and repair of chassis cost individual shipping lines tens of millions of dollars annually.

When ocean carriers owned the chassis, they were considered to be the intermodal equipment provider under federal safet statutes, and therefore it was their legal and financial responsibility to present a "roadable," or safe chassis to truckers at the time of interchange. In the past two years, carries have sold sold most of their chassis to chassis-leasing companies. The equipment-leasing companies are therefore, under the law, the IEPs and responsible for the roadability of their chassis, said Curtis Whalen, executive director of the ATA's intermodal conference.

Therefore, a longshore contract on either coast that mandates safety inspections by the unions before a chassis is trucked from the marine terminal violates federal law, he said. "These inspections are illegal," Whalen said.

Olvera told the ag shippers that ILWU mechanics are not going to allow chassis that could be unsafe because of defective tires, brakes or other problems to be pulled on Southern California streets and freeways and risk injuries or deaths to the public. The ILWU's mandatory eight-point inspection regime, which was upheld years ago in arbitration, will prevent such calamities, he said.

Whalen last week contended that when a trucker picks up a chassis the IEP has already certified the equipment as being roadable, and the driver, by law, must do a walk-around eight-point inspection before accepting the chassis, so having the ILWU that same day perform another eight-point inspection is redundant and adds to delays that drivers, who are paid by the trip, can not afford to endure at congested marine terminals.

Liability in the event of an accident is integrally involved in this issue. Ed DeNke, chief operating officer at SSA Marine, which has a contract with the International Association of Machinists to perform safety inspections at SSA terminals, told the ag shippers he wants the IAM mechanics to perform the inspections because that gives the company a measure of legal protection in case it is sued after an accident that involves injury or death.

DeNike said SSA has required safety inspections for 15 years now, and has spent millions of dollars in legal fees when the victims of accidents or their families sued SSA and other parties. "They go after people they perceive as having the deep pockets," he said.

The Harbor Trucking Association in Southern California and the California Trucking Association have accused the ILWU of performing unnecessary inspections, causing delays at marine

terminals for their member companies and at times burdening the truckers with costly and unneeded repairs. DeNike said the inspections do not have to result in such problems if the inspections are conducted properly.

Olvera told the ag shippers that the ILWU has actually reduced its regime from a 10-point to an eight-point inspection, and ILWU mechanics will no longer crawl under the chassis, which will cut down on the length of time the inspection takes.

Olvera added that the automation of marine terminals is eliminating ILWU jobs in a number of areas and the union will fight to ensure that chassis-inspection and repair jobs do not become the latest casualty.

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