NEWS FLASH: West Coast longshoremen to discuss contract extension with employers

Delegates from the International Longshore and Warehouse Union voted Thursday to have the union enter into discussions with representatives of the Pacific Maritime Association to discuss a contract extension.

BY CHRIS DUPIN | THURSDAY, AUGUST 11, 2016

Delegates from the International Longshore and Warehouse Union (ILWU) who are meeting in San Francisco this week for a caucus, voted Thursday to have the union enter into discussions with representatives of the Pacific Maritime Association (PMA) to discuss a contract extension.

A majority of the more than 100 ILWU delegates from 30 West Coast ports from San Diego to Bellingham, Wash., who were elected by rank, along with file members, voted in favor of discussing an extension of the current five-year contract, which expires in on June 30, 2019.

“The caucus made a tough decision under current circumstances amid a wide range of concerns and opposing views on how to respond to PMA's request,” said ILWU International President Robert McEllrath. “This is a wide range of concerns and opposing views on how to respond to PMA's request," said ILWU International President Robert McEllrath. “This is a critical decision for the ILWU membership, and we'll do just that, with the well-being of the rank and file, our communities, and the nation in mind.”

The ILWU's Coast Longshore Division represents approximately 20,000 workers on the West Coast of the United States.

Negotiations for the last contract began March 12, 2014 and continued for nearly a year until February 20, 2015, when a deal was finally reached.

During those fractious negotiations, employers accused the union of slowing down and the union accused employers of withholding labor and shortening hours. Cargo at the docks and dozens of ships were moored off the West Coast waiting to come to berth so they could discharge and load cargo.

And it was not until May 22, 2015 that the contract was finally ratified by ILWU members, nearly a year after the prior contract had expired.

In response to the ILWU announcement, the PMA issued a statement that said carriers can't cut costs fast enough in an industry where revenues may be $50 billion below what they were in 2014.

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Oracle executives told user conference attendees in Philadelphia on Monday that more than 90 percent of new customers are choosing the cloud-deployed version of Oracle's OTM and GTM products.

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With peak season volumes expected to increase, the ports of Seattle and Tacoma said they are willing to help pay terminal operators to extend gate hours at container terminals.

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The London-based shipping research and consulting firm said carriers can't cut costs fast enough in an industry where revenues may be $50 billion below what they were in 2014.

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In response to the ILWU announcement, the PMA issued a statement that said, "As a next step, we will schedule a time in the next 30-60 days for PMA and ILWU leadership to discuss the topic."

Port of Los Angeles Executive Director Gene Seroka said, "It's encouraging that the ILWU has agreed to enter into discussions with the Pacific Maritime Association to discuss a contract extension so early in the process. This is new terrain, and it shows that both sides understand how important it is to keep goods moving and maintain confidence in the supply chain."

Jon Gold, vice president of supply chain and customers policy for the National Retail Federation (NRF) told American Shipper, "We applaud the ILWU and their delegates for agreeing to begin discussions on the concept of a contract extension. We strongly believe starting the discussions early will benefit all parties and stakeholders. We know there will be difficult issues that need to be discussed and resolved, but our hope is that early negotiations can provide a new path forward that will avoid the disruption issues that occurred during the last set of negotiations."
Peter Friedmann, executive director of the Agriculture Transportation Coalition (AgTC), also told American Shipper he supported a contract extension.

The NRF and the AgTC were each one of the 128 trade organizations representing shippers and transportation organizations that sent a letter Monday urging the ILWU and PMA to begin early contract talks or discuss an extension.

"Regardless of where in the U.S., our AgTC members' ag, forest products, resins, and other products are sourced, they must have access to international gateways; none are more vital to reaching the Pacific Asian markets, than the U.S. West Coast ports," Friedmann said.

"Unfortunately, those foreign markets have learned, through the periodic disruption at our west coast ports, that when forced, they can find substitutes for our U.S. farm, forest and fiber products, from other countries," he continued. "And when they find those alternate sources, such as in Turkey for nuts and dried fruit, in Argentina for forage, in New Zealand for dairy, in Brazil for cotton and soybeans, in Russia and Scandinavia for forest products, Australia for meat, they stop buying from the U.S., causing billions of dollars of losses for the U.S. export economy.

"For this reason, the AgTC has, these past two years, actively engaged, face-to-face, with the ILWU and the West Coast port labor – the ILWU, and West Coast terminal – the PMA. Our members, comprising the export economy of the U.S., cannot afford another West Coast port disruption; thus the AgTC supports efforts by the ILWU and PMA to extend the current contract, in order to restore our foreign customers' confidence in our ability to be affordable and dependable suppliers."

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