



# 2014 ILWU-PMA Contract Negotiations

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# Issues

- State of labor relations at West Coast ports
- How did we get here?
- 2014 contract negotiations – issues
- West Coast port productivity

# Labor Relations at West Coast Ports

*Mr. Hyde:*

ILWU jurisdiction issues in Longview, Wash., Seattle, Portland, Oakland and SoCal

Work stoppages and slowdowns, litigation, strained relations with employers

*Dr. Jekyll:*

Very good relationship between Bob McEllrath and Jim McKenna

# What's Going on Here?

- Labor throughout U.S. in a tumultuous time
- Technology and Automation
- Some jobs eliminated; new jobs are created
- New jobs require advanced skills set
- Labor unions feel backed into a corner
- They are fighting back – against employers and against each other

# How Did We Get to the 2014 Negotiations?

- 2002 negotiations – technology
- Especially difficult time at West Coast ports
- Without acceptance of technology, port productivity would not advance
- Potential loss of marine clerk jobs
- Blow up the waterfront!

# 2008 Negotiations

- Potentially even more of a sea change
- Automated cargo-handling machines
- Potential elimination of hundreds of general longshore jobs
- Negotiations included the normal work slowdowns and jockeying for leverage
- Contract resolved without a strike or lockout

# 2014 Contract Negotiations

- Biggest issues – technology and automation – resolved in 2002 and 2008 contracts
- ILWU's published goals for 2014: safety, wages, benefits, jurisdiction
- Safety and wages are always part of the negotiations and are usually resolved without significant problems.

*(continued)*

## ... Negotiations *(continued)*

- Jurisdiction a big issue in face of technology and automation
- Chassis?
- How much jurisdiction does PMA control? How much can be granted to the ILWU without a fight from other waterfront unions?



# Affordable Care Act

- Probably biggest issue of negotiations – Cadillac tax
- Cost to industry estimated at \$150 million/year
- ILWU doesn't want to pay it
- Employers say ILWU medical plan already quite generous
- Possible resolution: three-year contract because Cadillac tax doesn't kick in until 2018

# West Coast Port Productivity

## Top Terminals: Americas

Terminal Name	Port Name	Berth Productivity
APM Terminals Port Elizabeth	New York/New Jersey	104
APM Terminals Los Angeles	Los Angeles	96
Panama Ports Company (PPC) Balboa	Balboa	91
Pacific Container Terminal - Pier J	Long Beach	91
Evergreen Container Terminal-Los Angeles	Los Angeles	90
Global Gateway South Terminal (APL Terminal)	Los Angeles	90
Total Terminals International (TTI)-Pier T	Long Beach	88
APM Terminals Houston	Houston	83
Lázaro Cárdenas Terminal Portuaria de Contenedores (LCTPC)	Lázaro Cárdenas	82
North Charleston Terminal (NCT)	Charleston	79

# Asia Port Productivity

## Top Terminals: Asia/Pacific

Terminal Name	Port Name	Berth Productivity
APM Terminals Yokohama	Yokohama	163
Tianjin Xingang Sinor Terminal	Tianjin	163
Ningbo Beilun Second Container Terminal (NBSCT)	Ningbo	141
Tianjin Port Euroasia International Container Terminal (TECT)	Tianjin	139
Qingdao Qianwan Container Terminal (QQCT)	Qingdao	132
Xiamen Songyu Container Terminal (XSCT)	Xiamen	132
Tianjin Five Continents International Container Terminal	Tianjin	130
Ningbo Gangji (Yining) Terminal	Ningbo	127
Tianjin Port Alliance International Container Terminal (TACT)	Tianjin	126
Xiamen International Container Terminals (XICT)	Xiamen	117

# Europe Port Productivity

## Top Terminals: Europe, Middle East, Africa

Terminal Name	Port Name	Berth Productivity
DP World-Jebel Ali Terminal	Jebel Ali	119
Khorfakkan Container Terminal (KCT)	Khor al Fakkan	119
Euromax Terminal Rotterdam - ECT	Rotterdam	100
APM Terminals Rotterdam	Rotterdam	99
MSC Gate Container Terminal	Bremerhaven	98
EUROGATE Container Terminal Hamburg (CTH)	Hamburg	93
Salalah Container Terminal	Salalah	91
NTB North Sea Terminal Bremerhaven	Bremerhaven	90
ECT Delta Terminal	Rotterdam	87
ECT Delta Dedicated West Terminal	Rotterdam	87

# ALL Major Container Ports Struggling with Productivity Issues

- Big ships operated by big carrier alliances straining the resources of ports everywhere
- Container surge of 5,000 to 10,000 lifts/ vessel call taxes berth, yard and gate operations
- We see it at U.S. ports – sections of CY randomly closed to truck traffic.

*(continued)*

## ... Productivity Issues *(continued)*

- Excessively long gate times at a number of ports in North America
- ALL ports must address work rules and work practices with goal being to improve productivity
- There will be winners and there will be losers

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