

# Exporter losses are collateral damage in West Coast port disruption

**Peter Tirschwell** | Nov 10, 2022 8:00AM EST **JOURNAL OF COMMERCE**

As West Coast longshore labor negotiations drag on with little progress, concern is growing about financial losses among exporters resulting from locally initiated disruption, where even one lost day of work on the docks can be costly.

The [one-day work stoppage at the Port of Oakland](#) and other ports on Nov. 2 served as a reminder that due to dockworkers laboring since July 1 without a contract and its associated arbitration process, it's harder and can take longer to restore port operations following walkouts. Normally an arbitrator is quickly called in and makes a spot ruling, but without that option dialogue is less structured and issues can take longer to resolve.

In the recent incident, which only lasted a day, a single clerk's dispute over a travel reimbursement claim resulted in the shutdown of the ports of Stockton, Sacramento, and three terminals at Oakland initiated by Local 34 of the International Longshore and Warehouse Union (ILWU). Although management sources say the action was not directly linked to the coastwide negotiations, it was nevertheless not atypical of the type of local agitation that can quickly spiral into disruption within a contractual vacuum created by negotiations [that have been stalled for months and all but suspended since October](#).

"This episode is infuriating," said an agricultural exporter in a comment passed along by Agriculture Transportation Coalition Executive Director Peter Friedmann. "One person's grievances cannot shut down multiple ports," the source, who wished to remain anonymous, said. "The damage this guy caused just to a single ag exporter is unacceptable."

"With almond and walnut prices falling, we missed LRDs [last receiving dates] and are falling out of contract," the exporter added. "Clients are giving us problems and we are going to have to either cancel or give big discounts, which we cannot recover from the processors. And [we're] just one small exporter. You don't need to imagine the damage done across the board to exporters."

## Prior losses for exporters

For agriculture exporters, the work action last week stirred up bad memories of negotiations in 2014 and 2015, when locally initiated job actions over several months, also occurring without a contract and arbitration process, severely disrupted ports up and down the West Coast, resulting in huge losses for exporters.

According to a Manhattan Institute [report](#) issued in April 2015 after a settlement had finally been reached after nearly a year of negotiations, apples were left to rot in Washington warehouses, losing the industry \$19 million per week. More than 1,000 tons of frozen potato products destined for Japanese McDonald's outlets were shipped via airfreight, while 1,600 more tons had to be diverted to East Coast ports.

At the height of the disruption in February 2015, the North American Meat Institute said: "The cost to meat and poultry companies losing sales or facing unanticipated port charges is in excess of \$40 million per week on top of initial losses which exceeded \$50 million."

"Taking an action to shut down the port impacts workers and businesses far beyond the terminals themselves," the Pacific Maritime Association (PMA) said on Nov. 2 said, acknowledging the impact of the recent Oakland disruption.

The local actions, described in this Wall Street Journal [op-ed](#) in June, illustrate the longstanding democratic and decentralized culture within the ILWU, where union leadership has historically been limited in the influence it can exert over locals which have long felt free to take matters into their own hands when it suits their purposes.

With a pretext for locally initiated disruption being the absence of a contract, there are few current signs that situation will change any time soon. Coastwise negotiations between the PMA and the ILWU have been on hold pending a local National Labor Relations Board (NLRB) hearing over competing claims by two unions, the ILWU and the National Association of Machinists, to work involving plugging in ships to [shoreside power at a terminal at the Port of Seattle](#). That issue is an outgrowth of a larger acrimonious dispute between the two unions over jurisdiction of maintenance and repair jobs at the same terminal, an issue at the big-table negotiations which the ILWU believes undercuts the contractual right of PMA members to automate West Coast marine terminals to the extent it's not resolved in their favor.

Management sources told JOC.com the NLRB proceedings have adjourned until the end of November, and that the PMA is in discussions with ILWU leadership on the return to big-table negotiations that could resume as early as next week. But other sources, including Port of Los Angeles Executive Director Gene Seroka, believe the talks -- and by extension the lack of an arbitration process -- [could still go on for months](#).