



February 11, 2015

Dear valued customer,

RE: PMA TO HALT SHIP WORK ON FOUR OF NEXT FIVE DAYS

The Pacific Maritime Association said its members will suspend U.S. West Coast vessel operations on four of the next five days rather than provide longshoremen with holiday or weekend pay for “severely diminished productivity.”

Vessel operations by the International Longshore and Warehouse Union will be suspended coast wide on Thursday (Lincoln’s Birthday), Saturday, Sunday and Monday (Washington’s Birthday).

Yard, gate and rail operations will continue at terminal operators’ discretion, the PMA said. Southern California terminal operators will expand daytime vessel operations on non-holiday weekdays.

The PMA’s action was the most far-reaching in a series of shutdowns of vessel operations during the acrimonious, nine-month-long contract negotiations between the employer group and the ILWU.

Employers suspended vessel operations [last weekend](#). During the last month, employers have suspended most vessel operations on night shifts in order to clear container backlogs before vessel loading and unloading resumed the following morning.

The weekend and holiday shutdowns are driven by financial as well as operational considerations. Weekend and holiday pay scales are at least 50 percent above basic longshore wages.

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“What they’re doing amounts to a strike with pay, and we will reduce the extent to which we pay premium rates for such a strike,” said PMA spokesman Wade Gates.

Work on weekends or holidays would range from \$54 to \$75 per hour for longshore workers and clerks, and between \$77 and \$92 per hour for foremen.

“PMA members have concluded that they will not conduct vessel operations on those dates, paying full shifts of ILWU workers such high rates for severely diminished productivity while the backlog of cargo at West Coast ports grows,” the employer association said in a statement.

Gridlock at West Coast ports has slowed supply chains and caused severe backups of ships off West Coast ports, and led to calls for President Obama to seek a back-to-work injunction if the ports are closed by a management lockout or union strike.

Fourteen container ships were among 22 vessels anchored off Los Angeles and Long Beach on Wednesday morning because of congestion, the Marine Exchange of Southern California reported.

Retailers, manufacturers and agricultural exporters say months of delays have cut into sales and forced shippers and receivers to scramble for alternatives including air freight. Several carriers are arranging “extra loader” voyages to deliver cargo to East Coast ports at rates reported to be in the range of \$5,000 per 40-foot container.

The ILWU denies intentional slowdowns and has accused employers of curtailing vessel work in an attempt to pressure the union. "This is an effort to put economic pressure on our members and to gain leverage in contract talks," ILWU President Robert McEllrath said in a statement. "The union is standing by ready to negotiate, as we have been for the past several days."



The union said the PMA had canceled a negotiating session scheduled for Wednesday afternoon and that the employers "have not made themselves available to negotiate since Friday of last week."

The PMA said the ILWU had made unrealistic demands while intentionally slowing operations.

"Last week, PMA made a comprehensive contract offer designed to bring these talks to conclusion," Gates said. "The ILWU responded with demands they knew we could not meet, and continued slowdowns that will soon bring West Coast ports to gridlock."

Employers say the union has demanded the right at the end of any contract period to fire any neutral arbitrator who rules against them. The PMA said this would give the ILWU veto power over arbitrators and open the way to unlimited slowdowns and work stoppages. During the 2008-2014 contract period, four area arbitrators found the ILWU guilty of more than 200 slowdowns or work stoppages, the PMA said.

"The ILWU's current slowdowns, now in their fourth month, show the very reason that we need a healthy arbitration system in place," Gates said. "It is essential to be able to prevent the crippling slowdowns that are impacting workers and businesses across the nation."

Last week, after nine months of contract talks, PMA last week announced what it said was an "all-in" contract offer that employers said would raise ILWU wages by 14 percent over five years, atop current average full-time wages of \$147,000 per year; maintain fully employer-paid health care, and increase the ILWU pension to as much as \$88,800 per year. The PMA said a pay guarantee program would ensure that longshore workers are paid for 40 hours per week, even if no work is available, and that the ILWU would have jurisdiction over the maintenance and repair of intermodal chassis.



The ILWU accused the PMA of mischaracterizing the ILWU's bargaining position. The union said longshore workers' straight-time pay ranges from \$26 to \$41 an hour, with "excellent benefits," but that the work is hazardous, that most dockworkers are unable to work a full 2,000 hours in a normal work year, and that "the typical pay for an experienced longshore worker is \$83,000." *Joseph Bonney, Senior Editor, JOC.com*

Regards,
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