

PMA halts weekend vessel loading and unloading

Over the past few weeks, Pacific Maritime Association (PMA) member companies have suspended night shift vessel operations at terminals in order to clear out terminal congestion. Citing the need to further clear congestion, employers announced this afternoon that they will also be temporarily suspending this weekend's day and night vessel loading and unloading operations at all 29 ports along West Coast ports in Washington, Oregon and California. The ports are scheduled to begin loading and unloading vessels again on Monday.



In the announcement, PMA officials said that terminal operators can continue to operate rail, yard and gate operations over the weekend at their discretion but industry observers note that the ILWU may refuse to dispatch full crews of qualified crane drivers, making it difficult to clear the severely congested terminals.

The vessel loading and unloading activity which is handled by International Longshore and Warehouse Union (ILWU) members typically runs during weekends but PMA officials claim it makes no sense to pay weekend overtime for diminished productivity. Accusing the ILWU of intentionally slowing down work since October when the union, citing safety concerns, refused to dispatch sufficient yard crane operators, PMA management claims dockworker slowdowns have intensified over the past month and are bringing port operations to a near halt. The ILWU claims other factors, such as vessel size increase and chassis ownership changes the cause for slower port operations. Union leaders claim PMA is cutting back on loading and unloading operations while there are hundreds of longshore workers ready to work the vessels as well as plenty of space at the terminals.

Are contract negotiations still on-going?

Despite what the PMA characterized as a generous contract proposal offered to the union publicly on Wednesday, both parties continue contentious public rhetoric, accusing each other of being responsible for severe congestion at the terminals in order to gain advantage at the negotiating table. After 4 weeks of federal mediation where some progress has been made on issues like healthcare or chassis repair, the escalating tensions this week are leading cargo interests to fear an imminent employer lockout or a strike by longshoremen.

PMA's press release on Wednesday mentioned that ILWU slowdowns, now in their 14th week, have severely impacted port operations at Seattle, Tacoma, Oakland, Los Angeles and Long Beach.

On Wednesday, after the latest PMA offer was disclosed, ILWU President Robert McEllrath urged the Federal Mediator to keep both parties at the negotiating table in order to settle the few remaining issues. The employers' offer has been interpreted by the union to contain a threat by the PMA to shut down the ports at the final stages of negotiations if workers and their representatives do not accept it in its entirety. The union's leader pledged to keep cargo flowing at the ports, despite what the union claims to be employer-caused congestion crisis leading to serious shipping delays for the past several months.

Labor contract talks between the ILWU and PMA have been continuously underway since May 12, 2014 with little interruption and negotiations are expected to continue this weekend and in the days ahead.

Latest ILWU demand

ILWU leaders recently introduced a new demand for either party to have the right to unilaterally fire area arbitrators. Currently, area arbitrators can only be relieved of their duties if both parties agree. PMA's stance is that the ability to unilaterally fire an arbitrator would end hopes of impartial arbitration. Arbitrators are appointed jointly by the ILWU and PMA and have jurisdiction over labor-management disputes on the docks when the waterfront contract is in place. Their involvement usually prevents minor disagreements from shutting down terminals for a day or longer.

In addition, slowdowns are prohibited by the contract and PMA management claims this is likely the main reason why the ILWU refused to extend the previous contract when it expired on July 1st last summer. Having no contract in place, there is no arbitration system in place to rule that the slowdowns are illegal union actions and workers need to return to normal productivity.

Will there be a lockout or a union strike?

Despite announcements that substantial contractual negotiation progress has been made since the beginning of the year when federal mediators were called by both parties to help the contract negotiations, rumors that an employer lockout will happen very soon are prevalent among industry circles. If the ports fully shut down waterborne international commerce along the West Coast, the federal government would be forced to order employers to call workers back to work and longshoremen would be ordered to work productively. In 2002, former President George W. Bush invoked the Taft-Hartley Act after PMA management locked out union workers for ten days during that contract's negotiation stalemate also caused by ILWU work slowdowns. The Taft-Hartley Act empowers the president to seek a court injunction to halt a strike or lockout, forcing an industry back-to-work under an 80-day cooling-off period if it operates internationally or across multiple states.

Business disruptions over the past few months come in the form of loss of U.S. perishable industry exports, the need for manufacturers and retailers to carry higher inventories and move freight via air freight at much increased costs.

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