



ILWU, PMA open door to contract extension

[Bill Mongelluzzo, Senior Editor](#) | Mar 01, 2016 9:36AM EST

LONG BEACH, California — For the first time since the grueling contract negotiations of 2014-15, the presidents of the [International Longshore and Warehouse Union](#) and the [Pacific Maritime Association](#) said they are willing to raise with their memberships the possibility of extending the existing agreement beyond the July 1, 2019, expiration date in the interests of labor peace.

This discussion at the [16th Annual TPM Conference](#) between ILWU President Robert McEllrath and PMA President James McKenna left the distinct impression that labor and management at U.S. West Coast ports agree on more issues than they disagree upon. When asked directly if he would agree to a contract extension, McEllrath said that if McKenna writes a formal letter requesting discussions, he will take the next step, which is to present it to his membership for consideration.

“We are a very democratic organization,” McEllrath said. McKenna responded, “Look for the letter.”

The exchange drew strong support from the packed ballroom at TPM, especially the almost 600 beneficial cargo owners, many of whom suffered through four months of work slowdowns, employer retaliation and the worst West Coast port congestion since the 2002 contract negotiations.

McEllrath and McKenna offered different views as to why the contract negotiations spun out of control, but the leaders agreed they were both surprised by the events that had transpired. In the aftermath, they said, the ILWU and PMA now share the same goal, which is to make West Coast ports the preferred gateway for U.S. trade with Asia as they build upon their geographic and infrastructure advantages by earning a reputation for efficiency and reliability.

“Neither organization envisioned what was going to happen,” McKenna said. McEllrath said a repeat of the 2014-15 contract negotiations is not in the cards, as far as the ILWU is concerned. “No one likes to get to the point where we’re in a strike situation,” he said.

West Coast labor and management are keenly aware of the competition they face from their counterparts on the East and Gulf coasts, which reported double-digit increases in container volume from late 2014 through the spring of 2015, while West Coast ports languished. The competition will intensify later this year when vessels with capacities of about 14,000 twenty-foot-equivalent units will be capable of transiting the expanded [Panama Canal](#) on all-water services to the East Coast.

The [International Longshoremen’s Association](#) and [United States Maritime Alliance](#) threw down the gauntlet last year when they announced they were exploring the possibility of extending their contract beyond its September 2018 expiration date, possibly to 2025. Although their fervor appears to have cooled down somewhat in recent weeks, the idea is still very much alive.

Retailers and other BCOs have jumped on the idea, explaining at a shippers’ forum sponsored by the JOC late last year that it takes months for them to implement significant changes to their supply chains, so the coast that is first to extend its contract and assure BCOs of a long period of labor peace will reap the benefits.

McEllrath said he is not willing at this time to commit to how many years a contract extension would entail. Nevertheless, the ILWU wants to send a message to the trade that efficiently handling mega-ships is what the union is about today. He cited the first two visits of the 18,000-TEU [CMA CGM Benjamin Franklin](#), the largest vessel ever to call in

North America. ILWU locals in Los Angeles-Long Beach, Oakland and Seattle are proud of what they believe is the finest example of cooperation by the ports, employers and labor to demonstrate the readiness of West Coast ports to handle the biggest ships afloat, he said.

Since these mega-ships can spend as many as four days in port discharging and reloading more than 12,000 containers, the slightest disruption in cargo handling can affect the ability of the [terminal operator](#) to work the vessel and clear its contents from the facility in time for the arrival of the next mega-ship in the weekly rotation.

ILWU locals over the years have exhibited a willingness to disrupt cargo operations dozens of times in order to challenge employers over manning issues and work rules. McEllrath and McKenna agreed that the arbitration provision in the new contract should discourage maverick challenges such as occurred in the past and gave West Coast ports the reputation of having an unreliable labor force.

The new arbitration regime creates in each port range a three-person panel, with one member nominated by the ILWU, the second nominated by the PMA and the third member being a neutral, professional arbitrator. McKenna said he is convinced the new arbitration system will work better than the previous one. McEllrath went even further. "This is big, coming from the ILWU," he said.