West coast dockworkers’ union to discuss contract extension

By Hector Cordon
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Delegates to an International Longshore and Warehouse Union (ILWU) caucus in San Francisco voted last week to open discussions with the employers’ representative on an extension of their contract signed last year.

Over a hundred delegates met last Thursday to vote on the request by the Pacific Maritime Association (PMA) the industry representative for 78 shippers, marine terminal operators and stevedores. The ILWU reported, “By majority vote on Thursday, delegates voted to enter into discussions with representatives of PMA regarding the concept of a contract extension and report back to the membership.”

Presently, the contract, which covers about 14,200 longshoremen clerks and foreman working at 29 ports along the entire West Coast, expires July 1, 2019. Discussions may begin in the next 30 to 60 days according to PMA head James McKenna.

An extraordinary aspect of the campaign for a contract extension is the wide scale intervention by politicians, businesses and the media. This is at a point at which the contract’s expiration is still three years in the future. An article in the *Wall Street Journal* cited a meeting held this past April in Los Angeles by President Obama’s Commerce Secretary, Penny Pritzker, with McKenna and ILWU Vice President Ray Familathe, in order to exert pressure from the White House for an extension.

The meeting echoes the approach of the White House in February, 2015. At that time Pritzker, whose family fortune has made her a billionaire, along with Labor Secretary Thomas Perez, made an unprecedented intervention into the tense negotiations and demanded that the ILWU come to an agreement in the face of the PMA’s “last, best and final offer.” Two days later the union announced a new agreement.

Hovering over the negotiations at that time were threats of a national walkout by oil refinery workers, strikes by port truckers—which dockworkers had honored—and the possibility of a strike by Los Angeles teachers. Fearing that the increasingly militant dockworkers might take matters into their own hands and intersect with an offensive by large sections of the working class, the ILWU, with the support of the Obama administration, acceded to PMA demands for concessions on health care, casual longshore workers, and the introduction of a three-member arbitration panel.

This spring, several congressmen led by US representative Dan Newhouse and Dave Reichert, Republicans from Washington State, wrote a letter which, according to the *Journal of Commerce* (JOC), “urged the PMA and ILWU to engage in serious and early discussions to prevent further port disruption.”

In a clear threat to longshoremen, and the working class as a whole, the JOC, which operates as the media mouthpiece of the ports and shipping industry, headlined a recent article, “PMA President: US government won’t allow another West Coast port crisis.”

A recent article in the *Progressive Farmer* stated, “The service disruption at the West Coast ports diminished the US reputation as the most reliable exporter in the global marketplace.” It quoted Mike Steenhoek, executive director of the Soy Transportation Coalition: “Such a contract extension will provide greater predictability of the supply chain for those industries, including agriculture, that depend upon West Coast ports.”

The thrust of this campaign is to brand strike activity as beyond the pale under conditions of the protracted crisis of the US economy and its relative decline in relation to its European and Asian rivals.

The unions have responded to this decline—and more fundamentally, globalization as a whole—by systematically sacrificing all the gains made by the working class in the bitter struggles of the 1930s and post-World War II period in order to enrich the US corporate elite. The nationalist perspective on which the unions are based serves to pit American workers against their brothers and sisters in other countries in a drive to lower wages and increase productivity in order to boost the "competitiveness" of American industry.

This is underscored by recent remarks of ILWU President Robert McElrath in his statement that the union will keep "[T]he wellbeing of the rank and file, our communities, and the nation in mind." He continued, "No one likes to get to the point where we are in a strike situation."

Every longshore contract since 2002 has extracted major concessions from the workforce: in 2002, computerization was implemented with huge job losses, the same with automation in the 2008 contract. A protracted struggle over the newly built EGT grain terminal in Longview, Washington in 2012 culminated in dismantling the union hiring hall and other significant concessions. The lockouts of longshoremen by Mitsui-owned United Grain terminal in Vancouver, Washington and Marubeni-owned Columbia Grain terminal in Portland, Oregon in 2013 was ended after a year and a half with the ILWU agreeing to equalize the master contract on the basis of the EGT concessions.

Underlining the subservience of the union to the bosses as well as their expectation of such subservience, the JOC wrote, "[T]he ILWU and PMA now share the same goal, which is to make the West Coast ports the preferred gateway for US trade with Asia...by earning a reputation for efficiency and reliability."

The opening of the Panama Canal's new Neopanamax locks this year, which accommodate giant container ships capable of carrying up to 13,000 standard container units as opposed to the old 5,000 units, may allow Asian shippers to more profitably bypass ports on the West Coast and travel to ports on the East and Gulf Coast. Therefore, the insistence by the terminal owners on "labor stability." Shippers and terminals on the Atlantic side of the US also seek such stability.

Similar negotiations on a contract extension for East and Gulf Coast dockworkers have been ongoing between the International Longshoremen's Association and the United States Maritime Alliance since 2014, for a contract that expires in 2018. Recently, however, talks on a ten-year extension—until 2025—have shifted, according to media reports, to a more traditional three-year length.

The initial soft sell on a contract extension with only "minor changes" may change very abruptly. A major unresolved issue in the 2015 negotiations was the so-called "Cadillac tax" on health care imposed by the Affordable Care Act. Due to take effect in 2018, PMA estimated the cost of this tax to be $150 million and indicated at that time that it would seek to reopen negotiations on this issue.

Longshoremen should consider carefully the eight-year contract extension imposed by the International Association of Machinists on Boeing Company workers in Washington and Oregon State in 2013-2014. Amid a barrage of attacks by politicians, the media and the union itself, machinists were forced into a second vote—after the first vote resulted in an overwhelming rejection of an extension. The second vote, held under blackmail threats of massive job losses, resulted in ratification of an extension that imposed sweeping concessions. Pensions were frozen with new hires receiving inferior 401Ks, and higher health care costs in line with Obamacare were imposed. There were only minimal wage increases over the eight-year span of the agreement and the right to strike was eliminated until 2024.

The author also recommends:

Union imposes another concession deal on West Coast dockworkers
[26 May 2015]

Boeing workers denounce union for ramming through sellout deal
[7 January 2014]