



The Bottom Line

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U.S. WEST COAST PORT LABOR NEGOTIATIONS FINALLY SHOWING PROGRESS

Summary

On April 20, the union representing more than 22,000 U.S. West Coast dockworkers in negotiations for a new contract said that "certain key issues" have been tentatively agreed upon.

Background

The International Longshore and Warehouse Union (ILWU) represents port workers in California, Oregon, and Washington, with more than 30% of U.S. incoming container traffic moving through West Coast ports at the Ports of Los Angeles and Long Beach, according to industry estimates. The Pacific Maritime Association (PMA) represents shipping lines and terminal operators at 29 West Coast ports. And the contract, which expired on July 1, represents more than 22,000 dockworkers at all 30 U.S. West Coast ports. Negotiations began on May 10, 2022.

On the U.S. West Coast, the disagreement centers on the issue of automation. As with the introduction of standard containers, port automation has been a point of contention in labor negotiations for more than twenty years. Los Angeles and Long Beach ports have been rated among the world's least efficient in the

in the World Bank and S&P Global Market Intelligence's 2021 Container Port Performance Index. Two automated ports exist on the San Pedro Bay Complex on the U.S. West Coast: the Trans-Pacific Container Service Corporation (TraPac) at the Port of Los Angeles and the Long Beach Container Terminal (LBCT) at the Port of Long Beach.

Terminal operators and ocean carriers claim that automated technology at the ports is necessary to keep the United States competitive. Yet the dock workers' union argues that while automated ports are killing jobs and stripping worker power, they are not leading to increased productivity. Employers are insistent that automation will not kill jobs.

Current Status

Fears of California congestion and West Coast port labor strife have redirected container volumes to the East and Gulf coasts. As a result, East and Gulf Coast ports now boast significantly more imports than West Coast ports. The shift temporarily led to new congestion problems that kept some companies away. However, according to World Bank estimates, Norfolk's port has become the most efficient in the U.S. for handling containers. Updates on negotiations, which began in May in San Francisco, have been



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few and far between. The last major update was made in July 2022 when the two sides confirmed in a joint statement that they had tentatively agreed on health benefits. Port of Los Angeles Executive Director David Seroke followed up in February when he said that the PMA and ILWU remain committed to getting a deal done and will not go on strike. And he commended President Biden for being the first president to visit with both sides and their top negotiators last June on the USS Iowa, encouraging the parties to stay at the bargaining table and work through their issues. He also credited the U.S. Department of Labor for its efforts to develop strong business relationships with both parties.

Since that statement, talks have stalled, tensions have risen, and slowdowns have occurred. Some cargo has been diverted to the East and Gulf Coast ports as shippers worry about another shutdown like the one that took place on Thursday evening, April 6, and Friday morning, April 7, in the ports of Los Angeles and Long Beach.

Impact

There has been talk in the industry since the beginning of 2023 that it is time for the White House to intervene before negotiations deteriorate. On March 24, a coalition of 238 national, state, and local trade associations, including the American Trucking Associations (ATA), wrote to President Joe Biden urging the administration to take a more active role in the

West Coast port labor negotiations. The last time a president stepped in on West Coast labor negotiations was in February 2015, when President Barack Obama intervened in the nine-month labor dispute that created a slowdown of shipments in the West Coast ports and hundreds of millions of dollars lost.

It is important to note that when an existing labor contract expires, the "no strike" clause becomes null and void, and, as long talks go on, the disruptions are likely to increase, as we have seen in the Long Beach and Los Angeles ports.

Resources:

- [While Details Are Scant, PMA and ILWU Signal Labor Negotiations Are Ongoing](#) (Logistics Management)
- [ILWU Says "Certain Key Issues" Tentatively Worked Out in Contract Talks](#) (ShopEatSurf.com)
- [Tensions Rise as West Coast Labor Talks Stall](#) (DTNPF)
- [ILWU Negotiations: Tentative Agreement Reached on Some Issues Between Port Parties](#) (Times of San Diego)

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