

West Coast Port Parties Reach Agreement

Tara
Donaldson



After a prolonged period of negotiations, the Pacific Maritime Association (PMA) and the International Longshore and Warehouse Union (ILWU) announced Friday that they have reached a tentative agreement on a new five-year contract for the workers at all 29 West Coast ports.

Benefits had reportedly been a point of contention in the talks and earlier this month the PMA made an “all-in” offer that would have increased pay for ILWU dockworkers—who already earn an average of \$147,000 a year for full-time work by roughly 3 percent annually. Health care benefits would be fully paid—a \$35,000 per worker cost to employers—and the maximum pension would rise to \$88,800 per year as part of the proposed five-year agreement.

Friday’s deal was reached with the help of U.S. Secretary of Labor Tom Perez, who was directed by President Obama a week ago to step in and handle the dispute, and Federal Mediation and Conciliation Service Deputy Director Scot Beckenbaugh. The parties will not yet be releasing the details of the agreement and it is still subject to ratification by both the PMA and ILWU.

“After more than nine months of negotiations, we are pleased to have reached an agreement that is good for workers and for the industry,” said PMA president James McKenna and ILWU president Bob McEllrath in a joint statement. “We are also pleased that our ports can now resume full operations.”

Juanita D. Duggan, president and CEO of the American Apparel & Footwear Association expressed her pleasure on learning of the deal but said the next step is to get it ratified as quickly as possible so that normal port operations can resume.

“With nearly fifty percent of all clothing and shoes imported through the Ports of Los Angeles and Long Beach alone, this dispute has left a damaging effect on our industry – causing extreme delays and millions in lost sales,” Duggan said. “If our ports aren’t open, we can’t trade. The serious and negative impacts this dispute left on the economy demonstrates why we cannot let this happen again.”

In a statement by the Footwear Distributors and Retailers of America (FDRA), president Matt Priest said the recent cargo delays highlighted just how important efficient operations at the ports are to delivering footwear to American consumers.

“Over the next few weeks, we will start to see a slight reduction in congestion at the ports,” Priest said. “However, with thousands of containers stacked up on boats and dockside, we strongly encourage the ports and longshoremen to work together to unwind the large backlog and help us get our footwear through the ports and into our warehouses as quickly as possible.”

The White House press secretary also issued a statement saying, “This is great news for the parties involved in the negotiation and a huge relief for our economy – particularly the countless American workers, farmers, and businesses that have been affected by the dispute and those facing even greater disruption and costs with further delays,” adding that, “The President is grateful to Secretary Perez for his hard work bringing about a successful resolution to this dispute, and for the help of federal mediator Scot Beckenbaugh. And he calls on the parties to work together to clear out the backlogs and congestion in the West Coast Ports as they finalize their agreement.”