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VOICE OF THE ILA RANK & FILE

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Summary of Secret Contract Proposal

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The LWC has seen a USMX memo from early August confirming “quiet discussions with the ILA” for several months for a Master Contract extension and stating that “a tentative agreement had been reached on the deferral of the wage increase due on October 1st.” Following the memo was a three page counterproposal to the ILA. This indicates that there has been an exchange of proposals.

<p>Wages</p>	<ul style="list-style-type: none"> ■ October 2009 wage freeze. Workers give up approx. \$40 million in wages & ILA loses \$2 million in dues. We give up what we already have. USMX and ILA are calling this a wage deferral, but it is a freeze since there is no additional wage increase in 2010. ■ \$1 increase of top rate in 2012. This means that between 2008 and 2012 the top tier's wages will only increase \$2. ■ Increase start rate to \$20/hr (from \$16/hr). This will cost the employers next to nothing over the life of the contract given a likely hiring freeze due to the economy. The minimum should be raised to the ILWU standard of \$25/hr. ■ Wage increases in 2012 based on years in industry. USMX and ILA are calling this a “wage bridge.” But with the 2009 wage freeze and benefit freeze (see below), it is close to the same pattern of \$2 every other year and not much different than standard wage increases backloaded to the end of the contract.
<p>Benefits</p>	<ul style="list-style-type: none"> ■ Freeze Container Royalty Fund #4 at \$1.20 per ton. We would give up \$0.25/ton increase to our health care plan, MILA. Based on USMX estimate of 100 million tons, the employers gain \$2.5 million. This is money we already negotiated. It could put MILA at jeopardy in future. ■ Lift the Container Royalty Cap & Cap on Supplemental Wage Benefit. The employers would give up their claim on 40% of the cap excess. But funding for MILA would be eliminated and funding for local benefits would be shifted to the Container Royalty Fund #5. With the decrease on tonnage many members will not see a significant increase in their royalty check. Many members may not even make their hours for the check. ■ Eliminate the Container Freight Station Fund (CFS). We would give up \$0.30/ton and based on USMX estimate of 100 million tons, this means losing \$3 million. ■ Create Container Royalty Fund #5. This would cost nothing to the employers since they are shifting the CFS fund money and frozen MILA money to this fund.
<p>Technology, Jurisdiction & Non-Union Work</p>	<ul style="list-style-type: none"> ■ No language on technology. Without controlling the use of labor-saving technology, union jobs will be replaced and new work will not be done by ILA members. ■ No resolution of ILA jurisdiction. In many places management refuses to recognize the ILA. This means a loss of good union jobs, less job security and a weaker ILA. ■ No language on non-union work. More employers are outsourcing union work. Non-union longshore work is growing. We must deal with this threat.
<p>Safety</p>	<ul style="list-style-type: none"> ■ No language on safety. This means that as productivity increases and work speeds-up, we have no coast-wide standards for safety or staffing minimums, making our jobs more dangerous.
<p>Local Negotiations</p>	<ul style="list-style-type: none"> ■ No local negotiations. There would be no local negotiations for pensions, local work rules and local benefits under the proposed extension. Many local ports have burning economic and non-economic issues to resolve and under this extension those would have to wait another 3 years, until 2012.