



The operator of Portland's only container terminal charged this week that crane productivity hit a new low of 7.5 moves per hour because International Longshore and Warehouse Union members are stepping up their hard-timing tactics now that there is no longshore contract in effect.

"Since July 1 there has been an escalating of the incidents," Elvis Ganda, CEO of ICTSI Portland, said yesterday.

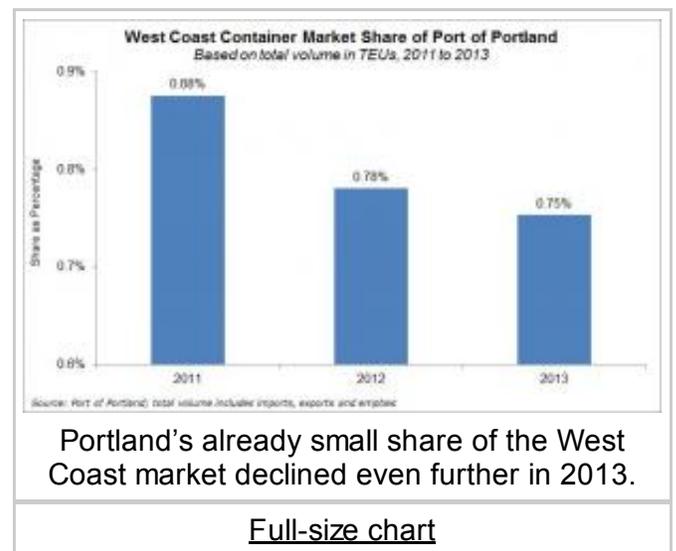
The bad feelings between the ILWU locals in Portland and ICTSI, which operates Terminal 6, actually date back to June 2012. ICTSI had recently taken over operation of the terminal from the Port of Portland, and the longshore union charged that ICTSI should assign to the ILWU jurisdiction over two jobs handling refrigerated containers. The International Brotherhood of Electrical Workers had been doing the reefer work for many years.

Although the ILWU was eventually granted jurisdiction over the two jobs, the ILWU and ICTSI continued to feud, and the result has been a deterioration of productivity on vessels operated by carriers such as Hanjin Shipping Co., which accounts for more than 70 percent of the port's container volume, and Hapag-Lloyd.

Ganda said that before the jurisdictional dispute began in 2012, ILWU crane operators had consistently maintained gross productivity of 24 container moves per hour and net productivity (when crane downtime is excluded) of 28 moves per hour. Net productivity of about 30 container moves per hour is considered good by most U.S. ports.

After the 2012 jurisdiction issue arose, ILWU productivity dropped to around 20 gross moves per hour and remained at that level, according to port reports. However, productivity plunged to about 13 moves per hour after July 1. This week it dove again to single digits, Ganda said. Productivity on a Hapag-Lloyd vessel was also around 13 moves per hour, he said.

The ILWU and Pacific Maritime Association since May have been negotiating a new coastwide contract, and they failed to reach an agreement by the July 1 deadline. Although negotiations continue, the ILWU refused to extend the previous contract. As a result, the “no strike” clause in the waterfront contract is not in effect, so the PMA cannot request that an arbitrator step in and assess the situation in Portland under the contract's grievance machinery.



The ILWU in Portland is taking advantage of this opening to hard-time ICTSI even more than before, Ganda charged. Portland is the only West Coast port to experience work slowdowns and stoppages while the coastwide negotiations continue.

The ILWU declined to comment on ICTSI's charges. In the past, the ILWU has criticized the condition of the cranes and other cargo-handling equipment at Terminal 7, saying its members could not use the equipment because of concerns for their safety.

Ganda cited several incidents this past month that resulted in work slowdowns and stoppages. On July 15, a new reach-stacker that ICTSI had ordered arrived at Terminal 6. The company began to assemble the machine, and ICTSI paid one ILWU mechanic to observe the installation process, as is customary, Ganda said.

The ILWU wanted to match each company employee one-for-one with a union mechanic. When ICTSI refused to pay for the extra labor, the entire ILWU work crew walked off their jobs, Ganda said.

On July 27, the ILWU crane operator said the window on the crane cab was broken. ICTSI brought in a second crane, which the driver rejected for safety reasons. ICTSI brought in a third crane, which port inspectors said was in good operating condition, but the crane operator rejected that equipment as well for safety reasons. The ILWU walked off their jobs again, Ganda

said.

This week an ILWU crane driver on one occasion charged that a knob had fallen off of the shifting mechanism and was lost. ILWU crane drivers also charged twice that the window on the crane cab was dirty, even after it was washed following the first complaint, Ganda said. ICTSI then terminated one of the drivers. Another work stoppage resulted when ICTSI refused to honor a demand by the ILWU that longshoremen who had walked off their jobs the previous day be paid for the time they had walked off, he said.

Port executives are concerned that these incidents, and the terrible productivity that has resulted, will threaten the port's book of container business. Hanjin last year said it would discontinue service to Portland if productivity does not improve. The port was able to keep the business of Hanjin, and its other liner companies, by establishing a carrier incentive program that rewards the carriers for maintaining container volume in Portland.

"We are making every effort to retain Hanjin as a carrier, and along with our other carriers, they have expected productivity to improve," said port spokesman Josh Thomas. "Sustained improvements remain to be seen. This certainly does not help with retention and growth of service," he said.

The port is also working with the office of the governor of Oregon, who last year brokered a deal that turned jurisdiction over the two reefer jobs to the ILWU. The port reports on productivity numbers regularly and has hired a consultant to examine all of the cargo-handling equipment at Terminal 6 to ensure it is in good working condition.

The port will respond to recommendations in the report to ensure that all needed improvements are made, Thomas said.

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