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BUSINESS | LOGISTICS REPORT

Container Ships Bypass Port of Oakland, Citing Delays

A container shipping alliance canceled four vessels scheduled to arrive in Oakland later this month, as a shortage of dockworkers causes delays



Container ships at the Port of Oakland earlier this year, when a port labor dispute caused major delays at many West Coast ports. *ILLUSTRATION: BLOOMBERG*

By **ERICA E. PHILLIPS**

July 7, 2015 5:05 p.m. ET

An alliance of major container shipping lines has canceled four upcoming calls to the Port of Oakland, citing “severe delays.”

On Tuesday, the Port of Oakland said there were six vessels waiting at anchor outside the port and another six waiting in a holding area outside the bay. The port attributed the delays to a shortage of local dockworkers.

The G6 Alliance, which includes six ocean carriers, pulled vessels on its “Pacific Atlantic 2” run, which were scheduled to reach Oakland this month. The earliest was to arrive on Wednesday. The four vessels are operated by Mitsui O.S.K. Lines Ltd. and APL, a subsidiary of Neptune Orient Lines. The companies said they would monitor the situation and expect to restore service once the delays had improved.

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Some

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container ships have bypassed West Coast ports following severe delays earlier this year during a protracted period of labor negotiations. On Tuesday, the U.S. Census Bureau said West Coast ports’ share of U.S. container imports had fallen to 45% in May, from 51.5% a year earlier.

The International Longshore and Warehouse Union reached an agreement in late June with Oakland port employers, represented by the Pacific Maritime Association, to add 100 people to the union’s registered workforce of 1,334 as well as an additional 400 new “casuals,” or non-skilled workers. A union spokesman said it had been three years since the last time employers hired new longshore workers.

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delayed it ... and now they’re dealing with fallout from that ill-fated decision,” said ILWU spokesman Craig Merrilees. “It’ll be months before they’re fully trained and qualified to operate all the difficult equipment.”

A spokesman for the PMA couldn’t immediately be reached Tuesday afternoon.

In an emailed statement, port officials said they're encouraging the union and employers to resolve the delays quickly. Improvements in worker availability could happen as early as this month, the port said, although the new workforce won't be fully in place until September.

Write to Erica E. Phillips at erica.phillips@wsj.com

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