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PMA Makes "All-in" Offer to ILWU as Contract Talks Lag

ILWU's Choice: Continued Slowdowns or Gold-Standard Wages & Benefits

SAN FRANCISCO, Calif. (February 4, 2015) – Seeking to break the deadlock in stalled West Coast longshore negotiations, the Pacific Maritime Association has made an "all-in" contract offer that would significantly increase compensation to members of the International Longshore and Warehouse Union.

Full-time ILWU workers already earn an average of \$147,000 per year, and would see their wages rise roughly 3 percent per year, along with fully paid health care that costs employers \$35,000 per worker per year. The maximum ILWU pension would rise to \$88,800 per year as part of the proposed five-year contract.

PMA's offer is designed to bring contract negotiations to a close after nearly nine months, and follows three months of severe ILWU slowdowns that have crippled productivity at major West Coast ports.

"Our members have shown tremendous restraint in the face of ILWU slowdowns that have cut productivity by as much as 30, 40, even 50 percent," said PMA President Jim McKenna. "This offer puts us all-in as we seek to wrap up these contract talks and return our ports to normal operations."

PMA's offer also meets the ILWU's two biggest demands: maintenance of their Cadillac health benefits – which feature no worker premiums, no co-pays and no deductibles for in-network benefits – as well as jurisdiction over maintenance and repair of truck chassis. Those two issues consumed months of contract talks, and in both cases PMA has offered significant concessions to the ILWU.

The resulting contract offer calls for a cost increase of roughly five percent each year over the life of the five-year contract.

ILWU slowdowns – which are prohibited by contract – are now in their 14th week, severely impacting operations at major West Coast ports including Tacoma, Seattle, Oakland, Los Angeles and Long Beach. PMA has requested a contract extension, which would prohibit slowdowns, but the ILWU has refused.

Despite four weeks of participation by a federal mediator, the parties have not yet been able to bridge the considerable gaps between them. The Union has recently made significant new demands, and is also insisting on changes to the decades-long process for selecting arbitrators – trying to change the rules on the waterfront in their favor, giving them the ability to unilaterally remove arbitrators who rule against them.

"The deteriorating situation on the docks is in nobody's long-term interest," McKenna said. "I hope the ILWU leadership will give very serious consideration to this contract offer, which I believe respects their members and gives us a clear path to conclude these talks. We owe it to workers and businesses across the nation to resolve our differences and get our ports moving again."

A fact sheet on the PMA offer is attached, and a video of McKenna offering details of the offer is available on the PMA website: <u>www.pmanet.org</u>.