

THE YEAR IN REVIEW

CONTRACT UPDATE

Smoother Sailing On The West Coast

The 2014-15 ILWU-PMA contract negotiations produced a number of notable outcomes for the West Coast waterfront. Chief among these is a new arbitration system that is likely to foster the investment of billions of dollars in technology and automation – as well as making the West Coast a more reliable, stable and predictable place to ship goods.

The decades-old arbitration system was antiquated – and yet hugely important. Single arbitrators would rule on weighty matters such as the validity of claimed health and safety issues and allegations of worker slowdowns, but inconsistency from region to region – and from incident to incident – plagued the coast. The result was a patchwork of rulings that left employers and workers frustrated.

The new system is intended to provide more consistent decision-making for disputes that occur at West Coast ports. And early indications are that it is working as intended. Industry observers are cautiously optimistic that this consistency will foster greater continuity of operations and willingness by employers to invest more heavily in projects – including those with automation – that are beginning to transform the waterfront.

Further, these changes appear to be resulting in fewer on-the-job disputes and disruptions in operations. While

the new process has been in place for only a few months, this trend is good news for West Coast ports. As waterfront veterans know, the perception of the West Coast as a reliable, productive place to send goods is hugely important.

Under the new system, each geographic area has a three-person arbitration panel that includes a professional neutral arbitrator, along with a representative nominated by employers and another named by the ILWU. The presence of a neutral third-party has the potential not only to break the tie in the event of disagreement, but also to moderate the discussion that takes place.

Both parties also gained the ability to dismiss an arbitrator at the end of their term without the other party's consent, thereby eliminating what had been essentially lifetime appointments for past arbitrators. This additional accountability is viewed as further improving the credibility of the system. ■

IN BRIEF: The New System

The waterfront's new arbitration system includes a number of changes meant to provide more consistent decision-making for disputes that occur at West Coast ports. For each geographic area:

1

A three-person arbitration panel now includes a professional neutral in addition to union- and employer-nominated arbitrators.

2

Industry arbitrators – employer or union – are randomly assigned for “on-the-job” disputes.

3

Parties can release an arbitrator without the other party's consent at the end of each term, eliminating lifetime appointments for arbitrators.