

# **Presentation to General Stevedoring Council's Manager's Course**

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# **ABOUT USMX: FOUNDED 1997**

- **Alliance of container carriers, direct employers, and port associations serving East and Gulf Coasts of the United States**
- **Represents Management groups in Master Contract bargaining**
- **Articulates industry positions on regulatory and safety issues**
- **Oversees coastwide training, retraining, certification, recertification programs**
- **Administers coastwide fringe benefit funds and programs**

## **ABOUT USMX *(cont'd.)***

- **Headquarters in Iselin, New Jersey**
- **Six employees in New Jersey office**
- **Two employees in Savannah regional office**
- **Funded by Carrier assessment of five cents per ton**
- **Port Associations and Terminal Operators pay annual dues of \$5,000**

# **MISSION OF USMX**

- **Preserve & protect the interests of Management groups in Master Contract labor relations issues**
  - **Negotiation, implementation, and administration of collective bargaining terms/conditions**
  - **Administration of employee benefits, which are funded by USMX members**

# **USMX MEMBERSHIP**

- **24 Carriers**
- **7 Terminal Operators/Stevedores**
- **11 Port Associations**

# **USMX MEMBERSHIP: CARRIERS**

- **APL, Ltd.**
- **Atlantic Container Line**
- **CMA/CGM**
- **CCNI**
- **China Shipping**
- **Columbia Coastal Transport**
- **COSCO**
- **CSAV**
- **Evergreen**
- **Hamburg Süd**
- **Hanjin**
- **Hapag-Lloyd**
- **Horizon Lines**
- **“K” Line**
- **Maersk**
- **Mediterranean Shipping**
- **MOL**
- **NYK Line**
- **OOCL**
- **Turkon**
- **United Arab Shipping**
- **Wallenius Wilhelmsen**
- **Yang Ming**
- **Zim**

# **TERMINAL OPERATORS**

- **APM Terminals**
- **Ceres Terminals**
- **CP & O**
- **Global/NYCT**
- **Maher Terminals**
- **Ports America**
- **SSA/Cooper**

# **PORT ASSOCIATIONS**

- **Boston Shipping Association**
- **Georgia Stevedore Association**
- **Hampton Roads Shipping Association**
- **Jacksonville Maritime Association**
- **Midgulf Association of Stevedores**
- **New York Shipping Association**
- **Ports of DE River Marine Trade Association**
- **South Carolina Stevedores Association**
- **Southeast Florida Employers Port Association**
- **Steamship Trade Association of Baltimore**
- **West Gulf Maritime Association**



# **BARGAINING HISTORY OF THE EAST & GULF COASTS**

**In 1957, North Atlantic ports agree to Master Contract with the ILA covering five issues:**

- Wages**
- Hours**
- Pension Contributions**
- Welfare Contributions**
- Term of Agreement**

**ILA wants all ports covered from Maine to Texas**

# **1957 TO 1977**

- **Different Management groups: New York Shipping Association, Council of North Atlantic Shipping Associations**
- **South Atlantic and West Gulf ports refuse to participate**
- **NLRB refuses to certify ILA as coastwide bargaining agent, resulting in numerous charges/litigation**
- **Certification only in NY**
- **Consensual bargaining**

# **CHAOTIC PERIOD**

- **Various strikes during this 20-year period**
- **Taft Hartley injunctions issued**
  - **1959**
  - **1962**
  - **1964**
  - **1969 (115 days)**

# **1977 TO 1990**

- **Turning point for establishment of genuine Master Contract bargaining unit**
- **Containerization Agreement made part of Master Contract**
- **Carriers recognized ILA jurisdiction at East and Gulf Coast ports**
- **Job Security Program implemented to protect local ports from contribution shortfalls**
- **Carriers become more of a force in bargaining**
- **South Atlantic & West Gulf still not participating**

# **1990 TO 1997**

- **Market forces (non-ILA competition) cause ILA & Management to rethink bargaining strategies**
- **Challenges industry faced from containerization required fundamental change in bargaining format**
- **Parties recognize need to engage in “mutual interest” bargaining rather than “confrontational” bargaining**

## **1990 TO 1997 (*cont'd.*)**

- **1990 – Carriers Container Council, Inc. assumes role as lead negotiator for Management (all management groups still not bound)**
- **1996 – All management groups agree to participate to be bound by terms and conditions (informal alliance)**
- **1997 – United States Maritime Alliance, Ltd. is incorporated as a formal organization of Carriers, Stevedores/Terminal Operators and Port Associations**

# **WHY A MASTER CONTRACT?**

- **ILA motives**
  - **Uniform wages and fringe benefits prevent ILA locals from competing against each other**
  - **Exert same coastwide influence as ILWU**
  - **Enforce “one port down/all ports down” rule**
  - **Containerization required coastwide response to protect jobs**

# **WHY A MASTER CONTRACT?**

- **Management motives**
  - **Individual ports not subjected to selective strikes**
  - **Individual ports can't play against each other**
  - **Uniform economic terms on coast-wide basis**
  - **Avoid pattern of earlier ILA strikes**



# **CURRENT MASTER CONTRACT**

- **Groundbreaking 6-year agreement**
- **Covers every ILA Port from Maine to Texas**
- **95% of containerized cargo handled by USMX carriers and terminal operators in Master Contract ports**
- **Over 100 million tons handled in most recent Master Contract year**
- **National healthcare plan (MILA) provides uniform benefits to 60,000 longshore employees, dependents, and retirees**

# **CURRENT MASTER CONTRACT *(cont'd.)***

- **Master Contract allocates container royalty benefits among ILA ports to protect benefits in every port**
- **Covers almost every major contract term for all ILA crafts**
- **Determines amount of contributions to local funds**

# **MASTER CONTRACT HIGHLIGHTS**

- **Wages**
- **Benefits and funding mechanism**
- **Jurisdiction**
- **Technology**
- **Grievance procedures**

# **USMX & ILA INTERACTION**

- **Serve as trustees on a number of jointly administered funds**
  - **MILA Managed Healthcare Trust Fund**
    - **Funded by tonnage and manhour assessments**
  - **Container Freight Station Trust Fund**
    - **Funded by Carrier assessment of 30 cents/ton**
    - **Provides funding for training and subsidized stations**
    - **MITAGS facility: Baltimore**
      - **Crane simulator**      – **Reefer courses**
      - **Longshore safety**

# **USMX & ILA INTERACTION *(cont'd.)***

- Container Royalty Trust Fund**
  - Funded by tonnage assessments**
  - Supports MILA**
- Committee approach to problem solving**
  - Industry Resource Committee**
  - Technology Committee**
  - Jurisdiction Committee**

# **NEXT MASTER CONTRACT**

- **Current contract expires 9/30/2010**
- **Discussions concerning extension to 2012**
  - **Technology**
  - **Jurisdiction**
  - **Tiered wages**
  - **Container royalty CAP**
  - **Protection of benefits**
- **Rejected by Wage Scale Delegates (9/2/09)**