

ILA Rejects Federal Mediator's Proposal for Extension

NEWARK (DEC. 18, 2012) – At bargaining sessions held today, the Federal Mediation and Conciliation Service (FMCS) recommended a short contract extension to keep both parties at the bargaining table. While USMX agreed to the extension, the ILA rejected it, refusing to discuss any changes to the status quo on container royalty and renewing its vow to strike. During a meeting Dec.10, the ILA Wage Scale delegates rejected the USMX proposal for a Master Contract and voted to strike when the current extension expires on Dec. 29, 2012.

"USMX and its members are disappointed with the breakdown of negotiations and the inflexible stance that the union's leaders have maintained over the nine-month course of these talks," said James A. Capo, USMX chairman and CEO. It is especially disheartening given the history of cooperation that in the past has characterized negotiations with the ILA and, since 1977, has resulted in nine new agreements without a single strike or coast-wide work stoppage."

The following is a summary of the USMX proposal rejected by the ILA:

1. **Term of Agreement:**
 - a. USMX offered a six-year agreement, which provides stability and security for ILA members.
2. **Tentative agreements had been reached on three major concerns of the ILA:**
 - a. New Technology and Automation – Provides for protection of individuals who may be displaced as a result of the implementation of new technology.
 - b. Chassis Maintenance and Repair – Work preservation provisions promote continued ILA jurisdiction of chassis maintenance and repair work within the marine terminals and port areas covered by the Master Contract.
 - c. Jurisdiction – Strengthened the authority of the joint ILA/USMX Jurisdiction Committee to resolve disputes over jurisdictional matters
3. **USMX offered wage increases:**
 - a. Two wage increases of \$1 each were offered over the term of agreement.
 - b. ILA's average hourly rate will increase to over \$55, including overtime and container royalty.
4. **USMX offered Container Royalty Protection:**
 - a. Proposal would protect Container Royalty payments at 2011 levels for current recipients for 25 years or until they leave the industry, whichever occurs first.
 - b. New employees would not be eligible for Container Royalty payments.
5. **Healthcare Benefits:**
 - a. USMX agreed to guarantee funding for the term of the agreement so that the reserve would not fall below a six-month level.
 - b. NO reduction in healthcare benefits.
6. **Financial Assistance for Local Benefits:**
 - a. Additional funding will continue to be available for local ports experiencing difficulties in meeting their financial obligations to local benefit plans.
7. **Container Freight Stations:**
 - a. Assessment of 25¢/ton reinstated to cover subsidy and training.
8. **Operational Improvements:**
 - a. USMX proposed discussions on operational improvements in the following areas:
 - i. Manning
 - ii. Starting times and guarantees
 - iii. Shift system
 - iv. Hours of work/overtime
9. **Drug and Alcohol Testing:**
 - a. Revision of current drug and alcohol policy to require random testing at all ports.