

## THE SOURCE

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## SPECIAL POINTS OF INTEREST

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## TROUBLE AT THE WEST COAST PORTS: THREE SEASONS AND COUNTING

Spring and Summer have given way to the crispness and productivity of Fall. Winter is fast approaching—has actually started well before its calendar date for much of the country. Everything is progressing as it should—everything, that is, except for the contract negotiations between the Pacific Maritime Association and the International Longshore and Warehouse Union.

The ILWU has been working without a contract since the previous one expired on July 1, 2014. Contract negotiations began in mid-May and the parties have continued to meet regularly. It did appear that some good progress had been made by late August and that a new contract was imminent, but such was not the case.

The patience and good faith that characterized the earlier phases of the talks turned publicly rancorous in early November, with each side accusing the other of causing congestion and delay at the West Coast ports, threatening the flow of cargo and stifling commerce.

The PMA sent out a press release on November 3, accusing the ILWU of initiating orchestrated slowdowns at the ports of Seattle and Tacoma, which they claim severely impacted many of the largest terminals during the peak holiday season, reducing the terminals' productivity by 40-60%. According to the PMA, the ILWU reneged on an agreement between the parties that normal operations at West Coast ports would continue until a contract resolution was reached.

Wade Gates, a spokesperson for the PMA, said that "the ILWU is not filling orders for skilled workers, including straddle carrier operators who are critical to terminal operations. This is like sending out a football team without the receivers or running backs. You can't run the plays without them."

The PMA followed up the November 3 press release with another on November 6, stating that the ILWU escalated the work slowdown to include the ports of Los Angeles and Long Beach by "unilaterally refusing to dispatch hundreds of qualified, skilled workers for critically important positions transporting containers in terminal yards at the nation's largest port complex." The PMA alleges that the ILWU, while denying slowdown activity as a tactic, has been known to make false or exaggerated safety claims to justify slow-work orders.

According to Gates, "The ILWU's orchestrated job actions are threatening the West Coast's busiest ports and potentially billions of dollars in commerce. It is essential that the ILWU return to normal operations, as promised, so that we can continue meaningful negotiations in a productive environment free of union-staged slowdowns that are disrupting terminal operations at our largest ports."

The ILWU countered with a press release of its own November 3, in which it denounced the PMA for beginning "a media offensive against the ILWU. PMA's media offensive is designed to smear the

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## TROUBLE AT THE WEST COAST PORTS

union and to deflect responsibility from a growing congestion problem that is plaguing major West Coast ports."

The ILWU also called PMA dishonest in its accusation that the ILWU broke a supposed agreement that normal operations at West Coast ports would continue until agreement could be reached, maintaining that "no such agreement was ever made, nor could it be made given the parties' historic disagreement regarding the definition of 'normal operations' - a disagreement that has been the subject of arbitration for decades."

The ILWU states unequivocally that it is not responsible for the ongoing congestion crisis at West Coast ports, and that experts have concluded that the congestion is due to:

- Chassis shortage and dislocation;
- Rail service delays, including a shortage of rail cars nationwide;
- The exodus of truck drivers who cannot make a living wage;
- Long truck turn times;
- Record retail import volumes (increase of 5.3% over 2013);
- Larger vessels discharging massive amounts of cargo;
- Container terminals pushed to storage capacities; and
- The peak shipping season (August—October holiday surge).

In addition, the ILWU pointed out the September 13, 2014 fire at the port of Los Angeles, the largest in decades, forcing the evacuation of 850 workers and resulting in the temporary closure of 3 out of 6 cargo terminals.

"The numerous, non-labor related causes of the congestion problem up and down the West Coast are well documented," said ILWU spokesperson, Craig Merrilees. "During negotiations last week [week of Nov. 3], the Union addressed PMA directly to express concerns about its deceitful media tactics and the corrosive impact of such tactics on collective bargaining. It's particularly inflammatory for workers to be told that they're using safety as a gimmick."

In an interview with the Journal of Commerce, Federal Mari-

time Commission (FMC) Chairman Mario Cordero, a former Long Beach port commissioner, commented on the subject of hefty West Coast port congestion surcharges that are currently being charged. He said that they appear to be based on carriers' "observations or findings that there is labor unrest or disruptions or slowdowns." He questions the justification for these charges, and went on to say that he has seen no evidence that this is the main reason for port delays. "Labor's there, labor's working, there is no stoppage," he said.

In the meantime, exporters are suffering financially, particularly agricultural exporters. Perishable goods such as potatoes, fruit, corn, hay, beef, pork, poultry, and rice have been impacted, making for a total loss for farmers whose entire year is dependent on current shipments. Christmas trees are not being shipped and may miss the holiday season in Asia altogether. Foreign customers are cancelling orders.

The Agriculture Transportation Coalition has urged President Obama to "intervene personally" by bringing in federal mediators, but both the ILWU and the PMA would have to request a federal mediator to get the process going. The White House, however, could encourage and advocate for the use of a federal mediator. The President has expressed confidence that the two parties can reach a labor contract.



SOURCE: Pacific Maritime Association press releases—11/3/14 and 11/6/14; International Longshore & Warehouse Union press release—11/3/14, and bulletin—11/10/14; Journal of Commerce articles — 11/18/14 and 11/19/14.

## RETAINING TRUCK DRIVERS

It is generally held in the trucking industry that driver shortages and driver retention are ongoing problems. At the American Trucking Association's (ATA) Management Conference & Exhibition, held on October 6, two trucking company executives described their efforts to attract and retain drivers.

Reggie Dupré, CEO of Dupré Logistics, said the horror and crushing sadness of attending some driver funerals during a short span in the 1990's jolted him into action. He said the drivers died in rollover accidents, and those tragedies led him to analyze why the company was not running as safely as it should be.

As a result of this analysis, his company switched from a per-mile payment system to a per-hour payment system. Said Dupré, "the scarcest resource is good people to run your business with." His drivers are guaranteed 40 hours of work per week and get paid overtime after that. Under ideal circumstances, they work 50 to 55 hours per week.

Rodney Rader, Director of Technology for Prime, Inc., said that their company has cobbled together a mixture of bonuses, a health and welfare program, a driver recognition program, and communication through a smart-phone application to keep drivers onboard.

"We really try to make it a total package, but regardless of what we do [for drivers], they deserve more," Rader said.



SOURCE: *Transport Topics Online—Carriers Outline Efforts to Retain Drivers*, 10/6/14.

## PREVENTING COLDS AND FLU

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It's that time of year again when it seems as though everyone around you is sneezing, sniffling or coughing. According to the CDC, the single best way to prevent the seasonal flu is to get a flu shot each year. Along with that there are some simple steps you can take that can help fight the germs that cause colds and flu.

1. **AVOID CLOSE CONTACT** with people who are sick. If you are sick, keep your distance from others to protect them and be mindful of where and how you may be unintentionally depositing your germs.
2. Better yet, **STAY AT HOME WHEN YOU ARE SICK**. If possible, stay home from work, school and errands when you are sick to help prevent the spread of germs. You'll improve your recovery with a day or two of rest as well.
3. **COVER YOUR COUGHS AND SNEEZES** with a tissue, then discard the tissue in the trash. Studies have shown that a tissue is the best barrier. Second best is into your elbow. But if you cover your cough or sneeze directly into your hands that's not much better than not covering at all.
4. **CLEAN YOUR HANDS** often and well with soap and water. Antibacterial soap is not necessary and the water tempera-

ture doesn't matter—the length of time you scrub does. Twenty seconds should be the minimum amount of time, or as long as it takes to sing "Happy Birthday" twice through. If soap and water is not available, an alcohol-based sanitizer can be used.

5. **AVOID TOUCHING YOUR EYES, NOSE, OR MOUTH.** Germs are often spread when you touch something that may be contaminated with germs and then touch your eyes, nose or mouth, giving those germs a free ride into your system.
6. **PRACTICE OTHER GOOD HEALTH HABITS:**
  - Get in the habit of cleaning and disinfecting frequently-touched surfaces at work, home and school, like door knobs, faucet handles, computer keyboards/mouse, phones, etc.
  - Make sure to follow good general health practices, including getting plenty of sleep, getting regular exercise, managing stress, drinking plenty of fluids (but alcohol in moderation), and eating a healthy diet.
  - If you smoke, New Year is a great time to quit. If you don't smoke, don't start.
  - Controlling allergies is also very important. If they are not well-controlled then your upper respiratory system is already inflamed, which makes you more vulnerable to viruses.

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## ABOUT US

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Air, sea, rail and truck—we can handle all of your domestic and international shipping logistics and transport needs, freeing you to do what you do best.....grow your business.



## TRIVIA

1. Name the original eight reindeer from the poem "A Visit from St. Nicholas", more popularly known as 'Twas the Night before Christmas.
2. In Charles Dickens' novel, *A Christmas Carol*, who was Ebeneezer Scrooge's dead business partner?
3. What color are the berries of the mistletoe plant?
4. In the song "The Twelve Days of Christmas", nine what were brought by my true love on the ninth day of Christmas?

[Click here for answers to Trivia questions.](#)

