

Different Technologies, Same Issues



■ Trade and Transportation

By Thomas O'Brien

Summer is a good time to catch up on some of the shows you may have missed the first time around. And they're not all on TV. On June 30, the members of the Office Clerical Unit (OCU) of the International Longshore and Warehouse Union (ILWU) walked off the job when the OCU contract expired. To many, it seemed like just another summer re-run. After all, we've seen this one before, right? The 2007 negotiations between the marine clerks of Local 63 and the Pacific Maritime Association (PMA), and the 2008 negotiations between the dockworkers of Local 13 and the PMA, were also anxious times. Luckily, in those cases, there was no repeat of the lockout that brought west coast trade to a halt in 2002. Predicting the outcome of this – or any other – year's negotiations is difficult, however. A lot of the issues on the table look familiar, but the stakes change from one contract period to another.

For the marine clerks, one of the key issues is the impact on job security from the increased use of information technology. The standardization of processes and procedures using tools like e-mail and Electronic Data Interchange (EDI) could reduce the need for certain jobs or eliminate them

altogether. This is not a new phenomenon as the history of ILWU-PMA contracts suggests.

In the days before containerization and cranes, it was not uncommon to have 200 men unloading a ship that was in port for a week at a time. Because containerization reduced those numbers, there was resistance to its use by the labor working at the ports. A 1960 west coast Mechanization and Modernization Agreement, negotiated thanks to the leadership of Paul St. Sure of the Pacific Maritime Association and Harry Bridges of the ILWU, paved the way for the introduction of new technologies on the docks. This included the container and other equipment that made loading and unloading cargo much more efficient. The so called M and M Agreement allowed the employers to “operate efficiently, change methods of work, and utilize labor-saving devices.” The pact also recognized the right of employers not to hire “unnecessary men.” In return, the employers agreed to phase in the introduction of technology so that the impact on workers was minimized. The PMA also established a fund to help protect fully registered longshoremen when work opportunities were lost due to technological changes.

The 1960 agreement laid the groundwork for the adoption of new technologies at the port, but it never fully resolved the matter, and the question of technology won't go away with this year's contract either. The movement toward integrated logistics chains depends upon technology to connect the various links of the chain. The kinds of activities that occur at the port, from unloading the ship to processing customer requests about cargo availability, do not occur in isolation. The customer

increasingly expects to be able to use technology to track cargo moves at all points and at all times. This extends to the terminal as well.

The container still makes possible the transport of large numbers of goods around the globe in a cost effective manner, but this is a world of Just-in-Time delivery where speed matters and dwell time needs to be reduced and customers expect that their unique demands can be accommodated. Companies now compete via supply chains. There will be continued pressure for technologies that allow for greater visibility of cargo in containers, more service differentiation among ocean carriers, ports and terminal operators and more flexibility in the way goods are processed before they get to the customer.

In 1960, the container was the shiny new technology. It still works pretty well, but the speed with which information flows these days has created a certain expectation about the speed with which the physical goods should flow, too. As a result, the “technology question” will always be part of the contract renewal process. The inherent tension between efficient operations and job security remains. So if you miss this re-run, you’ll likely have another chance to see it.