



The Daily Dish

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Federal Reserve officials are [hesitant to raise interest rates](#) too quickly fearing that it could hamper economic growth. Minutes released from the January meeting show disagreement over when to begin to raise rates again with a large contingency wanting to hold out for longer. Some members expressed concern that wages have yet to recover and want to wait until the labor market could produce gains in wage growth.

Calls are continuing to [pour into the White House](#) for extensions in the Obamacare open enrollment period. Some groups are asking for the sign-up period to be extended through tax season so that people unaware of the penalty for not obtaining health insurance will have an extended opportunity to purchase. Due to numerous problems with implementation of the law, last year's open enrollment period was extended through March. HHS director Sylvia Burwell said that by the end of February the administration will have an answer as to whether the open enrollment period will be extended.

Eakinomics: West Coast Ports

The economy is increasingly threatened by the West Coast port slowdown/shutdown that may cost as much as [\\$2 billion daily](#). President Obama has dispatched Labor Secretary Perez to mediate the talks between the International Longshore and Warehouse Union (ILWU) and the management group, the Pacific Maritime Association (PMA).

The cycle of disruption goes back years. In 2008, the ILWU and the PMA began negotiations early, but still missed the deadline. There was no lockout, but slowdowns hampered the ports until a deal was reached in August. The 2002 negotiations were even more disruptive and eventually involved then-president George W. Bush. When 29 West Coast ports were closed for 11 days President Bush chose to invoke his powers under the Taft-Hartley Act, ordering the ports opened. The same tactics played out in [1999](#) and negotiations dating to the [1970s](#).

In 2002, President Bush tasked then-Labor Secretary Elaine Chao with negotiations. When this failed, he cited his concern over the ability to move military supplies, as well as harm of roughly \$1 billion daily to the economy in invoking his powers under the Taft-Hartley Act to force the ports to reopen. President Obama may face the same decision in the not-too-distant future.

Ports are an essential part of modern commerce. As soon as these are finally concluded, businesses will have a reprieve only until the next costly and disruptive negotiation. Using Taft-Hartley as a last resort in "break-the-glass" situations simply doesn't continue to make sense. As I argued in the [Wall Street Journal](#), it does not have to be this way. Instead, one could adopt the model of rail and air transport and put the port negotiations under the Railway Labor Act (RLA). A cornerstone of the RLA is that its purpose, as stated in the statute, to "avoid any interruption of commerce" while providing for "the prompt and orderly settlement of all disputes" that arise in labor matters. Labor contracts under RLA do not expire. Instead, they become "amendable" and remain in force until a new agreement is reached. If negotiations are not productive, then federal mediation is required before either unions or employers can engage in "self help" like slowdowns, strikes or lockouts. The National Mediation Board, which oversees the process, says that 97 percent of all of its mediation cases – and 99 percent

since 1980 – have been handled without interruption.

The port situation is a growing danger to the economy, and will be a political thorn for the president. It is time to change the laws governing these crucial negotiations.