



The Daily Dish

Here We Go Again? The West Coast Ports

DOUGLAS HOLTZ-EAKIN | MARCH 21, 2023

The Wall Street Journal is [reporting](#): “Tensions in long-running contract talks at West Coast ports are worsening, with employers accusing unionized dockworkers of slowing cargo handling at the ports of Los Angeles and Long Beach, the nation’s busiest gateway for imported consumer goods.” Negotiations between the Pacific Maritime Association (PMA), which represents ocean carriers and port employers, and the International Longshore and Warehouse Union (ILWU) began in May 2022, but the contract lapsed in July. The two sides also tangled over delays during the early part of the pandemic.

But the cycle of disruption goes back years. In 2008, ILWU and 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. He 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 Biden could face the same decision in the not-too-distant future. (The same tactics played out in [1999](#) and negotiations dating to the [1970s](#).)

As I argued years ago in [WSJ](#), 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, is 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 the 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,” such as 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 debt ceiling remains a potential economic disruption. The banking sector has now reared its head as a potential risk. It would be nice to not add a port closure to that list, but if it happens it could force the administration to choose between its union allies and overall economic well-being.