Inside
Official Meeting Notices
See Page 6

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Oregon public employee unions reach deal with state

SALEM — In tentative agreements with the State of Oregon, union bargainers agreed — for the first time — to give up fully-paid health coverage.

Oregon AFSCME (American Federation of State County and Municipal Employees) reached agreement July 19 on a contract covering 3,000 state workers, and three days later, Service Employees International Union (SEIU) Local 503 settled for a group of 23,000 workers. The terms are basically the same. If approved, the two-year contracts would run through June 30, 2013.

Under the agreements, workers would pay 5 percent of the cost of health coverage starting Jan. 1, 2012. That would amount to $50 to $75 a month, depending on which plan is chosen and how many dependents are included. The amount will rise in the second year to between $52.91 and $78.75.

Members of Service Employees International Union Local 503 rally for a fair contract at a state office building in Northeast Portland on June 30, the day state workers' contract expired.

"It's painful, but we had to deal with reality," said Oregon AFSCME Executive Director Ken Allen. "State workers in Washington pay 15 percent, and in California 18 percent. It was serving to hold our wages down."

"We've seen benefits erode over the last 15 to 20 years in the private sector, and that's now coming home to roost in the public sector as well," said Local 503 Executive Director Heather Conroy.

Members earning less than $2,696 a month will get a $30-a-month subsidy toward their share of the cost. SEIU had earlier pushed for the employee health contribution to be calculated as a percentage of salary, rather than a percentage of the cost, as the state proposed.

The contracts also contain modest cost-of-living raises, one partially-delayed salary step increase, and two more years of periodic unpaid furlough days.

AFSCME members get a 1.5 percent across-the-board cost-of-living adjustment Dec. 1, 2011, and 1.45 percent increase Dec. 1, 2012. SEIU members get the same, except the second increase comes a month later. The previous contract contained no cost-of-living increases, though a new top step was added to the salary schedule which amounted to a 5 percent raise for the most senior workers. Nationally, the consumer price index rose 1.6 percent last year after falling 0.4 percent the year before.

In normal times, state workers also get annual step increases of about 5 percent until they reach the top step, but those have been suspended in tight budget times. The new agreements grant one step increase during the two-year period. Eligible workers will get half the increase on July 1, 2012, and the second half six months later.

(Turn to Page 4)

Longshore union goes 'all in' at Longview grain terminal

LONGVIEW — One of the most determined local union struggles in recent times is unfolding on the waterfront at the Port of Longview. The struggle pits members and supporters of the International Longshore and Warehouse Union (ILWU) against EGT, a multinational consortium that built a $200 million grain terminal here, largely with nonunion, out-of-town labor, and now seeks to operate it without employing ILWU members, in violation of its lease.

On July 11, up to 100 members and supporters of Longview's 202-member ILWU Local 21 were arrested after demonstrators knocked down a chain-link fence and entered the terminal; arrestees included the presidents of ILWU locals in Vancouver and Portland. Then, after midnight on July 14, as many as 600 demonstrators gathered, and about 200 occupied train tracks to block a mile-long Burlington Northern Santa Fe train from delivering grain to the terminal. That prompted the railroad to say it would suspend deliveries while the dispute continued.

ILWU's cause appears to have widespread support in Longview, a town of 37,000 with an economy centered on manufacturing, forest products, and the port. An initial print run of 800 support placards ran out in three or four days, said Local 21 President Dan Coffman; more are on the way. As many as 250 local businesses are displaying the signs, which read: "We Support the ILWU in the fight for a decent standard of living in our community." Hundreds more appear in yards and vehicles.

Pickets and placards are the latest front in a four-year local battle with EGT LLC, the multinational consortium; the dispute is also in federal court.

EGT, which stands for Export Grain Terminal, is a joint venture run by the giant agribusiness multinational Bunge in partnership with Japan-based ITOCHU Corporation and South Korea's STX Pan Ocean Co. Bunge, which reported a $2.4 billion profit for 2010, has a 51 percent controlling interest in the venture.

When EGT first came to Longview, company executives spoke of the benefits their project would have for the community: 200 jobs on average during the two-year construction phase, 50 permanent jobs at the elevator; and approximately 35 additional jobs for river pilots, tug assists, barge services, and rail operations.

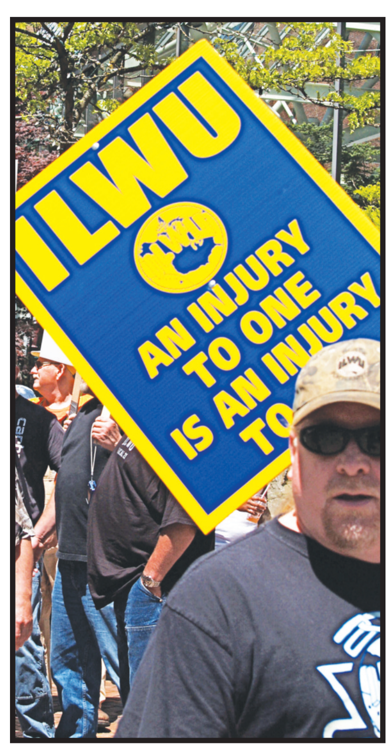
"We look forward to being a good corporate citizen in the community," said Bunge Grain vice president Bailey Ragan in the initial announcement.

It was to be the first large export grain terminal to be built in the U.S. since a ConAgra facility opened in nearby Kalama in 1983.

In size, efficiency, and automation, the new terminal is said to outpace the competition. It's capable of handling four 110-car trains at once, while also taking grain up from a river barge and loading it onto a ship. If all goes as planned it will be able to load around 8 million tons of wheat, soybeans, corn, oilseeds and protein meal every year aboard bulk ships bound for Asia. Bunge executive Carl Hausmann called it the "crown jewel" of Bunge's North American operation. And at $200 million, it was also to be the biggest local construction project in decades.

But almost none of the work ended up going to local workers or union workers, says Dave Myers, president of the Longview-Kelso Building and Construction Trades Council. During the two years that EGT negotiated the deal with the Port of Longview, Myers, who is also business manager of IBEW Local 970, tried to get the Port to use its leverage to make sure union contractors in the area had an even shot at bidding on the work. On more than one occasion, that meant showing up at Port board meetings with over 100 local building trades workers.

Those efforts came to nothing. Not only didn't the lease contain any local hire, prevailing wage, apprenticeship utilization, or other such stipulations, but it even had a clause that specifically said that EGT would face no requirement to employ union labor or pay prevailing wage during construction. The only exception, spelled out in Section 6.3 of the lease, was the Port's Working Agreement with ILWU Local 21, which covers the operation of the ship and barge docks, handling cargo, and operating the facility.



June 3, more than 1,200 longshore workers protested outside EGT's downtown Portland headquarters.

No Port of Longview tenant has a better deal than EGT, Port Executive Director Ken O'Halloran told the Labor Press. EGT will pay the port $850 a month per acre for 38 acres, plus dockage and wharfage fees. Signed June 1, 2009, the lease runs 30 years, with an option to renew up to 80 years total.

When Myers learned the lease was to be signed, he arranged to attend the celebration. There, he got verbal assurance from an EGT executive that some of the work would go to local union firms. But Minnesota-based T.E. Ibberson Co., general contractor on the project, had other ideas. As work got under way, workers were brought in from elsewhere. At shift change, the parking lot was a sea of license plates from the midwest and the south, where Bunge has most of its existing grain operations; al-

(Turn to Page 10)