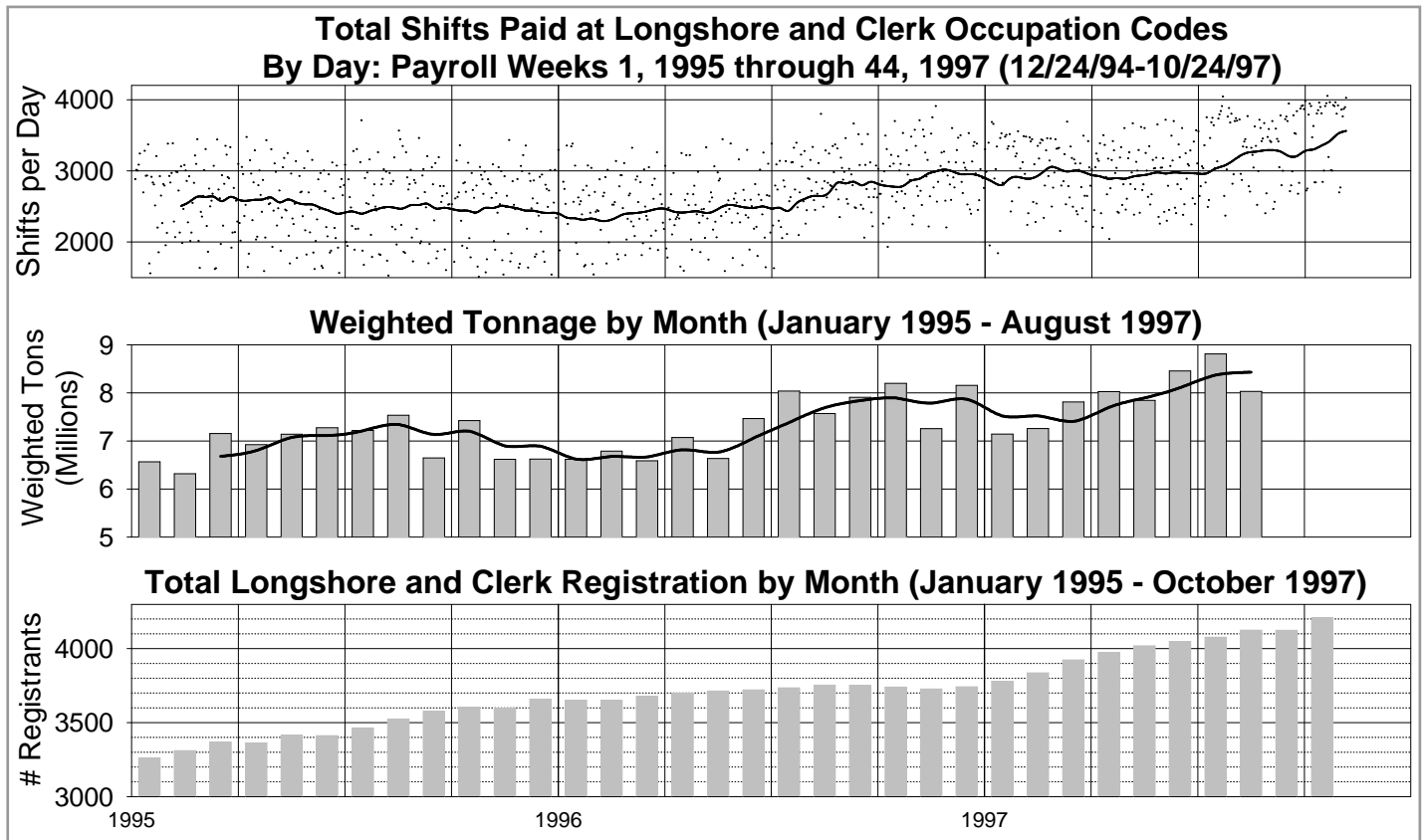


Los Angeles / Long Beach—How Many Are Being Paid to Handle How Much?

The Current Situation in the Perspective of Past & Future



An unprecedented backlog in container traffic has riveted attention on the Ports of Los Angeles and Long Beach over the past two months. The following study is intended to provide insight into the recent changes in the number of employees paid, tonnage patterns, the number of longshore and clerk registrants in the work force, and the types of longshore occupation codes which are being paid.

Overview

The charts above depict longshore and clerk shifts paid, weighted tonnage reported, and total longshore and clerk registration for the Ports of Los Angeles and Long Beach since the beginning of 1995.

The top chart represents with small dots the number of shifts paid at longshore and clerk occupation codes in Los Angeles and

Long Beach each day since the beginning of the 1995 payroll year. The solid lines are smoothed six-week (42 days) running averages.

Next, monthly “weighted” tonnage reported in the ports is plotted as vertical bars with a three-month running average line superimposed. (Weighted tonnage is the sum of tons of Containerized Cargo, Autos & Trucks, Lumber & Logs, General Cargo, and 1/50 of Bulk Cargo.)

In the third chart, each vertical bar shows the total number of active longshore and clerk registrants at the end of each month in Locals 13 and 63 combined.

Qtr 1 1995 through Qtr 1 1996: Average Daily Shifts Decrease

The running average of daily shifts between the first quarter 1995 and the middle of the first quarter 1996 shows a generally

downward trend from about 2,600 shifts per day to about 2,300 shifts per day.

Monthly tonnage during this same period, however, grew from about 6.5 million tons per month to nearly 7.5 million tons per month and then receded back to the 6.5 million ton level.

Therefore, during this period, the gross productivity measured in shifts paid per ton handled showed improvement.

Qtr 2 1996 to Date: *The Picture Changes*

The trends of shifts versus tonnage have changed direction in the period following the second quarter 1996. Cargo volume grew from a quarterly average of about 7 million tons per month at the end of Q2 1996 to about 7.9 million tons in Q4 1996. It then took its traditional first quarter reduction, and the year since then has seen growth to the present (through August)

quarterly average of about 8.5 million weighted tons per month.

Average shifts paid per day at longshore and clerk occupation codes have grown at a much faster rate: from about 2,400 shifts per day at the end of Q2 1996 to the present level of 3,500 per day.

In percentage terms, average monthly weighted tonnage has grown by just over 20% between Q2 1996 and the June-August average. Today, there are over 45% more shifts paid at longshore and clerk occupation codes than there were at the end of Q2 1996.

Net Additions to Registered Work Forces

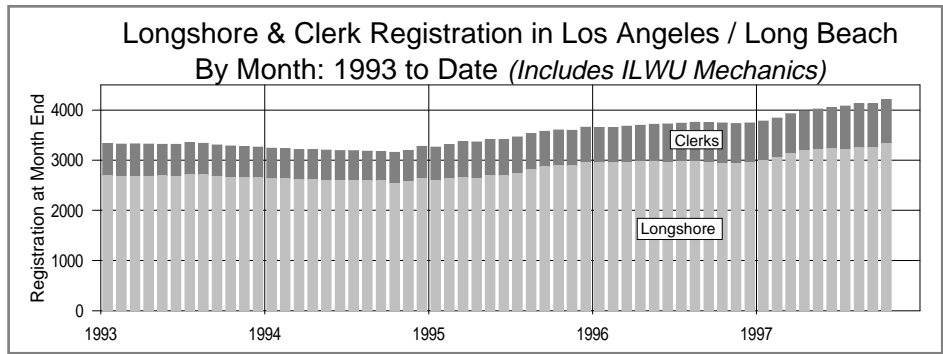
The total longshore and clerk active registration at the end of January 1995 was 3,262, and it is 4,210 at the end of October, a net increase of 29.1%. During that period, average monthly weighted tonnage has grown from about 6.5 million tons per month to 8.5 million by August 1997, an increase of about 31%.

The Self-Evident Problem

These data show clearly that over twice as many additional shifts are being paid on an average daily basis than would be expected from the increase in tonnage volume even if a zero productivity growth value were posited.

The ILWU and the PMA have jointly registered significant additional employees into Locals 13 and 63, but this unexplained growth in daily shifts has made even those efforts appear insufficient.

The issue which must be explored is the



reason or reasons for this notable productivity decline. The following data and discussion provides some illumination into the continuing labor shortages being experienced by employers in the ports.

Registration Levels 1993 to Date

The chart at the top of the page shows the total longshore and clerk registration in Los Angeles and Long Beach at the end of each month since January 1993. The lightly shaded area of each bar represents the number of active registrants in Local 13 (longshore), and the upper portion of each bar (darker shading) shows the number of active registrants in Local 63 (clerks).

After reaching a low in October 1994 of 3,156, there has been a continual increase in the total number of longshore and clerk registrants to the present level of 4,210. This net addition of 1,054 registrants is a 33.4% increase in available registered work force.

Locals 13 & 63, Separately

October 1994 was also the nadir in Local 13 longshore registration with a level of

2,550 registrants. The registration at the end of October 1997 was 3,352, an increase of 31.5%.

At the end of September 1994, there were 575 active registrants in Local 63. That number has grown to 858, an additional 49.2%.

Daily Shifts by Work Force

The first of the three charts below shows total shifts paid daily—both to registrants and to casuals—at longshore and clerk occupation codes, and the other two charts show the number of those shifts paid to the registered work forces and to the casual work force. (The vertical scale of the chart for total shifts [upper chart] differs from that shown on page 1 in that the vertical scale is expanded to show the days with fewer than 1,500 shifts.)

Portion of Shifts Paid to Registrants

Near the end of first quarter 1995, an average of about 2,250 shifts per day were paid to longshore and clerk registrants in the ports. This average remained steady through Q1 1996, and it then increased to

Total Shifts Paid at Longshore and Clerk Occupation Codes By Day: Payroll Weeks 1, 1995 through 44, 1997 (12/24/94-10/24/97)

