

**Testimony on A-3593/S-182
New York Shipping Association**

Thank you Mr. Chairman for the opportunity to speak to you and the members of this committee regarding (Assembly Bill/Senate Bill). A-3593/S-182 is a matter of great importance to the future of productivity and strength of one of the nation's major economic engines, the Port of New York & New Jersey (PONYNJ).

For more than fifty years the Waterfront Commission of New York Harbor (WC) has had control over the size of the longshore workforce. When the WC was conceived, the longshore workforce in the PONYNJ numbered some 30,000 longshoremen who competed daily for 10,000 jobs. Corruption, racketeering, and other criminal activities were widespread in the port.

In 1966 Section 5p., the controlled register statute, (the register is a list of persons approved by the WC who are eligible to work in the port) was added to the WC's charter in response to the 1964 longshore contract in the PONYNJ. In that agreement, the dockworker's union agreed to allow reductions in manning because of productivity gains made possible by new technology, in exchange for management's promise to create a Guaranteed Annual Income Program (GAI). GAI

compensated displaced workers whether they worked or not. Section 5-p. empowered the WC to open or close the longshoremen's register, and thereby regulate the size of the waterfront labor force. But for two brief occasions in the late 60's, the longshore register has remained closed for more than three decades. The ban assured that no new employees would be doing the work while others stood idly by collecting GAI. Today no one is paid GAI any longer and there are only 2,365 longshore workers on the longshore register in the PONYNJ. In 1999, Section 5-p. was amended to permit controlled openings of the register to individuals sponsored by an employer of longshore workers. The employers however, cannot sponsor a new employee until the WC has reviewed and approved the joint petition from their collective bargaining representative and the labor organization representing their employees. This has created a slow and inefficient process which has placed the PONYNJ at a competitive disadvantage with other less expensive, expanding East Coast port facilities with whom we compete with for the cargo which fuels the state economies of New York and New Jersey, and the regional economies (see chart on page 6 of Explanation section of "A Recommendation for Change in Longshore Employment" booklet).

Our industry must have the right to determine the size of its workforce just like the mom and pop store on the corner or IBM.

The proposed change to Section 5-p. which A-3593/S-182 provides, will help the longshore industry in the PONYNJ to better curb rising costs and increase cargo-handling ability. Lowering rising costs and improving cargo handling efficiency are key factors in our effort to attract and capture cargo for the PONYNJ, and to compete effectively with other Ports.

With all due respect to our friends at the WC, the maritime cargo handling industry requires prompt responsive action to critical labor demands be made by those who have the commercial and operational expertise to make the proper decisions. That Mr. Chairman, and members of the committee, would be the terminal operators.

The PONYNJ has experienced a period of double-digit growth in cargo volume over the last ten years. Future projections call for growth to continue. However, the competition for cargo from a number of expanding facilities to our south, poses a serious threat to the continuation of growth at double digit levels.

The change A-3593/S-182 will make will not interfere with the WC's police powers, or its ability to conduct state and federal criminal history

background checks. In fact, we at the New York Shipping Association have recommended the United States Department of Homeland Security use the WC as the local agency for background checks for the Transport Workers Identification Card (TWIC). By doing both state and federal background checks the WC's procedures are actually more efficient and effective than the federal check only procedure proposed by the DHS. The WC's authority to decasualize, or remove workers from the longshore register, who fail to seek work, or maintain good moral character, will also not change under A-3593/S-182.

In summation Mr. Chairman and members of this committee, A-3593/S-182 is not an attempt by the regulated community to gut the authority of the WC or to reduce it in size. The WC will continue to have a vital law enforcement role in the PONYNJ. A-3593/S-182's amendment of Section 5-p. recognizes that a portion of their mission has been accomplished. When the WC was established it was given the mandate to "establish hiring practices which would permit termination of government regulation at the earliest possible date." Section 5-p. has done what it was intended and needs to be changed for the best interests of the States of New York and New Jersey, and for the millions of our fellow citizens across this nation who our Port services.

Under the new law once adopted, labor and management would determine the appropriate number of additional workers necessary to meet the future demands in the workplace. Candidates would then be recruited, screened, hired, then sent to the WC for background checks and licensing. We believe that this new streamlined process will enhance our ability to create jobs in our own industry and in other sectors the economy with which we interact on a daily basis. More cargo handled means more jobs, a stronger regional economy, and larger contributions to local, state, and federal revenues.

Before I close Mr. Chairman and members of the committee, I would like to address an issue which is at the heart of the argument of those who would oppose this measure before you today. The issue of "Section Seniority." An internal ILA issue, section seniority prevented some who worked within a specific section of the port complex from seeking opportunities for work in others. In the case for example of ILA Local 1588 in Bayonne, NJ, workers hired primarily for seasonal part-time positions as baggage handlers at the passenger ship terminal there, were prevented from applying for the more lucrative opportunities at container terminals within the Port. This created a situation where some people had wait for the next cruise season to earn a living, while

new people were hired for the work at other container terminals. In a meeting held on August 31, 2006, at the ILA International Headquarters in New York City, with the international president and the presidents of all ILA locals in the PONYNJ, the federal custodian of Local 1588, and president of the NYSA present. It was determined that moving forward no new labor would be hired for full-time positions in the container terminals of the Port until all of the part-timers within Local 1588 had first been given the opportunity to pursue any new openings. The issues created by section seniority like the need for Section 5-p., no longer exist.

Thank you Mr. Chairman and members of the Assembly/Senate Corporations, Authorities and Commissions Committee. I ask that you all vote yes to A-3593/S-182.