

SENATE TESTIMONY

In 1953 the Waterfront Commission of New York Harbor was created to combat what was described as rampant corruption on the docks in New York Harbor. In 1966, the Commission was given the authority to regulate the size of the workforce, again presumably to prevent corruption.

Today, according to the Commission's own literature, "the contrast is startling." Longshore workers are carefully screened and licensed. Hiring Centers are staffed by the Commission. Workers are selected for employment by licensed hiring agents under the watchful eye of Commission employees in the computerized telephonic hiring center. Convicted criminals are banned from holding office in the Unions. Stevedoring Companies are licensed and subject to financial audit by the Commission. "The notorious shape-up has been eliminated." And the Commission continues to work with its fellow law enforcement agencies to prevent criminal activity of any kind on the waterfront.

As the Commission's literature states, longshore workers "obtain regular employment, earn substantial wages, and are no longer at the mercy of unscrupulous hiring bosses or criminals."

Our concern is with none of this and that is not why we are here today. In fact we support the Commission's role and encourage the Commission to continue its activities with great vigor. Sometimes, quite frankly, I don't think they are tough enough and I've told them so.

The issue before us today is not criminality. It is not port security. It is not just an industry chafing under the oversight of yet another regulatory agency. It is simply that this industry no longer labors under the conditions that prompted the restrictions on hiring. We do not have an excess of labor. Instead, we are regularly petitioning for labor in a port whose entire existence depends on the availability of highly skilled labor to manage more than \$140B in cargo, more than 700,000 passengers and more than 600,000 automobile imports annually.

Section 5p is an anachronism that impedes the expeditious hiring and training of dock workers in an industry that can easily turn its international trade elsewhere; an international trade that supports

230,000 workers in this region; and an international trade that people who run ports like those in Virginia brag that they are going to steal, and they are.

This legislation quite simply gives employers at the port the authority to control their own workforce just like every other business in the state of New Jersey. The last time I testified on this issue we were accused of flooding the port with unneeded labor because we had sought, in advance, the authority to replace retiring workers. We fought hard for that authority and we had to go through several months of testimony, responding to opponents unfounded fears, and living with the concern that if we didn't act we might once again face critical labor shortages. 300 people were eligible to retire.

We also negotiated a new provision with the ILA to insure that no new person is brought into the industry until every existing worker has an opportunity to apply for openings no matter where they occur in the port. In other words if you are not satisfied with the number of hours you are getting at one facility you can move to another. How many companies offer that kind of deal?

Six months after we applied for the authorization, we were granted an arbitrary number of 200. The ultimate irony is that we offer such incredible pay and benefits in this industry, that only 45 people retired and we never used a single slot in the authorization. Why? Because we don't hire people we don't need. Who in their right mind does? But right now I have a desperate unexpected need for 25 people in one of our rapidly growing passenger facilities, and while the Waterfront Commission is considering that application, I could already be processing workers into the industry.

Since I took over this job in 2002, we have had to apply to the Commission 8 times for additional workers. Its time to bring this to an end in accordance with the Commission's own mandate which states that the restrictions should end when the conditions that prompted them no longer exist. The legislation before you does just that and nothing more. It retains the Commission's traditional role in the longshore licensing process; it retains all of its authority to deal with criminality on the waterfront; it retains its supervision over the Waterfront Employment Information Centers. The proposed legislation

simply gives the employers, through its management organization and the Contract Board, the authority to control the size of the workforce without the artificial constraints of an administrative agency ill-suited for making expeditious market-driven commercial decisions.