

6<sup>th</sup> February, 2015

## IMPORTANT NOTICE TO ALL CUSTOMERS

### ILMU/PMA West Coast Contract Negotiations – Further Update

Dear Valued Client,

The USWC (United States West Coast) congestion/labour contract dispute continues to worsen and is now coming to a head on collision. The PMA (Pacific Maritime Association – The USWC ports) have met 90% of the union demands as you can read on the attachment.

The ILWU (International Longshoreman and Warehouse Union) leadership (about 100 people) flatly turned down the latest contract offer.

Yesterday the PMA released the attached press release and announced if the ILWU did not sign the contract by Sunday the PMA would close the ports along the USWC and lock out the ILWU workers without pay.

The last Thursday of every month is a “stop work” meeting for the ILWU where they discuss various union issues. The next meeting is taking place in a few hours

Those are the facts, the following is an educated guess of the possibilities of what may transpire based on information from well informed people on both sides.

The PMA’s intention with their press release was to inform the 1000’s of ILWU workers what the latest offer actually includes as the PMA feels that the ILWU leadership may have not been telling their members the entire story.

By providing them the details of the offer it allows each ILWU member to have the details of the latest contract offer before the meeting taking place in a few hours.

If the ILWU members pressure their leadership to take the deal a contract will be signed within days and the entire ordeal will be resolved. If the ILWU remains resolved to not accept the current offer it is highly likely the PMA will close all of the ports on the USWC shutting the union out without pay.

Until now the Federal appointed mediators have been without power to bring about a resolution because as long as the ILWU is not striking) and the PMA is not shutting the ILWU out (Shutting down nightshift is immune to this, for the government to have the power to act the PMA needs to lock out the ILWU entirely), the government cannot intervene and force something to happen.

We are going to see intense negotiations and extreme pressure applied to both sides in the forthcoming week. For us it means more delays, 6 times the amount of work to move the same shipment, and a lot of frustration.

Should you have any questions, please don’t hesitate to contact your Sales or Customer Service representative.

Your Global Logistics partner,  
**ADM GLOBAL PTY. LTD.,**

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