

We Make Cargo Move



NEGOTIATING FOR SUCCESS IN TODAY'S PORT & MARINE TERMINAL INDUSTRY



The Port
OF Hueneme
Oxnard Harbor District

Don't Give up!



“Our greatest weakness lies in giving up. The most certain way to succeed is to always try just one more time.”

Thomas Edison

What are Key Negotiating Strategies?



- Know the party you're negotiating with, do your homework.
- Know your bottom line.
- Keep your goal in mind.
- Have a strategy.
- Search for win-win opportunities



Key Negotiating Strategies (cont.)



- Listen. Don't be in a hurry.
- Garner support.
- Build trust.
- Don't take the issues or the other person's behavior personally.
- Don't be afraid to ask for what you want. Everything is negotiable.



Case Study 1: 1994 Base Ball Strike



Background to Negotiation

- Players distrust of Owners. 8th work stoppage in MLB history and 4th in-season stoppage in 22 years.
- Owner's proposal to share local broadcasting revenues amongst all teams:
 - team salary cap (fitting payrolls into a more evenly based structure)
 - eliminating arbitration.
- Owners moved forward (without MLBPA) proposing revenue sharing and salary cap plan.
- Owners further amended proposal giving commissioner of MLB total power to negotiate (contracts terminated at end of season).
- MLBPA rejected owner's proposal mainly over salary cap & arbitration.

Case Study 1: 1994 Base Ball Strike



Negotiation Failures

- No exact formula on how revenues would be shared under salary cap scheme, therefore, both parties came ready to disagree with whatever concessions would be offered.
- No fallback position offered MLBPA resulting in a take it or leave it stance by owners.
- Owners had been ready to continue season under old contract, however did not communicate this to the MLBPA.
- Players decided to strike. No World Series in 1994
- The strike ended when U.S. District Court judge, Sonia Sotomayor issued a preliminary injunction disallowing owners to continue 1995 season with 'replacement' players.
- New agreement finally drawn up with few modifications (graduated luxury tax on team payrolls exceeding \$51M, went up to \$58m in 199)

Case Study 1: 1994 Base Ball Strike



Did it work or not?

NO! Neither side came ready to negotiate.

- Refused to come up with workable solutions (no compromise)
- Failed to recognize their interdependent relationship (no trust)
- Both sides scarred (no win-win)
- This may have been the last & best opportunity for Major League Baseball to establish an NBA/NFL type salary cap

Case Study 2: UPS Strike of 1996



Background to Negotiation

- UPS founded in 1907
- Part-time employees as major business strategy
- 1996 UPS workforce of 182,000 part-time workers averaging 26-28 hours per week.
- UPS workforce represented by Teamsters

Union Strategy

Careful research of statutory rights of Part-time workers vs the current UPS – Teamsters Union contract analyzing ratios and proportions related to part-time workers vs full-time employees including:

- Disparities in salaries
- Retirement fund benefits
- Limited opportunities for full-time hiring and advancement.

2-week strike, Prepared Employees for the hardship by giving lots of notice and communicating the reason clearly (garnered support of UPS workers and international labor union)

Case Study 2: UPS Strike of 1996



Did it work or not?

YES, Teamsters did their homework and garnered support!

- Immediately 10,000 jobs converted to full time
- By close of 1996, only 40,000 of the 182,000 jobs were part time
- Closed the gap on salaries and benefits
- Job security
- Improved worker conditions



Port Negotiations: Labor



With no direct role in labor negotiations Ports do help both parties with information and advocacy.

- ✓ Major port projects planned and status
 - ✓ Customer base affecting labor demand
 - ✓ Berth assignments and priorities
 - ✓ Port leases with member companies
- Regulations now or in the pipeline that may result in jurisdictional issues
- ✓ Any contemplated privatization

Port's as Negotiators: MOUs



Oxnard Union High School District
- Global Trade & Logistics



Oxnard & Port Hueneme Chamber of Commerce
- Advocacy & Promotion



Economic Development Collaborative – VC California Lutheran University
- World Trade Center



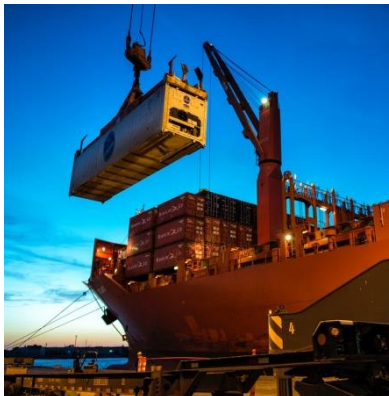
Port's as Negotiators: Union Staff



- ✓ Salary and Benefits
- ✓ Property Services
- ✓ Public Services
- ✓ Fiscal Responsibility
- ✓ Equity & Fairness



Port as Negotiators: Port Customers



- ✓ Competitive
 - (competitive analysis – know your competition)
- ✓ Balance competitiveness with a viable revenue stream
- ✓ Service
- ✓ Flexibility
 - Understand all Port user business needs to create win/win partnerships
- ✓ Build in incentives to encourage volume & velocity
 - Discounts, revenue sharing
- ✓ Priority berthing
- ✓ Responsiveness to Market Conditions

Port as Negotiators: Services

- ✓ Pilots
- ✓ Tug Operators
- ✓ Fuel
- ✓ Maintenance



Port as Negotiators: Naval Base VC



Shared Port

- Mutually Beneficial Projects
- Port Security & Training
- Coastal Trident

Joint Use Agreement

- Wharf 3/Revenue Sharing
- Outlease Properties
- LTM Funds



Port as Negotiators: Infrastructure



Shoreside Power

- ✓ ARB Guidelines
- ✓ The Need for Negotiation



EMISSION REDUCTIONS

- (30 Years)
- 2.58 Tons PM (92% ▼)
- 151.08 Tons NOx (98% ▼)
- 4,122,43 tons CO2 (55% ▼)

A Successful Negotiation



- Reached compromise
- Created a Win-win, a mutual benefit
- Created a positive impact on relationship
- Built mutual trust
- Create a true partnership that promises to last

“Coming together is a beginning; keeping together is progress; working together is success” Henry Ford

We're Open for
Your Business

We Make Cargo Move

