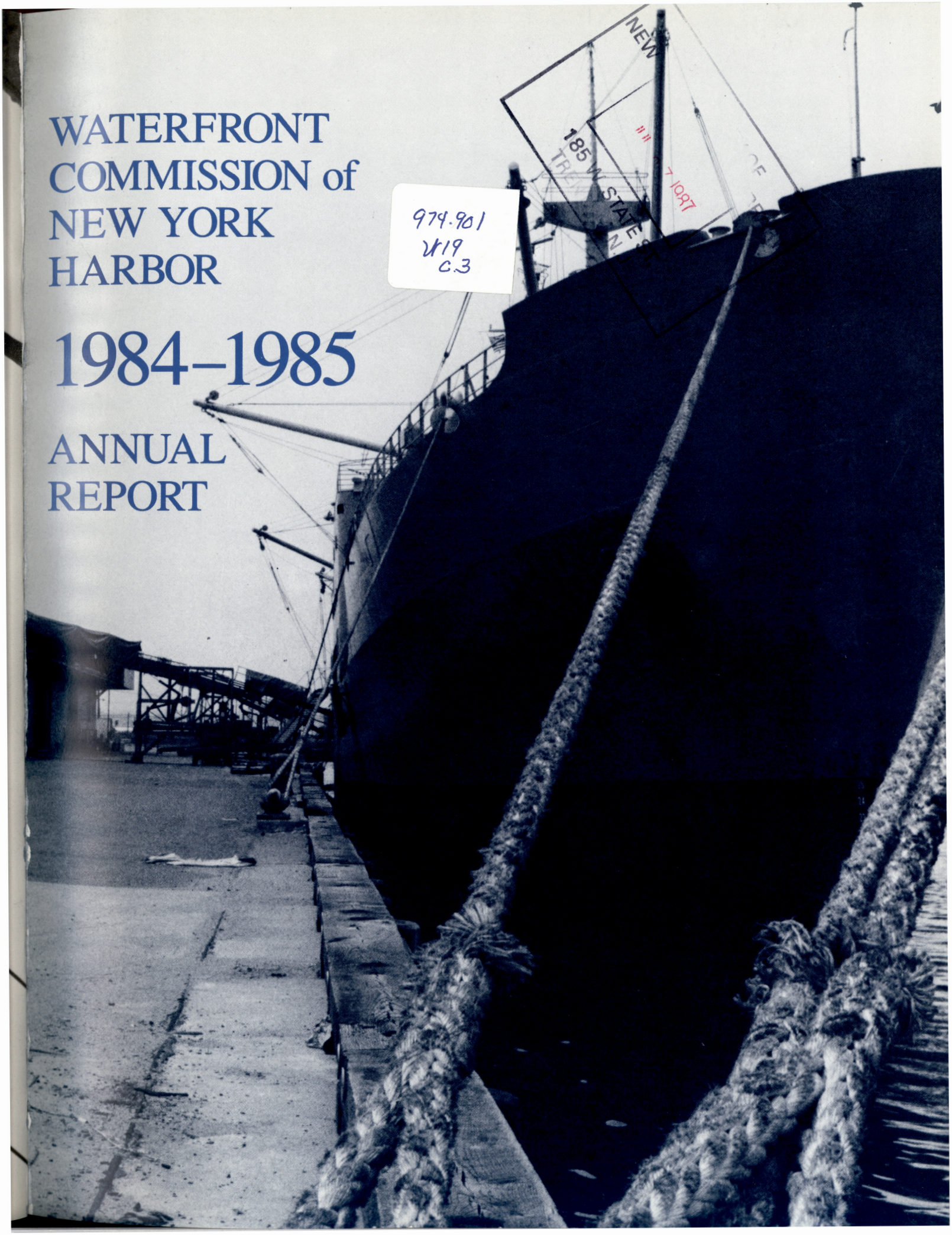
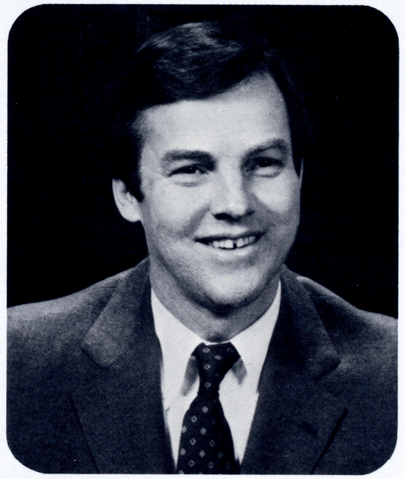
WATERFRONT COMMISSION of NEW YORK HARBOR

1984–1985

ANNUAL REPORT



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To the Honorable Thomas H. Kean, Governor, and the Legislature of the State of New Jersey



To the Honorable Mario M. Cuomo, Governor, and the Legislature of the State of New York

We are pleased to forward the Annual Report of the Waterfront Commission of New York Harbor for its fiscal year 1984–85, containing representative activities of the Commission and observations concerning its administration and enforcement of the Waterfront Commission Compact between the States of New York and New Jersey.

ANNUAL REPORT
1984–1985

THE WATERFRONT COMMISSION OF NEW YORK HARBOR

AN INSTRUMENTALITY OF THE STATES OF NEW YORK AND NEW JERSEY

The Waterfront Commission of New York Harbor was created in 1953 by a Compact between the States of New York and New Jersey. A unique bi-state instrumentality, the Commission has investigative, police, licensing and regulatory jurisdiction over the piers and terminals in the 1,500 square mile joint port district.

The legislation establishing the agency was part of a comprehensive program to deal with crime and corruption on the docks, as well as with the degrading and depressing conditions under which labor was hired in the Port. These evil conditions had been exposed by the New York State Crime Commission in 1952, after a two-year investigation of the harbor with the cooperation of New Jersey law enforcement authorities.

The Compact, together with other remedial legislative measures, was passed in New York in an extraordinary legislative session and signed on behalf of the State on June 30, 1953 by Governor Thomas E. Dewey. New Jersey enacted the bill into law on the same day, by signature of Governor Alfred E. Driscoll. Federal approval of the Compact was granted by Congress on July 30, 1953 and signed by President Dwight D. Eisenhower on August 12, 1953.

The Compact is part of the Waterfront Commission Act, which also includes several separate statutes of New Jersey and New York. The Act empowers the agency to license, register and regulate a wide range of waterfront employees, including longshoremen, checkers, pier superintendents, hiring agents and port watchmen. It also requires the licensing of stevedore firms which move waterborne cargo or perform services incidental to such movement.

Under the Act, no person may act as a longshoreman or checker in the Port without being registered as such by the Commission. Registration may be denied to a longshore applicant for certain criminal convictions or if the applicant is found by the agency to constitute a danger to the public peace or safety. A checker applicant is required to be free of certain criminal convictions and to possess good character and integrity, as are applicants for licenses as stevedores, hiring agents, pier superintendents and watchmen. The agency is authorized to revoke, suspend or reprimand registrants and licensees for various stated offenses.

To provide for a systematic method of employment and the furnishing of information as to the availability of jobs, the Act provides that the hiring of longshoremen and checkers be supervised by the Commission and performed in employment centers established by the agency. The notorious "shape-up" method of hiring, prevalent in the Port prior to passage of the Compact, was abolished; that system having been declared by the legislatures to have resulted in vicious abuses, of which longshoremen were the principal victims.

The Commission has the authority to suspend the acceptance of applications for additional registrations in order to provide for a balance between the size of the longshore and checker work forces and the manpower needs of waterfront employers. It may also cancel the dock registrations of those persons who, without good cause, fail to work or seek work on the piers on a regular basis.

The keystone of crime in the Port prior to the creation of the Commission was the perversion of longshore unionism by labor racketeers and their criminal confederates for their personal enrichment. Control of the hiring process by these mobsters made the threat of a work slowdown or stoppage on the docks a powerful weapon in extorting tribute and obtaining the employers' tolerance of criminal enterprises. To prohibit criminals from holding positions in labor unions representing dock workers licensed or registered by the Commission, the Act bars persons convicted of felonies, misdemeanors involving moral turpitude and certain other crimes from serving as officers, agents and employees of such unions. The labor organization itself is barred from collecting dues, assessments and other monies if any of its officers, agents or employees have been so convicted.

In addition to its licensing and regularization of labor functions, the Commission has the authority to investigate and take police action against criminal activity on the docks and to collect and compile information and data concerning waterfront practices within the port district. In furtherance of these powers, the agency may inspect all vessels and waterfront terminals in the Port, issue subpoenas throughout both states to compel the attendance of witnesses, and confer immunity from prosecution.

* * *

There are two members of the Commission, one appointed by the Governor of New York and the other chosen by the Governor of New Jersey, with the advice and consent of their respective State Senates. Each Commissioner is appointed for a three-year term, with the compensation established by the appointing Governor. The Compact provides that the agency shall act only by unanimous vote of both its members. In exercising its authority, the Commission has the power to receive assistance and data from any other agency of either or both states and to advise and consult with other public officials, as well as with representatives of labor and industry.

Representing the State of New York on the Commission since May, 1979 is Nicholas Scoppetta, a resident of Manhattan, New York. Commissioner Scoppetta is a member of the New York and Federal Bars. He saw prior public service as an Assistant District Attorney in New York County assigned to rackets investigations, Associate Counsel to the Knapp Commission's investigation of police corruption in the City of New York, Special Assistant United States Attorney in the Southern District of New York, Commissioner of Investigations for New York City under two mayors, and Deputy Mayor of the City of New York for Criminal Justice. Commissioner Scoppetta was also a Professor at the New York University School of Law and Director of the Institute of Judicial Administration.

The New Jersey Commissioner is Conrad N. Koch of West Orange, New Jersey. Commissioner Koch, a member of the New Jersey and Federal Bars, was appointed in December, 1983. He was graduated from Seton Hall University and received his legal education at the Columbia University Law School. He has served as the attorney for the West Orange Zoning Board and as prosecutor for the Township of East Hanover in New Jersey.

The Executive Director of the agency is Leonard Newman. As chief executive officer, he is in charge of the daily administration of the Commission in accordance with the policies formulated by the Commissioners. Serving in that capacity since his appointment in July, 1976, Mr. Newman is a member of the New York and Federal Bars. He formerly served as an Assistant District Attorney in New York County for 32 years, including being Chief of the District Attorney's Fraud Bureau for 8 years. He also served as First Deputy Commissioner of the Division of Criminal Justice Services of New York State, being in direct charge of the office of Special Services, including the Prosecutorial Technical Assistance Unit, the Bureau of Municipal Police and the Juvenile Justice Institute.

There are seven divisions within the Commission to administer its functions, all under the general direction of the Executive Director.

The Executive Division is responsible for the administration of the policies established by the Commissioners. The Comptroller's section of the Executive Division prepares the agency's budget, which is submitted to each Governor for review. Under the Compact, the Commission's budgeted expenses are financed by an assessment upon the employers of those persons who are licensed and registered by the agency. Such assessments are limited to a maximum of two percent of the gross payroll payments made by waterfront employers to longshoremen, checkers, port watchmen, pier superintendents and hiring agents. The accounts, contracts, leases and all other matters relating to the agency's financial standing are audited annually by independent auditors. The Executive Division is also responsible for all legal research and litigation; the preparation and review of contracts, leases, regulations and legislation; and for public relations. The Commission's General Counsel and his staff are within this Division.

Attorneys assigned to the agency's Division of Law investigate violations of the Waterfront Commission Act and other statutes pertaining to the harbor. If evidence of a violation is established, such attorneys conduct administrative hearings to determine whether persons and firms registered and licensed by the Commission should be revoked or suspended. In carrying out their duties, the staff counsel in the Division work closely with the Commission's detectives, uniformed police officers and investigative accountants.

The Licensing Division is charged with the processing of all applications submitted to the agency for licenses and registration. As stated, no person may work as a longshoreman or checker in the bi-state port district without being included in the Commission's register. As of June 30, 1985, there were 7,955 persons registered as longshoremen (including 2,125 persons registered to perform ancillary longshore work such as the repairing of containers and the warehousing of waterborne merchandise) and 2,075 cargo checkers. As also stated, persons seeking to perform the functions of port watchmen, pier superintendents and hiring agents are required to be licensed. There were 491 watchmen, 298 superintendents and 242 hiring agents licensed in the Port on June 30, 1985. Similarly, companies seeking to perform stevedore work in the harbor must be licensed by the Commission and, as of June 30, 1985, 87 of such firms held licenses or temporary permits issued by the agency.

Included in the Licensing Division are attorneys whose function it is to conduct administrative hearing proceedings to determine whether applications for registration or licensing should be granted or denied. This Division also administers those provisions of the Waterfront Commission Act designed to balance the labor supply in the Port with the labor needs of stevedore firms and waterfront terminal operators.

The Commission's Division of Police is composed of a force of detectives, uniformed officers and waterfront intelligence analysts. The Division's personnel conduct investigations of illegal activity in the harbor, perform background checks of persons and firms applying for registration and licensing to work and operate in the harbor, patrol the

piers, and gather and interpret waterfront information. The agency's licensing and investigative files and indices are maintained and secured by this Division. The Commission's detectives and uniformed officers have full police powers throughout both New Jersey and New York.

Since the enactment of the Waterfront Commission Act, the supervision of the hiring and assignment of waterfront workers has been performed by the Division of Employment Information Centers. This Division also provides job opportunity data to waterfront workers and maintains dock hiring statistics utilized not only by the Commission but by other governmental agencies. At present the Division operates three employment information centers in the Port, in Port Newark–Port Elizabeth, Brooklyn and Manhattan.

The Division of Audit and Control is composed of accountants who participate with the Commission's attorneys and detectives in various investigations to uncover violations of law in the harbor. The Division also audits the books and records of applicants for stevedore licenses; examines the payroll accounts of waterfront employers to insure the accuracy of assessment returns submitted to the agency; and enforces the record-keeping standards required of licensed stevedores under the Commission's regulations.

Furnishing the other divisions of the agency with stenographic, court reporting, clerical and law library services is the Administrative Division. Personnel and other records of the Commission are maintained by this Division.

During the past year, the Commission operated with a staff of 159 employees. Its budget, as approved by the Governors, was $6,987,742. In administering its functions, the Commission disbursed $6,336,533, or the sum of $651,209 under its budget.

THE PORT

The Port of New York–New Jersey continued to pace the nation in the value of oceanborne cargo handled during 1984. More than 53,700,000 long tons of general and bulk oceanborne freight with a value of over $49.3 billion passed through the harbor. The dollar value was a new record for the Port and higher than recorded in any of the nation's other seaports. In long tons (2,240 pounds) it was 15.5% higher than the Port's tonnage of 46,558,974 the previous year and, in value, 14.7% above 1983's $43 billion.

The harbor's cargo value of $49.3 was $5.9 billion higher than Los Angeles, the second-ranked port; $17.8 billion more than third-ranked Houston; and $23.7 billion over fourth-ranked New Orleans. The Port's value per ton equaled $3,122 or 79% higher than the national average of $1,744. Indeed, the harbor had a 20.5% share of the total value of oceanborn trade in the 10 largest customs districts in the United States.

The Port also remained the premiere containerized harbor in the nation and second only to Rotterdam in the world. During 1984 some 1.3 million cargo containers of various sizes were handled, which is equivalent to 2.35 million based on the industry measure of 20-foot containers. This was a rise of almost 14% from the 2.065 million equivalency handled the year before.

The Port's leading oceanborne general cargoes exported, in terms of value, were general machinery, photo supplies, aircraft and parts, office machinery, plastic materials, road motor vehicles, scientific instruments and electrical machinery. The chief commodities imported included motor vehicles, clothing, telecommunications apparatus, general and office machinery, footwear, alcoholic beverages and coffee.

With a registered and licensed work force of over 11,000 persons, the bi-state Port serviced over 12,000 vessel movements (arrivals and departures) in the year ending June 30, 1985.

During the waterfront industry's contract year of October 1, 1983 through September 30, 1984, 8,282 registered longshoremen and cargo checkers (exclusive of dock workers registered as longshoremen to perform services incidental to the actual movement of waterborne freight) received a total of $334,679,015 in regular and overtime wages, guaranteed annual income payments and vacation and holiday monies.

This represented average annual earnings for the 8,282 dock workers of $40,410. In the prior collective bargaining year ending September 30, 1983, 8,649 of such registered workers received $307,154,083, or an average annual income of $35,513.



THIS YEAR

Resolving Checker Shortages

One of the conditions in the early 1950's which threatened the economic viability of the Port, thus leading to the enactment of the Waterfront Commission Act, was the vast oversupply of dock workers. This imbalance of labor, together with the then antiquated hiring system, resulted in irregularity of employment and inadequate earnings, as well as exploitation and extortion as the price of securing a day's employment. Indeed, the District Attorney of New York County had described these conditions as setting up the waterfront industry for control by racketeers. To remedy this situation, the Waterfront Commission Act charged the Commission with the responsibility for balancing the size of the longshore and checker Register with the demand of employers for the services of these dock workers.

In 1966, the Act was amended to grant the Commission authority to suspend taking applications for registration as longshoremen or checkers (i.e. to close the Register) and to make determinations to add persons when and in such numbers as they are needed. The amendment provides that, at such time as the Commission determines to add persons to the Register, applications for registration shall be processed in the order in which they are filed with the agency. In addition, the Commission, since its creation, has had the power to register longshoremen and checkers on a temporary basis to meet special or emergency needs. This power was recognized and preserved in the 1966 "closed register" amendment.

In the summer of 1984, the Port of New York–New Jersey began experiencing serious shortages of checker labor. Checkers are those specialized longshoremen responsible for tallying oceanborne cargo in and out of containers and trucks and for performing certain clerical work at the waterfront terminals. It is estimated that, for each checker not available, two to three longshoremen are not hired. Checker shortages have a harsh economic effect on the Port, resulting from the increased payment of overtime wages, long lines of trucks waiting to be serviced, delays in cargo arriving at their destinations and the diversion of cargo to other ports where merchandise may be handled more expeditiously.

To alleviate these shortages, the Commission proposed transferring longshoremen on a voluntary basis to checker status. If a longshoreman is not registered by the Commission as a checker, he or she may not work in such capacity. The New York Shipping Association, representing waterfront employers, and the International Longshoremen's Association, representing labor, would not agree, but counterproposed that the checker register be increased by 200 persons; 66 existing longshoremen to be transferred and 134 persons from without the industry to be added to the Register. The Commission, however, would not authorize the addition to the Register of persons from without the industry since there was a surplus of longshoremen then costing the industry about $75,000,000 a year in guaranteed annual income. (Since 1966, longshoremen and checkers have been guaranteed an annual income at the hourly rate of pay in effect under the collective bargaining agreement betwen the NYSA and the ILA, whether they actually work or do not work.) Moreover, there were indications that a number of existing longshoremen, because of advancing age or declining health, were willing to transfer to the less arduous work of checkers. As the Commission advised the industry, it could not allow any increase in the size of the work force until every effort was made to utilize the existing surplus labor supply.

While in the summer of 1984 shortages of checkers averaged more than 100 a day, the shortfalls were partially offset by having longshoremen voluntarily work as checkers on a daily emergency basis. This was a practice authorized for years by the Commission and utilized by management, usually without interference by the ILA. This procedure reduced the average daily checker shortages to some 50 to 60 persons.

Continuous discussions between the Commission, on the one hand, and the NYSA and ILA, on the other hand, did produce some movement in December, 1984 to head off projected shortages during the Christmas–New Year season, when many checkers would be on vacation. It was agreed that 75 longshoremen holding longshore seniority categories "A" through "H" would be permitted to transfer to checker status and that the Commission would issue 30-day temporary emergency checker registrations to 75 persons selected by the industry from outside the existing longshore-checker registered workforce. The understanding was that the industry would give a checker proficiency examination to all longshoremen holding "A" to "H" seniority (or equivalent seniority) willing to become checkers, as well as to outsiders. However, when existing longshoremen started enrolling for the exam, the industry announced that it would not permit maintenance and other craft longshoremen to take it. When apprised of this breach of the agreement, the Commission immediately stopped issuing temporary checker registrations to outsiders (some 49 had already been issued out of the total of 75).

The examination was administered in late December, 1984. Of 105 existing longshoremen who were permitted by the industry to take the test, only 19 passed and were thus eligible for checker seniority. Many longshoremen who failed complained to the Commission about the physical conditions and time restraints of the examination. Of the 441 outsiders who took the test, 202 passed.

Negotiations between the Commission and management and labor continued. It was the Commission's position that there should be a re-examination because of the numerous complaints and that maintenance and other craft longshoremen should be given the opportunity to be tested. In addition, the Commission took the posture (which it had also advocated in December, 1984) that longshoremen holding "I" seniority should be permitted to take the exam. These were longshoremen temporarily added to the Register in 1979 under the Commission's emergency powers to fill labor vacancies in the holds of vessels and to move bananas, who later became permanent registrants by an amendment to the Act. The industry refused to give the examination to the "I" longshoremen, claiming they were needed in the longshore positions they then held. Parenthetically, the "I" seniority group contained the only female dock workers in the Port and thus the industry's then refusal to give the exam to "I" persons effectively prevented the female dock workers from becoming checkers. The Commission's objective was that any existing longshoremen who desire to transfer to checker status should be granted the chance to do so, for increasing the possible number of transferees would aid in decreasing the guaranteed annual income costs.

On April 19 and 22, 1985, the Commission held public hearings concerning the shortage of checkers. Testimony was received from representatives of management and labor, the Port of New York and New Jersey Authority, longshoremen and the National Organization of Women. There was no dispute that shortages did exist and would escalate during the 1985 summer vacation season. Representatives of shipping lines and stevedores described monetary losses of hundreds of thousands of dollars experienced during the summer of 1984 because of the checker shortages. Stevedores and the ILA were firmly against the transfer of "I" seniority longshoremen to checker status; management representatives and the Port Authority voicing their concern that loss of the "I" persons from their existing jobs would cause problems in the movement of bananas and in other pier functions. However, employment statistics maintained by the Commission indicated that on any given day approximately 100 to 150 of the "I" longshoremen were not hired. Further, it appeared that the number of "I" persons who would ultimately become checkers would be lower than the number not receiving steady employment as longshoremen.

After the conclusion of the hearings, negotiations continued once again. Finally, management and labor agreed to give a new examination (1) to those longshoremen and outsiders who failed the test, and (2) to the longshoremen who did not take it the first time (including the "I" longshoremen who had been barred, although not to a handful of maintenance longshoremen).

Those longshoremen holding longshore seniority "A" through "H" who passed the second examination were authorized by the Commission to work as checkers and were issued "Q" checker seniority by the industry. These persons were eligible for the guaranteed annual income and, while retaining such eligibility as checkers, would obtain work as checkers. Those "I" longshoremen indicating they wished to take the examination were also authorized to work as checkers by the agency and those who passed received "R" checker seniority from the industry. The "I" longshoremen were not GAI eligible and, as checkers, are still not eligible.

It was further agreed that the Commission would issue temporary checker registrations, as needed to alleviate shortages, to no more than 140 outsiders who passed the first test as well as a physical examination administered by the industry. These persons were issued "R" checker seniority by the industry. The registrations issued to these persons are for a month at a time and subject to certain conditions, i.e. (1) that the registration is not continued for the following month if the registrant fails to work or seek work as a checker at least 8 days; (2) that the registrant will not be employed until all other checker registrants holding higher seniority have been employed or have refused employment; and (3) that the registrant will not be added to any permanent checker list.

Since the addition of these 140 persons did not alleviate the 1985 summer checker shortages, additional persons were employed as checkers from the longshoremen who took and passed the new examination, including the "I" longshoremen. It was also agreed that, if additional persons were still needed as checkers, persons would be added on a temporary basis from the outsiders who failed the first exam but who passed the new examination and the industry's physical.

It was also part of the understanding to propose amendatory legislation which would (1) grant permanent status to those of the "outsiders" still remaining as temporary registrants at the time of the bill's passage, and (2) provide an exception to the closed register statute for checkers. The pro-



THE JOURNAL OF COMMERCE, Monday, April 22, 1985

Checker Shortage Hearing Held

By CHRIS DUPIN
Journal of Commerce Staff

NEW YORK — A shortage of cargo checkers could damage the ability of New York to compete with other ports and to keep its freight moving through the hinterland, according to testimony at a hearing held by the Waterfront Commission of New York Harbor.

That was the testimony of waterfront officials at the hearing, held to examine the problem of checker shortage that plagued New York last summer. The hearings are expected to continue this year in connection with labor negotiations. Checkers are the longshoremen who account for cargo on and off vessels in the ports, and tally their movement.

Last year, there were 2,000 checkers in the port as of March.

According to Jesse Langston, director of employment information centers of the Waterfront Commission, there is a daily average shortage of 147 checkers. Langston said that in August, the shortage soared to a daily average of 300 checkers, while the same time, longshoremen in the Waterfront Commission district worked an average of 4,000 hours.

That attempt to measure the apparent shortage of checkers by commission officials and waterfront employers was criticized by Richard Hecht, a lawyer for the International Longshoremen's Association, AFL-CIO. Hecht, in testimony read by Conrad Koch, the association agency's vice president, said:

"The number of active checkers with seniority has also dropped by 19 during the shortage period. The checkers have been the beneficiaries of the dismissal of 19 New York longshoremen with seniority who were checkers during the shortage. The dismissal of Anthony Tomeli, the president of the Longshoremen of the Port of New York and New Jersey, is a case in point. Mr. Tomeli said he was concerned that if the checkers could not be retained, other ports would be used by carriers to move cargo. Tomeli said that if the checkers could not be retained, other ports would be used by carriers to move cargo.

J. Ernest Stevenson, executive vice president of Evergreen Marine Corp. (N.Y.), Taiwan, a container carrier, testified that his line had been forced to divert ships originally destined for New York on its round-the-world service to Philadelphia route, where cargo is shipped to ports on the Pacific coast and then moved to New York by rail.

Melvin Maher, the president of Maher Terminals Inc. in Elizabeth, said at the height of last summer's shortage, his terminal had a shortage of up to 50 checkers per day. There were two checkers per gang, with each checker, that is, working with a checker assignment for the shortage causes.

The shortage caused delays of up to 10 days in stripping containers at the Maher terminal.

In addition to causing delays in cargo being delivered, the checker shortage was costly to the terminal operator in terms of overtime to be paid to get cargo moved.

According to Nicholas Scoppetta, vice president of several different companies at Sea-Land Service, Inc., the checker shortage affected as an agent for foreign-flag lines, the checker shortage affected ships, for example, the Ocean Shipping, for example, the additional $170,000, and the Shipping Corp., of India $121,000 in overtime and delivery costs.

Mr. Tomeli said the port authority encouraged the commission to intensify efforts to expedite the transfer of registered longshoremen to checker status.

"That would get workers off the docks and provide additional income guarantees longshoremen a paycheck whether or not.

But Mr. Tomeli said he was sure if younger, "I" status longshoremen should be assigned to transfer to checker status.

Many of the "I" longshoremen, he said, drive cranes and are trained to checker jobs.

Mr. Langston said that he difficult to estimate how many checkers were needed because the addition of the permanent checkers and the temporary checkers' seasonal needs would reduce shortages.

He said the commission would allow all longshoremen to transfer into checker jobs on a permanent or temporary basis in accordance with a program released by the New York Shipping Association. He said that all those who have passed the longshoreman's test and have been employed as longshoremen for at least one year would be eligible for the checker exam. Those who have passed the test but have been employed as longshoremen for less than one year would further sort the

Koch of Wood, Orange and Nicholas Scoppetta of the Longshoremen's Association of the Port of New York and New Jersey, testified that the commission had failed to provide adequate testing facilities during the last examination, resulting in long delays for those taking the test.

Koch said: "Everybody was very — that things were going — the commission."

Koch also criticized the commission for not providing adequate facilities for those taking the test.

"So, after the hi we will ask you to go to the Jefferson Diner. The Jefferson Diner is also no longer in existence. It's a parking lot. So, after the hi we will ask you to go to a parking lot. The commission also provided no facilities for the applicants during the test period.

Koch said that the examination itself was also rife with problems. He said that the examination was not job related, that it was too long, that it was administered by many different examiners, and that the examination was graded by many different examiners.

The contract provision allows $32,000 in basic wages, vacation and paid holidays, with overtime, premium pay and paid holidays for a total of $42,000 annually. Under the contract, the guaranteed annual income would be increased to $45,000 annually.

Koch said that the commission should not only provide adequate facilities for the examination, but should also provide adequate facilities for those who have been hired as checkers.

And, in his testimony, Koch said that the commission should not only provide adequate facilities for the examination, but should also provide adequate facilities for those who have been hired as checkers.

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THE STAR-LEDGER, Friday, May 17, 1985 23

Port accord to avert pier checker shortage

By AL FRANK

A feared shortage of checkers on the piers of New York and New Jersey will not occur this year, a spokesman for the Waterfront Commission said yesterday.

Implementation of the plan, which calls for additional checkers to be trained, was announced by the commission.

Checkers keep track of cargo as it is moved on the piers. Because of the job's seasonal nature, many checkers take vacation during the winter months, when the shipping season is slow.

In addition to delaying deliveries, the shortage has cost shipping companies thousands of dollars in overtime pay, according to Nicholas Scoppetta, vice president of Sea-Land Service, Inc., a container shipping line.

Scoppetta, testifying at a hearing conducted by the commission, said the shortage has cost Sea-Land $1 million in overtime pay since March 1984.

Koch of Wood, Orange and Nicholas Scoppetta of the Longshoremen's Association of the Port of New York and New Jersey, testified that the commission had failed to provide adequate testing facilities during the last examination, resulting in long delays for those taking the test.

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THE JOURNAL OF COMMERCE, Tuesday, April 23, 1985

Plan for New Checkers Backed

By CHRIS DUPIN
Journal of Commerce Staff

NEW YORK — The Waterfront Commission of New York Harbor should open up to allow the hiring of new workers to the dock force, a spokesman for the International Longshoremen's Association said Monday.

Testifying at a Waterfront Commission hearing on the shortage of checkers at the piers, Thomas Gleason, president of ILA Local 1804, proposed hiring as many as 200 additional men to become checkers.

Gleason said that the port needs new checkers "to preserve our jobs."

Mr. Gleason also said the ILA has a long list of applicants for checker jobs.

Mr. Gleason also said the ILA has an aging membership and that the ILA members were necessary to help protect the jobs of younger members. "We're here to protect the younger men," he said.

John Farrell, a member of the board of directors of the shipping association, which represents stevedores and employs longshoremen, also testified in favor of the ILA-NYSA plan.

Mr. Farrell, who is the president of International Terminal Operating Co., a major stevedore with operations on the East Coast, Gulf, and Pacific coasts, said the plan was immediately needed to alleviate between 140 and 150 temporary checkers.

He said that while the outside employment would eventually be allowed, the union would reserve existing longshoremen's salaries and interest arbitrators would also be given the power to transfer over to checker status.

Last week, the Waterfront Commission agreed to grant temporary checker registrations to 75 of the ILA-NYSA applicants. The remainder will be considered at the next meeting of the commission.

The Waterfront Commission is required to license qualified longshoremen on a first-come, first-serve basis, the ILA-NYSA would like to see the plan require a change in the law in both New York and New Jersey in which only longshoremen who have been employed over a certain period of time would be eligible for checker jobs.

Gleason also said that the ILA has no objection to the commission's plan to hire outside checkers, but that the union would like to see the commission hire longshoremen who have been employed over a certain period of time.

Gleason also said that the ILA has no objection to the commission's plan to hire outside checkers, but that the union would like to see the commission hire longshoremen who have been employed over a certain period of time.

THE STAR-LEDGER, Tuesday, March 19, 1985

Waterfront panel to hold hearings on the shortage of cargo checkers

By AL FRANK

The Waterfront Commission of New York Harbor will conduct hearings next month on a shortage of checkers in the port.

The hearings, on April 19 and 22 at the World Trade Center, will be the first the commission has held on the subject since 1978.

At that time, the histate agency had a similar problem finding enough dockworkers who would be responsible for keeping track of stockcargo as it is moved at the seaport's terminals.

As in 1978, the commission is dueling with waterfront labor, represented by the International Longshoremen's Association (ILA), and [illegible] sented re-

Although both groups boycotted the 1978 hearings, the commission's subsequent decision to allow longshoremen to transfer to checker jobs was upheld by the federal courts after appeals by the ILA and NYSA.

Lashkyar, the commission said 300 new checkers were needed on the docks to augment an existing force of about 1,500. Although daily shortages are not great now, it said it expected the situation to grow worse during the summer vacation period, as it did last year.

At that time, the commission proposed to recruit [illegible] ranks—

West Orange and Nicholas Scoppetta of New York rejected the idea but later permitted the hiring of 75 longshoremen and 75 outsiders.

The ILA and NYSA insisted that recruits take a written examination before their checker status was confirmed.

Recently, the commission has been looking into the exam, which was administered to more than 500 individuals in December, said Jerome J. Kloed, the commission's deputy executive director.

The test apparently was so tough that dockworkers of many years' standing were told they had flunked. Only 19 of the 105 longshoremen who took the test passed, Kloed said. Of the 441 outsiders who took the exam, 202 passed.

"We have a situation where people who have been in the industry, most for more than 15 years and have worked as emergency checkers, have failed," Kloed said. "A lot of those who failed thought they had passed, and many know their jobs. So we want to look into it."

J N. Koch of [illegible] jobs.

nd NYSA pro- '66 longshore- and said they ust the selec-

THE NEW YORK TIMES, SUNDAY, APRIL 28, 1985

Waterfront Issue: How to Fill 300 Jobs

By ANTHONY DePALMA

IT HAS been 32 years since turnof 1 inch sides of the Hudson River, conclusions and steps to reduce the ... Waterfront Commission of New York Harbor.

The estate agency was supposed to ... elimination of the shaming shape and make sure there was a fair hand in selection for work on the waterfront.

The commission's control over the port is unusual in American labor, and the antagonisms that result have led it at loggerheads with the International Longshoremen's Association, AFL-CIO, for most of those 32 years.

The latest farrago is typical of the kind of issue which [illegible] having since

the night and on weekends. And in the end the port suffers because ships divert cargo elsewhere.

Although the commission does recognize the shortage, they seem to agree on how to deal with it, both over the long term and, more important, the problem for the severe shortage that is expected during the coming summer.

About 2,000 longshoremen in the port do not work, but receive a guaranteed annual income under terms of a contract won by the union in 1969 to compensate men idled by the switch to containerized cargo handling. The commission agrees that it is only reasonable to try to fill the empty checker jobs with as many of those idle men as possible, thus reducing the cost of more expensive overtime.

But the I.L.A., contends the industry needs checkers who are younger, more educated, better suited to ... computers

transfer into checker jobs on a permanent or temporary basis in accordance with a program released by the New York Shipping Association. It said that all those who have passed the longshoreman's test and have been employed as longshoremen for at least one year would be eligible for the checker exam. Those who have passed the test but have been employed as longshoremen for less than one year would further sort the

THE JOURNAL OF COMMERCE, Friday, May 17, 1985

Plan Set to Meet Need For Cargo Checkers

By CHRIS DUPIN
Journal of Commerce Staff

NEW YORK — A plan to relieve the shortage of cargo checkers in the Port of New York was announced Thursday.

Under the plan, which will go into effect immediately, longshoremen will be allowed voluntarily to register as checkers and temporary checkers will be hired for peak vacation and holiday seasons.

The Waterfront Commission of New York Harbor will also seek legislation that will allow it to open the checker register to some workers

Transamerica Interway Inc., an intermodal transport leasing company, is moving its corporate headquarters from New York City to White plains, N.Y. See Page 7A.

who are not already longshoremen. Checkers are the workers who account for cargo movement on the docks and tally cargo in and out of containers.

The plan was jointly announced by the Waterfront Commission, the International Longshoremen's Association, the AFL-CIO and the New York Shipping Association, which represents stevedores in the port.

The commission said that it would allow longshoremen to transfer to checker status on a temporary basis within a week or two.

Longshoremen who pass a test to be given in mid-June by an educator hired by the NYSA-ILA contract board will be able to obtain permanent checker status.

Longshoremen will also be able to take a refresher course before the test is given. Late last year, large numbers of longshoremen failed a similar test. During hearings in April on the checker shortage that developed in the port last summer and during the Christmas season, the commission had indicated that some longshoremen had expressed a desire to work as checkers, which is physically less demanding than many longshore jobs.

According to Jerome Klied, deputy executive director of the commission, upward of 130 longshoremen with group "I" seniority, the least senior of the port's longshoremen, are interested in becoming checkers.

In addition, longshoremen with higher seniority will also be eligible to transfer to become checkers.

Finally, the Waterfront Commission will also issue temporary check-

Additional maritime news appears today on Pages 3B and 7B.

er licenses to 140 applicants who have passed the checker exam and are referred by the NYSA-ILA.

Mr. Klied said that the commission will seek legislative authority from the states of New York and New Jersey to give those "outsiders" permanent checker registration. Currently the commission is required to hire checkers on a first-come, first-serve basis.

Brian Maher, president of Maher Terminals said the agreement should prevent a recurrence of the checker shortage this summer.

"It's a good thing for the port; it is absolutely essential."

He said there had been no shortage of checkers yet this year, but without the agreement yesterday shortages would have likely developed.

THE SUNDAY STAR-LEDGER, April 21, 1985

Waterfront panel studies hiring of checkers despite idled longshoremen

By AL FRANK

The Port of New York and New Jersey would be competitive in ... handling cargo if it were to hire ... checkers, a waterfront panel ... yesterday.

The checkers would be needed to ... cope with the predicted growth in the shipping industry at the port, ... Waterfront Commission of New York Harbor.

N. Koch of the agency, led by Conrad ... Koch of Wood, Orange and Nicholas ... of New York and New Jersey, ... ILA, testified at the hearing.

... Koch said that the commission ... hearings on the matter in ... 1979. After evaluating the testimony, the commission decided that it ... not necessary to hire more checkers ... Koch said that the commission ... that it can respond to the ... by calling in longshoremen ... be trained for checker jobs ... Koch said that the commission ... that it can respond to the ... by calling in longshoremen ... be trained for checker jobs ...

posed legislation contemplates that, at such times as additional checkers are required in the Port, the Commission will determine the number so needed and management and labor will refer applicants to the Commission who will then have to meet the statutory requirements for registration.

The agreement was arrived at by the Commission after months of negotiations and with the objective of avoiding what would have been a disastrous summer for the Port. With the Port already saddled with the reputation of being a high-priced harbor, the Commission wished to avoid a second reason (a shortage of checkers) for shippers to divert cargo to competing ports.

In the past, little cooperation in solving the Port's problems could be expected from the ILA. For example, in January of 1985, when the 30 day temporary checker registrations issued to outsiders for the Christmas-New Year season were expiring, the ILA requested a continuation of such registrations. The Commission refused, since there was no longer a need for the services of such persons. The ILA thereupon stopped the employers from utilizing longshoremen as checkers on a daily emergency basis; a practice which existed for many years.

Alternatives to the compromise solution were thoroughly explored by the Commission. To utilize the existing closed register statute would have easily invited over 100,000 persons to seek applications for some 250 registrations. Thus, the New Jersey Star-Ledger reported on July 14, 1983 that 140,000 persons applied for 100 job openings as clerk-carriers with the U.S. Postal Service in the North Jersey area at a starting salary of $19,000. In 1981 in New York City over 225,000 applications were received for 2,500 jobs in the Postal Service starting at $9.05 an hour. In 1983 more than 15,000 people applied for 3,800 temporary 10-week city jobs in Chicago. A disturbance broke out at one application site, with nine people being arrested. In 1984 in Los Angeles some 20,000 persons sought applications for 350 longshore jobs starting at $12.42 an hour. Prospective applicants parked their autos, trucks and campers in miles-long lines waiting for applications.

The current hourly wage for longshoremen and checkers in the Port is $17. Thus, a yearly income at 40 hours per week is over $35,000. Undoubtedly, most people applying would have been under the misconception that they would have been entitled to the guaranteed annual wage, since within the past few years the GAI in the Port has received widespread notoriety.

The Commission has opened the Register on three prior occasions. Each time there were lines of thousands of persons for several days in advance of the scheduled distribution of applications. The last such general opening was in 1969.

Finally, the Commission gave consideration to the industry's longstanding objection to the present statutory method of registration as (1) prohibiting the industry from selecting its own employees, and (2) curtailing the introduction into the work force of younger persons. In this regard, it is noted that as of December 31, 1985, 48% of the longshore work force and over 44% of the checkers were over the age of 55 years.

Strike Force Investigation Initiated

During the year, the Commission developed information and evidence of extensive racketeering, corruption and other criminal activity in that segment of the waterfront industry performing services incidental to the movement of cargo. Since the agency does not have prosecutorial authority, it has furnished such data to federal authorities and has joined forces with the United States Organized Crime Strike Forces in Brooklyn and New Jersey to pursue the investigation. Several Commission detectives and accountants have been deputized as federal law enforcement agents in the probe.

Guaranteed Annual Income Scam

In last year's report, the Commission detailed its probe of longshoremen illegally obtaining guaranteed annual income (GAI) monies from the industry. To legitimately obtain such funds, those dock workers not ordered in advance for employment on a particular day, and who are qualified to receive GAI payments, are required to personally appear at one of the agency's employment centers during the morning hiring period. They record their presence and availability for work by "badging-in" their industry seniority cards in computer terminals. If they are not selected during the hiring period as "fill-ins" for absentee longshoremen or for work not previously anticipated, they then "badge-out" and receive a day's credit toward the annual guarantee. As the agency has reported, through the years a number of dock workers have attempted to circumvent these requirements by having other persons badge them in and out while they were actually working in jobs off the waterfront.

In its continuing investigation of this type of fraud, this year the Commission developed information that a long-time longshoreman was working on a construction site while being badged in and out as a dock worker for guaranteed annual income credit. A surveillance of the longshoreman by Commission detectives established that he was working as a maintenance foreman at a water tunnel construction project in New York City. Further inquiry revealed that, for several years prior thereto, he had been employed as a maintenance engineer and foreman at another tunnel job. While he initially worked during the night shift, when he commenced working at the water tunnel he transferred to the day tour, which began at 7:00 a.m. and ended at 3:00 p.m. The morning hiring period for longshoremen, requiring their personal appearance, is from 8:00 a.m. to 9:00 a.m.

Records obtained from the tunnel construction firms employing the longshoreman disclosed that his gross earnings in a period of less than nine years were over $352,000. His gross earnings for one year alone, while working on the day shift, were in excess of $78,000. Records obtained from the various waterfront industry funds, including the GAI Fund, showed that during the period of time the longshoreman was working on the construction jobs he had been paid over $170,000 from these funds, based on representations by the longshoreman that he was available for longshore work.

The Commission thereupon instituted an administrative hearing to determine whether the longshoreman's registration to work on the waterfront should be revoked, charging him with misrepresenting his availability for waterfront work and thus misappropriating $170,000 from various waterfront industry funds. During the pendency of the hearing, the longshoreman was removed by the Commission from the Register for failing to work or seek work on the waterfront on a regular basis as required by the agency's regulations. In the interim, the dock worker sought to obtain a waterfront disability pension, which was refused when the industry was made aware of the Commission's case. Finally, the evidence in this matter has been furnished to the district attorney's office for appropriate criminal prosecution.

* * *

Ghost Busters

Through the years, the Commission has taken disciplinary action against those pier workers who have engaged in payroll cheating; the practice of dock employees leaving the piers during working hours without permission. These workers are known on the waterfront as "phantoms." Some ten years ago, after a series of hearings exposing this practice and resulting in the suspension of a number of longshoremen, the Commission issued a warning to all registrants and their employers that such activity would not be tolerated and that the agency would deal severely with all persons responsible for such thefts of wages, including those employers and supervisors who condoned the practice.

This year the Commission developed information that several employees at a New Jersey terminal were leaving their assignments long before the end of the work day. Surveillances by agency detectives showed that one such employee regularly went to Atlantic City casinos to gamble, another was managing a tavern in which he had a financial interest and a third spent most of the work day at his home. Administrative proceedings were instituted against the three, a dock boss, a checker and a longshoreman, charging each of them with misappropriating wages from their stevedore employer. During the course of the trial, all three respondents acknowledged that they had obtained wages upon false representations to their employer that they were present at the pier when they actually were not. Each respondent's registration was revoked for a stated period of time and each agreed to make restitution to the employer for the funds misappropriated.

Cargo Protection

With more than $49 billion worth of cargo moving through the Port, including almost $41 billion in high value general merchandise, the protection of cargo requires special consideration and attention.

The Commission has a staff of uniformed officers who patrol the docks throughout the Port, while its detectives investigate all thefts and losses occurring under suspicious circumstances. The Police Division also performs periodic evaluations of the cargo security measures taken by licensed stevedores and those carriers performing their own loading and unloading. Additionally, the agency provides training and refresher courses for the private pier guards utilized by the waterfront industry.

To provide accurate statistical data concerning losses of cargo through theft and pilferage, the Commission requires the reporting of such losses by licensed port watchmen, pier superintendents and stevedores. By regulation, every pier superintendent and pier security officer having overall supervision of cargo protection on a pier is required to immediately advise the Commission of any theft or attempted theft. In addition, licensed stevedores are mandated each quarter year to file reports with the agency of all thefts and suspicious losses. Moreover, licensed stevedore firms having the responsibility of safeguarding cargo for shippers and consignees are required by Commission regulations to so protect such merchandise from theft as may be reasonably necessary and appropriate for the particular cargo.

Significantly, the most effective deterrent to theft by a waterfront employee is the realization that such crime may result in the suspension or revocation of his license or registration by Commission action. With average annual earnings of longshoremen and checkers exceeding $40,000, few dock workers will risk the loss of their livelihood.

* * *

Acting on information that a waterfront warehouse on the New Jersey side of the Port was suffering unexplained losses of imported green coffee, Commission detectives established a surveillance of the facility. Further data received by the agency indicated that a particular truck driver who regularly made runs to the warehouse might be involved in the suspected thefts.

One morning, the detectives observed the suspected driver arrive at the warehouse and have his vehicle loaded by a warehouseman employed at the depot. It appeared to the police officers that more bags of coffee had been loaded on the truck than the driver was entitled to receive and they accordingly surreptiously followed the vehicle after it left the warehouse.

When the truck started entering the Holland Tunnel between New Jersey and New York, it was ordered over to the side by tunnel employees to be weighed. The Commission detectives thereupon quickly telephoned the tunnel police authorities, advised them of the situation, and requested that the truck be allowed to proceed. After reaching Manhattan, the driver of the truck dismounted and made a telephone call at a public booth. He then returned to the vehicle and, either having failed to contact his fence or realizing that he was being tailed by the Commission investigators, drove back to the warehouse in New Jersey. Arriving at the building, he started unloading some of the coffee bags from the truck with the assistance of the same warehouse employee. At this time, the Commission officers ascertained that twenty-four additional bags of Ivory Coast green coffee, valued at $5,000, had orginally been loaded onto the vehicle without authority and arrested both men. Each was later indicted by a New Jersey grand jury for theft.

The warehouseman later admitted his involvement in the theft and confessed to the agency's detectives that he and the truck driver had committed three prior larcenies of coffee from the facility.

* * *

Receiving a complaint from a waterfront carrier that it was missing a container and chassis for three months, Commission detectives commenced an investigation. The shipping company's records indicated that, several months prior, a trucking firm had picked up the container, which was empty, and the chassis for delivery to a freight forwarder who was to load the container with used auto parts for export. However, neither the container nor chassis were ever returned to the carrier for shipment.

The Commission officers attempted to contact the trucking firm and discovered that it was no longer in business. Morever, the freight forwarder had no knowledge of the whereabouts of the equipment. In a further effort to locate the defunct trucking company, the investigators then checked the records of various stevedores to see if there was any indication of the firm having leasing agreements with other trucking outfits. One such agreement was found which utlimately led the detectives to a large storage yard in Jersey City. There the investigators located the missing container and chassis, as well as a hi-lo and other cargo moving machines which were inside the container. The owner of the yard claimed that the trucking firm owed him money and that he was only holding the equipment until he was paid, but agreed to the rightful owner picking up its equipment. While examining the yard, the detectives found two additional containers which they ascertained belonged to another waterfront carrier and which were missing for several months. These containers were also returned to the true owner. The value of all the equipment recovered was over $30,000.

* * *

Thief Takes a Bath

Truckers coming to the piers to deliver or pick up cargo frequently have to wait in line for entry to the terminal. During one such occasion, a Commission detective, stationed in the longshoremen's parking lot, observed a truck driver open the door of his trailer and remove several packages of bath and hand towels, bed sheets and pillow cases, which he placed in the passenger's side of the tractor. He repeated this procedure, placing additional packages in the driver's compartment.

When questioned about his behavior by the police officer, the driver stated that extra cartons of merchandise had inadvertently been placed on his truck at his employer's warehouse and that he intended to return them after completing his delivery at the pier. Examination of the driver's shipping document, however, revealed that, immediately before arriving at the pier, he had made a delivery to another warehouse of the same type of cargo as he had placed in the tractor. The detectives contacted personnel at this other warehouse and were advised that the delivery to them was short of several hundred dollars' worth of towels and bed linen.

The driver then was placed under arrest for possession of stolen property.

* * *

This year the agency continued its investigation into the shipments of stolen vehicles through the harbor. With thousands of privately owned automobiles shipped abroad each year by their owners, auto thieves will occasionally sell a stolen vehicle to a person in another nation and arrange for its transport through fraudulent ownership papers.

Commission police personnel obtain the identification numbers of motor vehicles brought to the harbor for shipment abroad from the shipping documents and from spot examinations of automobiles awaiting the loading onto vessels. These vehicle identification numbers are then cross-checked against computer lists of stolen vehicles. During the fiscal year, over 8,000 such numbers were checked. In addition, since many vehicles shipped are not actually stolen but are reported as such to collect insurance monies, over 6,500 identification numbers were re-checked after the vessels transporting the vehicles had left the Port. In these operations, the Commission works closely with the New York City Police Department's Auto Crime Unit, the Federal Bureau of Investigation and other law enforcement agencies, as well as the National Auto Theft Bureau.

Licensing Proceedings

Since the Waterfront Commission came into existence, it has processed and reviewed more than 143,500 applications and reapplications for licensing and registration, including, this year, 1,169 for inclusion in the Register as longshoremen and checkers, 248 for licensing as pier guards, 82 for pier superintendent licenses, 31 for licenses as hiring agents and 8 for stevedore licenses.

Inclusion in the Register is without any termination date. Licenses issued as pier superintendents and hiring agents continue so long as the licensee maintains employment with the stevedore or waterborne carrier sponsoring the licensee. A pier guard license is issued for an indefinite period, on condition that the pier guard, as required by the Commission, periodically submits to a medical examination and meets certain physical and mental fitness standards, completes a refresher course of training and supplies supplementary personal history information. Stevedore licenses are for a term of two years and expire on the first day of December of each odd-numbered year. The Commission currently is proposing that the legislatures of both states extend stevedore licenses to three years.

* * *

This year witnessed the culmination of two court proceedings challenging certain licensing jurisdiction of the agency.

In one case, a European manufacturer of luxury automobiles operated a facility in the Port Newark-Elizabeth Marine Terminal portion of the Port for the storage and preparation of the vehicles it imported by ocean carrier. The work performed at the facility included the removal of the cosmoline coating protecting the vehicles during shipment across the Atlantic Ocean, inspection of the automobile for body damage, the checking of fluid levels, the monitoring of various mechanical and electrical systems, and certification that the vehicles complied with company and governmental standards. Any deficiencies discovered were remedied by the employees prior to delivery of the vehicles to the dealers.

It was the Commission's ruling that, under amendments to the Waterfront Commission Act, those employees who removed the protective coating, inspected or repaired the vehicles for damage sustained during shipment, or who were involved in the storage of the vehicles in the marine terminal, were required to be registered as longshoremen. The agency also determined that those management personnel of the manufacturer who selected these persons for employment were within the Act's definition of "hiring agents" and, as such, required licensing. The Commission did not assert licensing jurisdiction as to other work performed at the facility, including the repair of vehicles under the manufacturer's warranty or the modification of automobiles purchased in Europe for use in the United States.

The automobile company refused to comply with the Commission's determinations and the Commission thereupon brought an action in the New Jersey courts to enjoin the manufacturer from continuing to violate the Act. The firm successfully resisted the agency's lawsuit in both the Chancery and Appellate Divisions of the New Jersey Superior Court. The Chancery Division held that the employees were not longshoremen since they did not handle "freight;" that the vehicles were freight only when they were being handled by persons as part of the transportation service rendered to the manufacturer, but that they ceased to be freight when they came into the manufacturer's facility in the Port of New York-New Jersey.

The Commission appealed the case to New Jersey's highest tribunal, the Supreme Court. The Supreme Court reversed the lower courts and, ruling in the agency's favor, stated:

"The trial court concluded that the statutory term 'freight' should be confined to 'goods*** handled by people as part of a transportation service rendered for pay to other people.' Such a restricted definition of freight, emphasizing the custodian of the goods rather than the services performed, is incompatible with the legislative history of the [Waterfront Commission] Act and frustrates the objective of the 1969 amendments. As noted, those amendments were intended to continue the expansion of the Commission's jurisdiction in order to ensure the fulfillment of the basic purposes of the Act. Concededly, persons employed by an owner of goods to perform services incidental to the movement of the owner's freight were not specific targets of the 1969 amendments. However, the phrase 'employed*** by any person' contained in the amendments' redefinition of 'longshoreman' clearly can include an owner of the goods, such as [the employer]. More importantly, it can include any employer of persons who perform services in the marine terminal incidental to the movement of freight. The economic function of the employer is of limited relevance. The Commission's jurisdiction must depend upon the function performed by the employee and his relative proximity to the piers if the statutory objective is to be fulfilled."

* * *

The other case involved a Commission determination that maintenance electricians who serviced waterfront cargo cranes required inclusion in the Register of waterfront workers.

Located along the pier edge at a waterborne carrier's facility in Port Elizabeth, New Jersey, are several multi-story, electrically powered cranes. During the vessel unloading operation, these cranes lift containers from the ship and place them on trailer-chassis to be removed from the pier by tractors. Conversely, the cranes remove containers from trucks and place them into the holds or onto the decks of vessels as part of the loading procedure.

The cranes are repaired and maintained by a crew of waterfront workers known as maintenance electricians. Historically these workers have been seamen and represented for collective bargaining purposes by a seafarers' union. Their supervisors are port engineers and represented by a marine engineers' association.

After a thorough review of their activities at the docks, the Commission determined that the Waterfront Commission Act required the licensing of the maintenance personnel as longshoremen and their supervisors as pier superintendents. Their employer, the carrier, and the seafarers' union opposed the agency's ruling in the United States District Court for the District of New Jersey. The federal court upheld the Commission's licensing jurisdiction in the case, granting an injunction to compel the registration and stating, in part:

"The [crane maintenance electricians] and pier superintendents work side-by-side on the piers with traditional longshoremen, including Commission registered crane operators, in immediate proximity to cargo laden containers. As such, these employees are necessarily subject to the possibility or temptations of involvement in waterfront vices—the very evil New Jersey and New York sought to eliminate through the passage of the [Waterfront Commission] Act. That these 20 individuals themselves have an unblemished record as far as their character is concerned can be no bar to their registration. The Act's registration requirement was designed as to be both a remedial and prophylactic measure, eliminating preexisting abuses as well as preventing those that might otherwise arise absent that procedure***.

"Moreover, the Commission presently requires registration by a number of crane maintenance workers employed by various stevedoring companies in the Port of New York District, and has done so at least since 1967.

"That the [crane maintenance electricians] and their supervisors happen to be seamen, or, at times may be required to sail on a ship or work on cranes at some out port*** does not diminish the fact that when they perform maintenance or repair work upon*** Port Elizabeth cranes, they fall within the Commission's jurisdiction. The relevant provisions of the Act are phased *not* in terms of union affiliation or title but rather in terms of work performed."

On appeal to the United States Court of Appeals for the Third Circuit by the employer and the labor organization, that Court substantially affirmed the lower court's judgment, modifying it in respect to the procedure for the hiring and registration of future crane maintenance electricians.

Administrative Proceedings

Under the provisions of the Waterfront Commission Act, no person may have an application for registration or licensing denied without prior notice and an opportunity for a hearing. Similarly, any person holding a license or included in the Register may not be suspended or revoked without notice of the charges and a right to challenge the allegations.

The administrative hearings held by the Commission are conducted in accordance with regulations promulgated by the agency and are open to the public. The judicial officers presiding over such proceedings are selected from a panel of New Jersey and New York attorneys, which includes several retired judges. Applicants and respondents have the right to be represented by counsel of their choice, cross-examine witnesses, and have subpoenas issued by the administrative judges to compel the attendance of witnesses on their behalf.

After the conclusion of the trial, the hearing judge prepares a written report containing finds of fact and recommendations to the Commissioners for disposition of the case. The report is furnished to all parties in interest, who then have the opportunity to file written "exceptions" and arguments with the Commissioners.

The final determination of the proceeding is made by the Commissioners after a review of the entire record and their order in the case is subject to judicial review by the courts of either New York or New Jersey.

* * *

This year, final determinations were made by the Commission in 62 administrative proceedings. Applications for inclusion in the Register were denied in 15 cases and granted in 4, while 1 application for licensing as a port watchman was denied. Six registrations were revoked, as were 2 stevedore licenses. In addition, the Commission revoked 15 registrations with leave granted the respondents to reapply after stated periods of time. Fifteen registrants and 3 port watchman licensees were suspended for various periods, including 13 who admitted the charges and accepted summary disciplinary proceedings in lieu of formal hearings. The charges were dismissed against 1 registrant.

The Commission also temporarily suspended 5 registrants and 1 licensee pending administrative hearings initiated against them based on serious criminal charges.

During the year, the Commission acted upon 29 petitions of various types submitted to it, granting 7 and denying 22.

Personnel

It is with sorrow that the Commissioners and staff note the deaths of several former officers and employees of the agency, as well as the Assistant Manager of one of the agency's employment information centers.

William P. Sirignano, former Executive Director of the Commission, died after a long illness. He retired from the agency in 1975 after 21 years of service in various capacities. He had served as Director of the Division of Law and as General Counsel prior to his appointment as Executive Director. A graduate of Harvard Law School, he saw prior governmental service as an Assistant District Attorney in New York County prior to joining the Commission a few months after it was established.

Harold X. McGowan, a former Director of the Commission's Division of Law, had 14 years of service prior to retiring in 1968. Mr. McGowan was a member of the New York and Federal Bars and served as an Assistant District Attorney in Manhattan.

Arthur D. Lerner left the agency in 1978 after serving for four years as Secretary to the Commission. He served in the United States Navy during World War II and was an environmental consultant before being appointed as Secretary.

Andrew Cevasco served with the Commission's Division of Employment Centers from 1954 until his retirement in 1979. His last position was as the Assistant Manager of the agency's former information center in Jersey City.

Mario Iannacone entered on duty with the agency as an investigator in 1954 and retired as a Special Agent in 1976. His assigned areas in the Port included the docks in Brooklyn and Manhattan.

Gerald W. Griffin joined the Commission in a clerical capacity in 1954. At the time of his retirement in 1978, he held the position of Special Agent.

Raymond R. Tyne was appointed as a Special Agent in 1955 and retired after almost 22 years of service in 1976.

Woodrow W. Williams came with the Commission in 1961. At his death, he was the Assistant Manager of the Employment Information Center located in Manhattan.

* * *

Retiring this year were several employees with records of long and dedicated service to the agency.

John S. Winthers, Chief of the Division of Police, retired after more than 29 years with the Commission. Sebastian J. Stivala, Jr. was with the Commission for more than 18 years, last serving as the

Assistant Chief of the Police Division. Walter J. Noone, Jr. was with the agency for over 30 years, and held the rank of Captain in the Division of Police. Peter Gebrian, Jr. also served for 30 years and was the Commission's Chief Hearing Reporter.

* * *

Appointed to succeed John S. Winthers as Chief of the Division of Police is James T. Sullivan. Chief Sullivan was formerly Chief of Detectives of the New York City Police Department. In such position, he commanded some 3,000 detectives, supervisors and civilian personnel responsible for investigating virtually all major crimes in the nation's largest municipality. Among the major investigations during his tenure were the CBS quadruple murders, the kidnapping of designer Calvin Klein's daughter and the Metropolitan Opera murder. While with New York City's Police Department, he also held positions as the Commanding Officer of the Police Academy and Director of Executive Development.

To fill the vacancy in the position of Assistant Chief of the Police Division, the Commission appointed James P. McGowan. Assistant Chief McGowan had retired from the New York City Police Department, holding the rank of Lieutenant, Detective Squad Commander. During his service with the NYC police, he had commanded the Bronx Robbery Squad, the Bronx Detective Area Task Force and the Brooklyn Robbery Squad. Immediately prior to joining the Commission, he was the manager of investigations covering two New York counties for a nationwide private detective agency.

The Commission appointed John F. Ferguson, the former Commanding Officer of the Staten Island District Attorney's Office Squad, as a Captain in the Division of Police. Captain Ferguson, who held the rank of Lieutenant in the New York City Police Department, has also been the Commanding Officer of the Investigative and Analysis Section in the Department's Organized Crime Control Bureau.

* * *

The Commission congratulates newly appointed Commission police officer, Michael G. Mooney for receiving the Inspector Edward M. Joseph Award for Academic Achievement from the Port Authority of New York and New Jersey. Officer Mooney had the highest academic standing in a recent graduation of recruits from the Port Authority Police Academy.

CONCLUSION

The Commission finds and determines that, to maintain and continue the accomplishments of the agency and the benefits realized in the Port of New York-New Jersey by the enforcement of the Waterfront Commission Act, public necessity still exists for the continued registration of longshoremen, the continued licensing of those occupations and types of employment required to be licensed under the Act and amendments thereto, and the continued public operation of the Employment Information Centers provided for in Article XII of the Waterfront Commission Compact.

Respectfully submitted,

NICHOLAS SCOPPETTA
Commissioner for New York

CONRAD N. KOCH
Commissioner for New Jersey

COMMISSION DETERMINATIONS

Year Ended June 30, 1985

APPLICATIONS AND REVOCATIONS

	Denied	Granted	Revoked	Revoked L/R	Sus-pended	Repri-manded	Dismissed Charges	Suspended P/H	Totals
Longshoremen	2	2	5	7	6	0	1	3	26
Checkers	0	1	0	3	4	0	0	2	10
Hiring Agents	0	0	0	0	0	0	0	0	0
Port Watchmen	1	0	0	0	3	0	0	1	5
Pier Superintendents	0	0	0	0	0	0	0	0	0
Stevedores	0	0	2	0	0	0	0	0	2
Maintenance	13	1	1	5	5	0	0	0	25
Totals	16	4	8	15	18*	0	1	6	68

* Includes 13 summary proceedings

PETITIONS

	Denied	Granted	Totals
Petitions for Reconsideration	3	0	3
Petitions for Leave to Reapply	0	1	1
Petitions for Rehearing	0	0	0
Petitions to Withdraw	0	1	1
Petitions to Remove Ineligibility	0	1	1
Petitions for Restoration of Registration	10	2	12
Petitions to Vacate Temporary Suspension	0	0	0
Petitions for Retention or Reinstatement	9	2	11
Totals	22	7	29



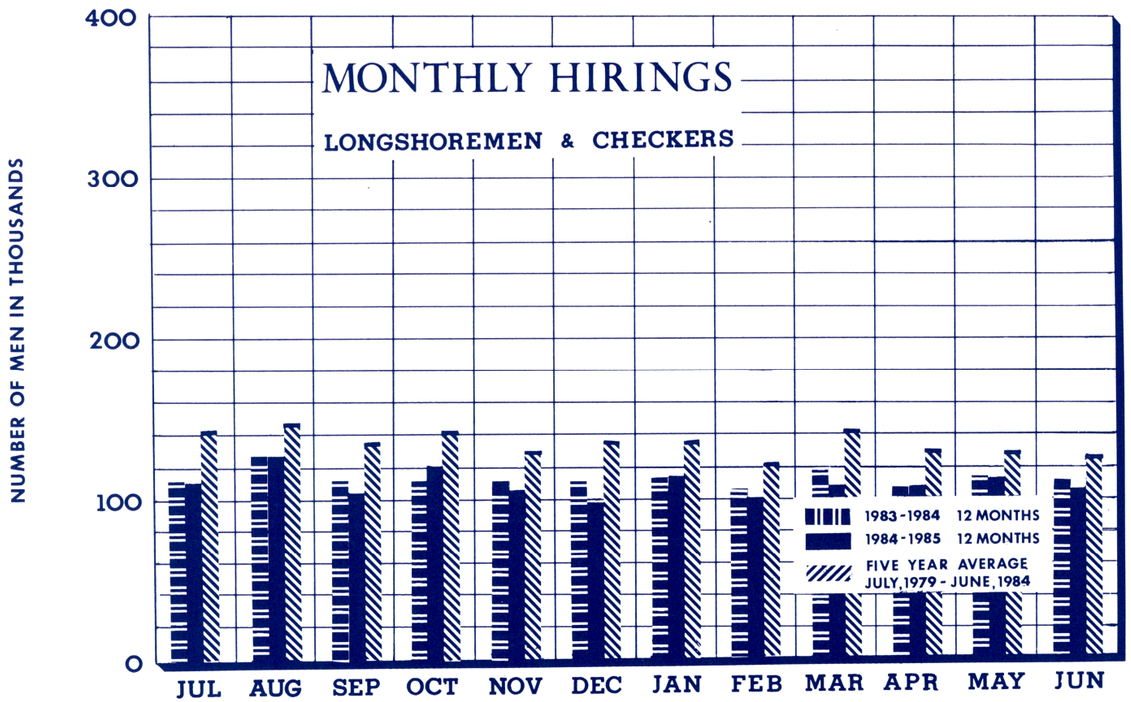
The oath of office being administered to Chief of Police, James T. Sullivan, by Executive Director Newman with Commissioners Scoppetta and Koch observing.

EMPLOYMENT INFORMATION CENTERS

Showing Comparison of Hirings for the years ending June 30th, 1985 and 1984

Center and Location	Piers and Areas	HIRINGS 1984-1985	HIRINGS 1983-1984	Increase or Decrease	% Change	% Share in Port Employment 1984-1985	% Share in Port Employment 1983-1984
Manhattan 261-281 Hudson St.	Manhattan	77,446	77,944	– 498	– 00.64	05.84%	05.69%
Brooklyn 5914 3rd Avenue	Brooklyn & Staten Island	400,431	411,569	– 11,138	– 02.71	30.21%	30.02%
Port Newark 117 Tyler Street	Port Newark & Port Elizabeth	688,707	725,382	– 36,675	– 05.06	51.97%	52.91%
Hudson County* 111 Newark St. Hoboken, N.J.	Jersey City, Bayonne & Weehawken	158,727	156,045	+ 2,682	+ 01.72	11.98%	11.38%
TOTAL—NEW JERSEY		847,434	881,427	– 33,993	– 03.86	63.94%	64.29%
TOTAL—NEW YORK		477,877	489,513	– 11,636	– 02.38	36.06%	35.71%
PORT WIDE TOTALS		1,325,311	1,370,940	– 45,629	– 03.33	100.00%	100.00%

*Hudson County Center merged with Port Newark on November 30, 1984.



COMPARISON OF AVERAGE EARNINGS OF LONGSHOREMEN AND CHECKERS

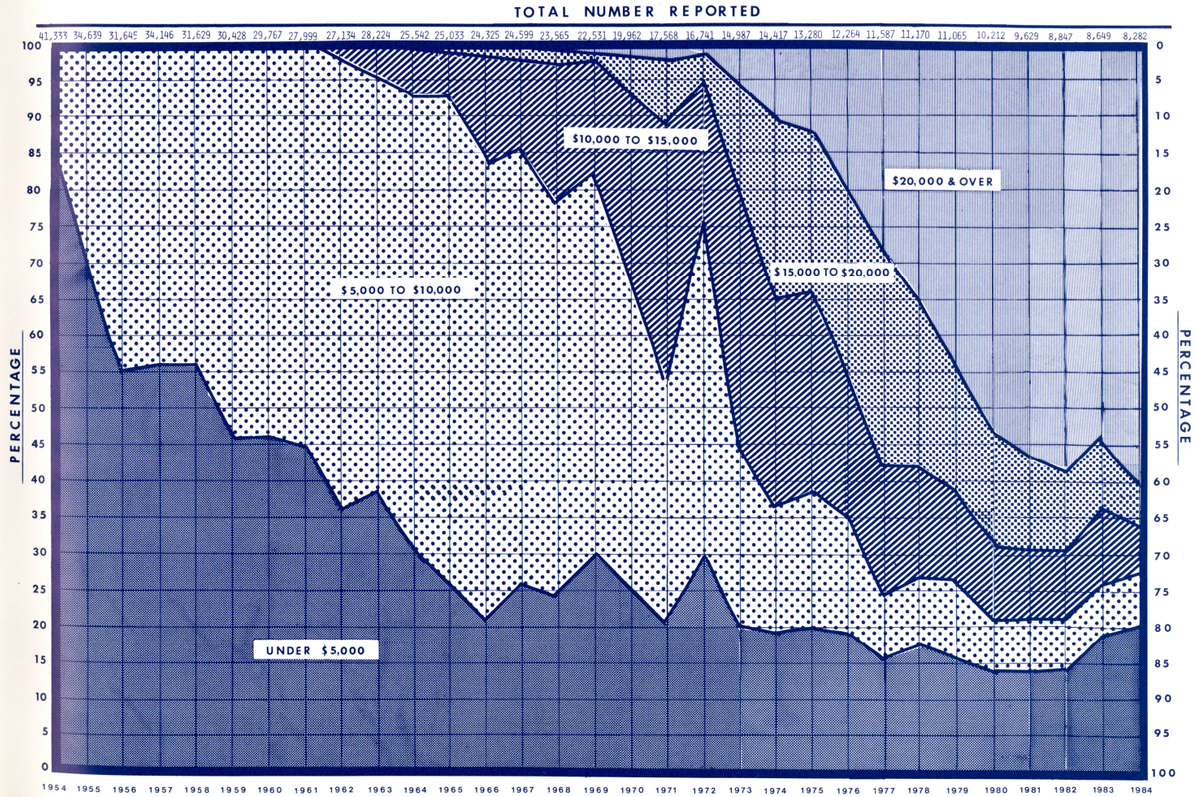
	1954	1982	1983	1984
Over $25,000	(*)	3,928	3,939	4,399
$20,000 to $25,000	(*)	1,168	731	555
$15,000 to $20,000	(*)	931	812	526
$12,000 to $15,000	(*)	511	512	321
$10,000 to $12,000	(*)	346	306	205
$10,000 and Over	(*)	6,884	6,300	6,006
$ 7,000 to $10,000	406	398	470	353
$ 6,000 to $ 7,000	802	125	131	143
$ 5,000 to $ 6,000	2,589	153	98	104
$ 4,000 to $ 5,000	6,330	142	151	157
$ 3,000 to $ 4,000	7,013	149	175	189
Under $3,000	24,193	996	1,324	1,330
TOTAL REPORTED	41,333	8,847	8,649	8,282
Total Earnings	$102,061,108	$203,683,682	$203,615,185	$231,731,760
Total Hours Worked	37,813,991	13,747,362½	12,537,900	12,880,669½
% Hours Overtime	24.3%	23.4%	24.0%	31.1%
AVERAGE ANNUAL WAGES**	$ 2,469	$ 23,023	$ 23,542	$ 27,980

* Records Incomplete for 1954

** Does Not Include Fringe Benefits.

NOTE: This table includes craftsmen such as carpenters, coopers, maintenance men and miscellaneous personnel required to be registered as longshoremen effective May 27, 1957, but does not include most persons required to be registered as waterfront warehousemen and in other capacities effective September 1, 1969. Similar tables in annual reports prior to 1957–1958 included earnings of longshoremen and checkers only, as reported by the New York Shipping Association.

SOURCE: New York Shipping Association for its fiscal year ending September 30th.



PEAT MARWICK

Peat, Marwick, Mitchell & Co.
Certified Public Accountants
150 John F. Kennedy Parkway
Short Hills, New Jersey 07078

The Commissioners
Waterfront Commission of New York Harbor:

We have examined the statement of cash receipts and disbursements of the Waterfront Commission of New York Harbor for the year ended June 30, 1985. Our examination was made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

As described in Note A, it is the policy of the Waterfront Commission of New York Harbor to prepare its financial statement on the basis of cash receipts and disbursements; consequently, revenue and related assets are recognized when received rather than when earned and expenses are recognized when paid rather than when the obligation is incurred. Accordingly, the accompanying statement of cash receipts and disbursements is not intended to present financial position and results of operations in conformity with generally accepted accounting principles. Further, reference should be made to Note B for significant litigation relating to the Commission.

In our opinion, the aforementioned statement of cash receipts and disbursements presents fairly the cash transactions of the Waterfront Commission of New York Harbor for the year ended June 30, 1985, on the basis of accounting described in Note A, which basis has been applied in a manner consistent with that of the preceding year.

Peat, Marwick, Mitchell & Co.

July 25, 1985

NOTE A—

It is the policy of the Waterfront Commission of New York Harbor (Commission) to prepare its financial statement on the basis of cash receipts and disbursements; consequently, revenue and related assets are recognized when received rather than when earned and expenses are recognized when paid rather than when the obligation is incurred.

NOTE B—

Since fiscal 1979, a suit ("American Sugar") was pending against the Commission by various steamship and stevedore employers of longshoremen to declare the collection from such employers by the Commission of assessments on guaranteed annual income and vacation and holiday payments to longshoremen as unauthorized under the Waterfront Commission Compact. In 1982, the validity of the Commission's assessments on Guaranteed Annual Income and vacation and holiday payments was upheld by the New York Court of Appeals and the Commission's $4,063,145 liability for prior assessments collected, arising from court action in an earlier year, has consequently been extinguished.

However, in prior years, litigation was brought in the American Sugar case before the New York County Supreme Court with respect to the question whether and to what extent the Commission is entitled to Guaranteed Annual Income and vacation and holiday assessments for the period commencing with the 1st quarter of 1978 to December 31, 1981. (Payment of assessments on Guaranteed Annual Income and vacation and holiday payments to the Commission in this case were terminated after the last quarter of 1977). This litigation had concerned a claim pursued by the Commission on behalf of certain 1969 Legislation companies and had no effect on the commission's finances.

The New York State Supreme Court ruled that the Commission lacked authority to sue on behalf of these 1969 Legislation companies as these companies had made no demands upon the commission. Subsequent to the Court's ruling, certain 1969 Legislation companies made demand upon the Commission for reimbursement of "overpayments" of assessments made by them to the Commission in the years 1978, 1979 and 1980 in the approximate amount of $154,730.

The Commission is resisting this demand. Litigation relating thereto was commenced by the 1969 Legislation companies on July 13, 1984. The Commission brought other parties into the case which, in the Commission's opinion, would have to reimburse the Commission for any sums recovered from the Commission by the 1969 Legislation companies. The case is currently in the discovery stage.

Based on the opinion of resident counsel, the Commission believes that the above, and other pending litigation will not have a material adverse affect on the accompanying statement of cash receipts and disbursements and future operations. Several matters, relating to personal injuries, in which the Commission has been named as a defendant, have been turned over to the Commission's insurance carrier.

WATERFRONT COMMISSION OF NEW YORK HARBOR
Statement of Cash Receipts and Disbursements
Year Ended June 30, 1985

Balance of funds at beginning of year:		
Cash in checking accounts and on hand	$ 17,661	
Cash in money market accounts	60,426	
Cash in savings accounts	6,335	
Time certificates of deposit	1,735,000	
	1,819,422	
Less taxes and other withholdings from employees	43,530	$ 1,775,892
Receipts:		
Assessments on employers of persons registered or licensed by the Commission	5,309,494	
Penalties, fines and miscellaneous income	52,684	
Interest on time certificates	201,393	
Interest on money market accounts	10,204	
Interest on savings accounts	358	5,574,133
		7,350,025
Disbursements:		
Salaries	3,834,810	
Retirement, group insurance and social security taxes	1,231,885	
Rentals	545,165	
General insurance	159,792	
Light, heat and power	147,596	
Repairs and maintenance	85,419	
Furniture and equipment	84,049	
Carfare, auto and travel	70,999	
Communications	67,989	
Special services and supplies	40,871	
General office	34,761	
Printing	12,897	
Hearing officers, auditors and consultant fees	9,863	
State unemployment insurance	9,635	
Miscellaneous overtime expense	799	6,336,530
Excess of receipts and balance of funds at beginning of year over disbursements—balance of funds at end of year consisting of:		
Cash in checking accounts and on hand	7,702	
Cash in money market accounts	84,674	
Cash in savings accounts	6,693	
Time certificates of deposit	965,000	
	1,064,069	
Less taxes and other withholdings from employees	50,574	$ 1,013,495

DECASUALIZATION OF LONGSHOREMEN AND CHECKERS

		Number Decasualized	Remaining Registrants
1st decasualization	June 3, 1955	7,141	31,574a
25th decasualization	March 31, 1967	1,142	22,100
30th decasualization	October 3, 1969	1,022	20,627b
33rd decasualization	April 2, 1971	715	18,115b
34th decasualization	September 30, 1971	514	17,742b
35th decasualization	March 30, 1972	227	17,626b
36th decasualization	September 27, 1972	523	16,316b
37th decasualization	April 9, 1973	930	15,368b
38th decasualization	September 27, 1973	330	14,792b
39th decasualization	March 25, 1974	423	14,409b
40th decasualization	September 26, 1974	271	14,143b
41st decasualization	March 27, 1975	425	13,726b
42nd decasualization	September 25, 1975	156	12,962b
43rd decasualization	March 25, 1976	194	12,602b
44th decasualization	September 23, 1976	181	12,303b
45th decasualization	March 24, 1977	174	11,978b
46th decasualization	September 22, 1977	168	11,723b
47th decasualization	March 31, 1978	120	11,370b
48th decasualization	September 29, 1978	126	10,995b
49th decasualization	March 30, 1979	150	11,321b,c
50th decasualization	September 28, 1979	124	10,956b,c
51st decasualization	April 3, 1980	115	10,701b,c
52nd decasualization	October 2, 1980	88	10,510b,c
53rd decasualization	April 2, 1981	126	10,266b,c
54th decasualization	October 1, 1981	147	9,841b,c
55th decasualization	April 1, 1982	114	9,639b,c
56th decasualization	October 7, 1982	102	9,383b
57th decasualization	April 21, 1983	103	9,195b
58th decasualization	October 6, 1983	115	9,038b
59th decasualization	April 5, 1984	81	8,400b
60th decasualization	October 4, 1984	88	8,026b
61st decasualization	April 11, 1985	87	7,819b

(a) Does not include craftsmen whose registrations were required on or after May 27, 1957.
(b) Does not include warehousemen, container repairmen, and other persons required to be registered on or after September 1, 1969.
(c) Includes persons registered on a temporary basis to meet special and emergency needs.

REGISTRATIONS AND LICENSES IN EFFECT DURING FISCAL YEARS

As of June 30th

	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985
Longshoremen	17,646[a]	16,367[a]	16,006[a]	14,226[a]	13,704[a]	12,515[a]	12,237[a]	11,863[a]	11,420[a]	11,150[a&b]	10,804[a&b]	10,289[a&b]	9,947[a]	9,474[a]	8,702[a]	7,955[a]
Checkers	3,979	3,714	3,557	3,176	3,006	2,728	2,584	2,479	2,408	2,468	2,373	2,231	2,084	2,017	1,806	2,065
Hiring Agents	602	605	545	493	512	427	378	369	361	357	339	327	304	291	279	242
Pier Superintendents	403	406	424	374	395	370	337	342	340	357	344	353	341	325	304	298
Pier Guards	1,548	1,485	1,405	1,291	1,064	979	894	818	789	750	705	655	635	560	525	491
Stevedore Companies	93	106	109	117	113	118	112	115	113	116	113	109	110	104	101	87
TOTALS	24,271	22,683	22,046	19,677	18,794	17,137	16,542	15,986	15,431	15,198	14,678	13,964	13,421	12,771	11,717	11,138

(a) Includes warehousemen, container repairmen, and other persons required to register under amendments to Waterfront Commission Act, effective September 1, 1969.
(b) Includes persons registered on a temporary basis to meet special and emergency needs.



Conrad N. Koch
Commissioner for New Jersey



Nicholas Scoppetta
Commissioner for New York



Leonard Newman
Executive Director

Jerome J. Klied, *Deputy Executive Director*

Gerald P. Lally, *General Counsel*

Ralph C. DeRose, *Secretary*

James T. Sullivan, *Chief, Division of Police*

Paul D. Kelly, *Director, Division of Law*

Jesse O. Langston, *Director, Employment Information Centers*

Carmine A. Cardone, *Director, Division of Licensing*

Gemma T. Macaluso, *Director, Administration*

Marvin Weissman, *Director, Division of Audit and Control*

Elmer H. Williams, Jr., *Comptroller*

42 Broadway, New York, N.Y. 10004
212-742-9280

Photo Credit: A. Senegeto