The Port of Longview warrants that there are no agreements or restrictions affecting the Port requiring union labor ... except only in connection with the operation of the Ship Dock and the Barge Dock, the handling of cargo at the Facility and the operation of the Facility.

LEASE

PORT OF LONGVIEW, Lessor

and

EGT DEVELOPMENT, LLC, Lessee

Dated: June 1, 2009

 $Premises\ at\ the\ Port\ of\ Longview,\ County\ of\ Cowlitz,\ State\ of\ Washington$

A SPLIT OPINION

Highlights from the legal briefs the Port of Longview and EGT sumbitted in federal court in their dispute over the hiring of union longshore labor at EGT's new grain terminal. The entire briefs can be found online at tdn.com.

THE PORT OF LONGVIEW'S SIDE

EGT'S VIEW

- The lease expressly "refers" EGT to the provision of the port's "working agreement" with the ILWU. The working agreement a labor contract between the port and the union granting the union jurisdiction over a wide range of work at the port was given to EGT in March 2007 more than two years before the EGT lease agreement was signed. It was "incorporated by reference" into the Port's contract with EGT and requires use of ILWU labor to operate the company's grain terminal.
- EGT never agreed to incorporate the port's working agreement with the IWLU into its lease with the port, and never agreed to be bound by it. "In short, had the parties actually intended to incorporate the working agreement by reference, the lease would have affirmatively stated that fact in a clear and purposeful manner. It does not do so."
- EGT tried twice to change the contract so that it was bound to hire ILWU workers to operate the dock only, but not the terminal. The port rejected this move and insisted the language be restored to make it clear the union was to operate the entire facility.
- EGT raised the issue of union labor early in negotiations with the port and "repeatedly and consistently" stated it would not concede to union jurisdiction over jobs at the terminal.
- The "mutual intent" of the contract as proven by a history of negotiations clearly requires EGT to honor the labor provisions. "EGT's contrary position contradicts the contractual language, and makes no sense in context of the parties' situation, negotiations and conduct."
- EGT told the port it could not commit to the ILWU/Port working agreement because doing so before the terminal opened for business would be a "premature recognition of a union," a violation of the federal labor law that protects a company's employees right to select their own bargaining representative.

Source: Graham & Dunn

Source: Corr, Cronin, Michelson, Baumgardner & Preece