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E-MAIL
Assemblymember.Gipson@assembly.ca.gov

May 31, 2023

Matt Godden, President & CEO
Centerline Logistics
910 SW Spokane Street
Seattle, WA 98134

RE: Acknowledging Reports Regarding Centerline Logistics

Dear Mr. Godden,

Earlier this month, I met with constituents, and I am concerned about the troubling reports regarding actions by Centerline Logistics. As a state legislator representing the diverse communities in Assembly District 65, and as the Chair of the California Assembly Select Committee on Ports and Goods Movement, these troubling reports from two of your divisions which requires me to express concern and hope for a fair resolution.

From the reports, in the Los Angeles/Long Beach division, I have learned that following a Paycheck Protection Program Loan in 2020 of approximately \$10 million, you are said to have transferred the International Longshore and Warehouse Union (ILWU)/Inlandboatmen's Union (IBU) contracted work, to what was at that time a non-Union division, Leo Marine, causing the loss of some 60 Union jobs.

In a finding by the National Labor Relations Board (NLRB) that Centerline had improperly transferred this Westoil work to Leo Marine, the Company opted to fight this determination while proceeding to announce the closure of Westoil outright, which would end the workers' access to any recourses.

Following the announcement that Westoil is to have closed, nominally ending the rights of displaced workers, there has reportedly been a continued effort to negotiate a renewal of your terminal lease with the Port of Los Angeles under the Westoil name at what was formerly the Westoil location.

When one of your displaced workers spoke of his concerns over being displaced, at the local Harbor Commission, in October 2021, your Company personally sued him and his Union, the Inlandboatmen's Union (IBU, Marine Division ILWU). It is also my understanding that this

worker and his Union prevailed in this case and that you were sanctioned with a Strategic Lawsuit against Public Participation ruling in the defendant's favor, and that you are currently appealing this in a continued effort to punish the worker, and Union, whose work you transferred, improperly according to the NLRB.

IBU/ILWU member employees have been forced to file a California Meal and Rest Break class action lawsuit against Westoil and Centerline Logistics, as there has been a refusal to settle wage claims for violating state employment law.

Additionally, in the San Francisco Bay Area region, I understand your Leo Marine Division to have been organized by the IBU in 2021, despite a concerted effort on the Company's part to show a preference for a different Union, including an illegal and improper contract being signed with this other Union, after what is said to be two days of negotiations. Your efforts to block the IBU are to have included a legal challenge against the IBU, which you lost. Once the IBU prevailed, it was to have taken three months of Union pressure and public rallies to get the first bargaining session scheduled.

It was to have taken 18 negotiating sessions to gain a simple Union security clause and even longer to attain Union representative access language, unencumbered by company prerogative to veto such access.

You personally, as President of Centerline Logistics, are said to have sent a mass text to your San Francisco Unionized employees, telling them how disappointed you are in them for unionizing and attacking their chosen Union for aggressively representing these workers in negotiations. Yet, less than a week after that, the same Union spoke before an Assembly Committee and sent a letter in favor of your interests, supporting AB 543, which would help to secure your bunker fuel market by continuing bunker fuel tax waivers. This is a bill that I authored, which strikes close to home for me.

Several weeks ago, the Company was to have lost a Phillips 66 contract and laid off eight (8) San Francisco Leo/IBU employees (some of whom found work in your non-union division). Shortly after that, Centerline gained a Shell contract in San Francisco, but instead of giving the work to the laid-off workers under the contract being negotiated, you opted to bring a non-union arm of the Company, Olympic Tug & Barge, to dock equipment alongside Leo equipment where the layoffs had just occurred, to work in the SF Bay, for a lesser standard than what is being negotiated at Leo Marine San Francisco.

Mr. Godden, I hope and expect Centerline will treat all of these workers fairly in both of these ports. Further to that expectation, I ask that you immediately cease attempts to close Westoil, allowing the NLRB process to play out on employees' claims to the transferred work. I ask that you return the work deemed improperly transferred, by the NLRB, back to Westoil until final resolution and reinstate your displaced Westoil employees in the interim, and stop any attacks on these workers (and their Union) be these workers currently displaced in Southern California, or working to secure a labor agreement in Northern California.

I ask that you specifically discontinue any ongoing legal action regarding open comments at the Harbor Commission and the ensuing Strategic Lawsuit Against Public Participation judgment, make the Westoil employees whole for their losses, bargain a renewal Collective Bargaining Agreement (CBA) in good faith at Westoil, and follow California law regarding meal and rest breaks and negotiate a resolution to outstanding claims.

Finally, it is asked that you negotiate your San Francisco labor agreement in good faith, with an eye toward area standards, and consider folding the new Shell work, in San Francisco, into local Leo Marine jurisdiction to mitigate losses from the cessation of your Phillips 66 bunkering contract.

I look forward to hearing of better decisions, better relations, and positive outcomes all around.

If you have any questions regarding the request, please contact my Legislative Director, Raymond Contreras, at (916)319-2065, or through email at Raymond.Contreras@asm.ca.gov.

Sincerely,

A handwritten signature in black ink, appearing to read "Mike Gipson". The signature is fluid and cursive, with a large loop at the end.

Mike Gipson
Assemblymember District 65
Chair, Select Committee on Ports and Goods Movement

CC: Executive Director Eugene D. Seroka, Port of Los Angeles
Executive Director Mario Cordero, Port of Long Beach
Executive Director Elaine Forbes, Port of San Francisco
Executive Director Danny Wan, Port of Oakland
Chair of the Board of Supervisors, Janice Hanh, County of Los Angeles, District #4
City Councilmember Tim McOsker, City of Los Angeles, District #15
City Councilmember Kristina Duggan, City of Long Beach, District #3
City Councilmember Carrol Fife, City of Oakland, District #3
Supervisor Aaron Peskin, President of the San Francisco Board of Supervisors
Danny Wan, President, California Association of Port Authorities
Kristine Zortman, Vice-President, California Association of Port Authorities