



MEMORANDUM

TO: All Locals, Division & Affiliates
FROM: Titled Officers
SUBJECT: Important ILWU Information
DATE: October 1, 2023

We write to share with you important information. Due to its sensitive nature, we were unable to share this with you until now. About an hour ago, the ILWU filed for bankruptcy protection under Chapter 11 of the United States Bankruptcy Code in the U.S. Bankruptcy Court for the Northern District of California, San Francisco Division. This action has been taken after careful consideration and in order to protect this Union and its members now and in the future. Below, we explain why this difficult decision was made and what it means for the ILWU, its locals and affiliates, and its members.

As many of you know, the ILWU has been defending itself in litigation brought by ICTSI Oregon, Inc. for more than a decade. The litigation started with a labor dispute at the Port of Portland, which led to the National Labor Relations Board (NLRB) ultimately finding that the ILWU and ILWU Local 8 had committed unfair labor practices. ICTSI then sued the ILWU and Local 8 in 2012 in United States District Court in Oregon for money damages. In late 2019, there was a two-week trial, and the jury returned a verdict finding that the ILWU and Local 8 had violated the law and that ICTSI was entitled to almost \$93.6 million in damages, with 55% allocated to the ILWU and 45% allocated to Local 8. The ILWU and Local 8 challenged the jury's determination. On March 5, 2020, the judge found that the maximum damages supported by the evidence presented at trial was \$19,061,248.00. The ILWU was prepared to accept that and find a way to pay the amount at that time. But, ICTSI rejected the reduced damages so a new trial was scheduled. Since then, the lawsuit has been ongoing. Unfortunately, the ILWU cannot afford to continue to litigate this case over a decade after its beginning. In the second trial, ICTSI is seeking between \$48 million and \$142 million in damages.

In light of this situation, the ILWU had to start consulting with legal and financial advisors and experts to assess the Union's options. We have spent much time and energy trying to figure out how to move forward to ensure the ILWU continues to vigorously advocate for its members and strengthen the labor movement. Chapter 11 was established to enable organizations like the ILWU to continue operating uninterrupted as they work to resolve challenges that stress their business. The Titled Officers and the Executive Board have carefully considered the facts and circumstances and unanimously decided that filing for Chapter 11 bankruptcy protection is the best option for the ILWU and the membership. It will allow us to implement a plan to address

and resolve the litigation and anything that might be owed to ICTSI so that the Union can move forward and focus on the future.

We want to assure you that the ILWU is continuing to operate business as usual. Our bankruptcy filing is not a liquidation or what is often thought of when you hear the word “bankruptcy.” The ILWU will continue to function normally – we will continue to provide support to our locals and affiliates, we will continue to offer education and training, we will continue our organizing programs, and we will continue to do all of the things we have always done.

We will keep you updated on the status of things as this process progresses. Local officers should reach out to us if you have questions or concerns, and we will provide you with answers and information.

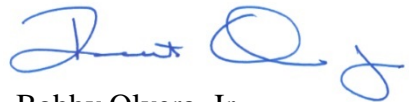
If you or your local receive any media inquiries, please direct them to Roy San Filippo, ILWU Communications Director, at Roy.SanFilippo@ilwu.org or (415) 775-0533. Please find enclosed a copy of the ILWU’s Press Release.

An Injury To One Is An Injury To All.

In Solidarity,



William E. Adams
International President



Bobby Olvera, Jr.
International Vice President, Mainland



Edwin R. Ferris
International Secretary-Treasurer



Sam Kreutz
International Vice President, Hawaii