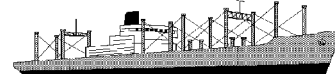




# Rollin' On



An Electronic and Facsimile Newsletter for the Transportation Industry

Volume VIII, Issue 12

Copyright © 2002

December 2002

## PORT SETTLEMENT, TAXES, 401Ks, PERS, AND A CHRISTMAS WISH

### *Port Settlement:*

#### **No harm, no foul, if you're govt**

Everyone knows by now that a tentative settlement has been reached concerning the West Coast ports. Although the terms have not been publicly disclosed, the term of the agreement is reportedly six years. This is supposed to make everyone happy since it's twice as long as the normal three year term. But in some respects it's like two times zero.

The state's economist has declared that the state suffered only a "glancing blow", and thus that only minor harm has occurred. Tell that to the farmers who have permanently lost customers. Tell that to the truckdrivers who still sit idle, unable to get any loads due to the remaining congestion. Tell that to the stores who still haven't received their imported goods and who are incurring extra transportation and storage charges. Tell that to the exporters who can't get the fruits of their labor moved.

The larger establishments were able to better prepare themselves for the strike (I mean lockout). The mom and pop businesses have suffered more, and it will take longer for them to recover.

The dockworkers are in an enviable position. They don't own the business. Contrast that with United Airlines, largely employee owned, which became bloated due in part to its extravagant pay packages. Now those employees are paying the price, both in regard to employment and stock value.

Hopefully there is a no strike clause in the new contract, but don't hold your breath. The settlement may be good

### **The Obligatory Disclaimer**

This newsletter is for informational purposes, does not provide legal advice and does not create an attorney-client relationship.

**LARRY R. DAVIDSON**

**Attorney at Law**

**1850 Benj. Franklin Plaza**

**One SW Columbia St.**

**Portland, Oregon 97258**

**(503) 229-0199**

**Fax (503) 229-1856**

**E-Mail: [larry@rollin-on.com](mailto:larry@rollin-on.com)**

**[www.rollin-on.com](http://www.rollin-on.com)**

for the dockworkers, and maybe tolerable for the larger companies, but it doesn't work for the rest of those in the trenches.

## **WISHING YOU A MERRY CHRISTMAS AND HAPPY NEW YEAR, AND MAY YOUR TRANSPORTATION TRAUMAS BE TRIVIAL.**

### *Business blues:*

#### **Taxes, 401Ks and PERS**

Most people have recently seen their retirement money decrease in value. But the PERS people are in a different situation.

First, one must be careful when talking about PERS. Almost everyone has a relative or friend or neighbor or acquaintance who is a PERS beneficiary, or whose spouse, etc. is a PERS beneficiary. These are people that we like and get along with.

As the PERS coffers are depleted, the taxpayer is left to pick up the slack. The ordinary taxpayer thus gets a double whammy, through losing his/her own retirement money, then being expected to carry the load for the public employee. Several PERS-vested people are better off taking early retirement, due to the mess. Contrast that with employees with depleted 401Ks, who are now forced to work longer than planned. Many retirees are unretiring as they have seen their nest egg drastically reduced.

And there's a tax measure coming up early next year which asks the ordinary working stiff to tax himself/her-

self even more, to make up for the budget deficit. What chance does that measure have in passing? This tax measure is due to the failure of the legislature and the governor to balance the budget after five special sessions, and you know who footed that bill.

So if you're involved with a small or medium size business in Oregon, whether as an owner or employee, you've got problems. You're trying to make payroll and dig out from the mess created by the port shutdown. You're working longer than planned, you have only a fraction of your nest egg left, yet you are paying taxes for PERS people, some of whom may elect earlier retirement.

### *A Christmas Wish*

'Twas the night before Christmas  
When down at the port  
All things were quiet  
No lawyer or tort.

The strike was now past  
A lockout in name  
But Bush invoked Taft  
And ended the game.

Business had suffered  
Though the strikers were fat  
The farmers were hurting  
They're passing the hat.

Six years of peace  
The word on the street  
And then the big worry  
The scene shall repeat.

A Christmas wish now  
That the strikers are gone  
Replaced by Americans  
Who do no one wrong.

That's all for now. Until next time,  
keep the cargo *rollin'*!

### **Short Bio**

Admitted to the state bars of Oregon, Alaska, Florida and Massachusetts. Practicing law for over 25 years and emphasizing transportation law, business law and related litigation.