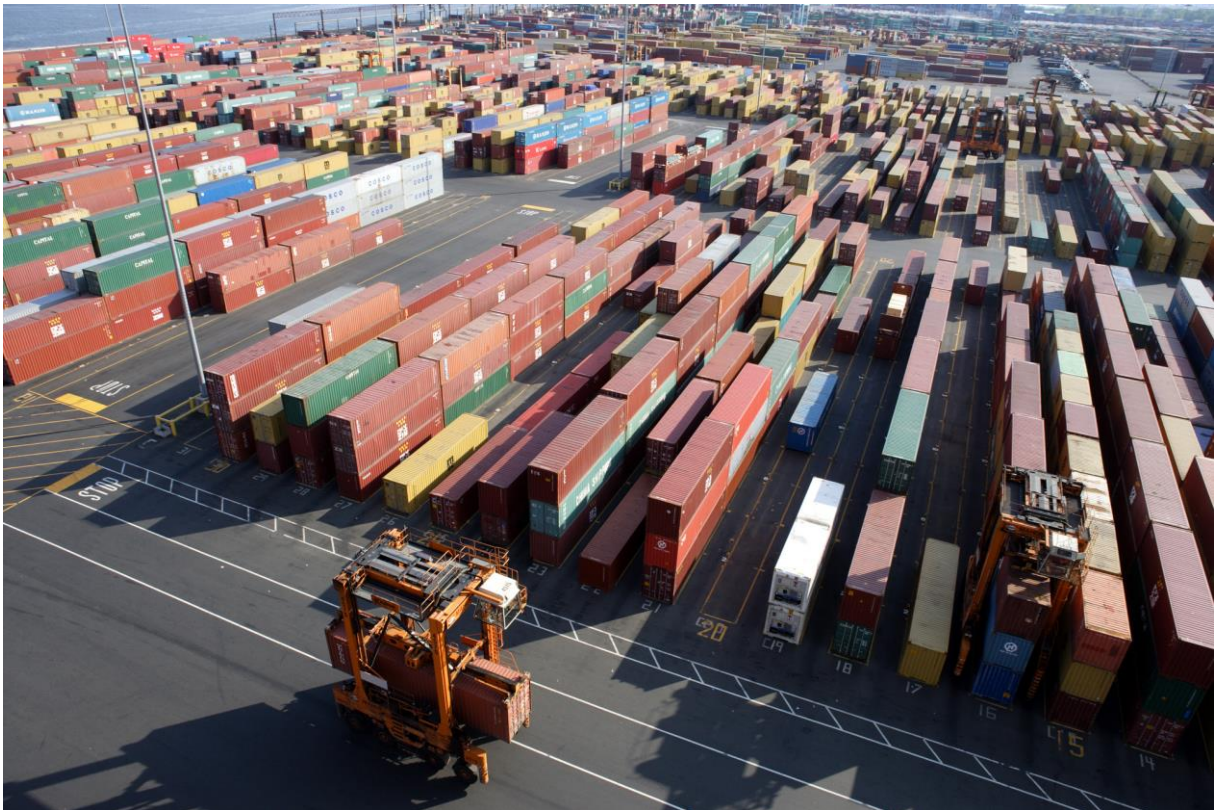


ILA's calls to go on strike in October grow stronger

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The looming possibility that a strike might occur at US East and Gulf Coast ports seemed to escalate Thursday (5 September), with nearly 300 delegates at an International Longshoremen's Association (ILA) meeting in North Bergen, New Jersey, unanimously approving ILA President Harold Daggett's calls to go on strike on 1 October if ILA and the United States Maritime Alliance (USMX) fail to reach a new labor agreement to replace the old one that expires on 30 September.

"Sisters and Brothers, it will be monumental if we are without a new Master Contract to replace the current one that expires in three weeks and four days from today. We must be prepared if we have to hit the streets at 12:01 AM on Tuesday, October 1, 2024," ILA President Daggett told his ILA Wage Scale delegates.

Daggett has previously hinted at the [union's plans to go on strike](#) if a labor agreement can't be reached.

Daggett said the union's issues are container royalties, especially after having to work on the docks during the pandemic, healthcare and no automation or semi-automation at terminals. "Right now, we're at an impasse. We can't even get past the economics of the contract. We are very, very far apart," he pointed out.

United States Maritime Alliance (USMX) didn't refer to ILA's September meeting but issued its own statement on Sept. 5: "USMX remains committed and prepared to resume negotiations with the ILA on a new Master Contract before the current agreement expires and to avoid a strike. The ILA continues to strongly signal it has already made the decision to call a strike and we hope the ILA will reopen dialogue and share its current contract demands so we can work together on a new deal, as we have done successfully for nearly 50 years."

According to USMX, its current offer includes wage increases, continuation of healthcare coverage and retention of existing technology language in the current agreement, which formalizes that there will be no fully-automated terminals and no implementation of semi-automated equipment or technology/automation without agreement by both parties.

USMX had also announced on 30 August that it and ILA each filed a notice to mediation agencies with the Federal Mediation & Conciliation Service. The notice informs the federal government that there is a dispute; it does not indicate an agreement for mediation, USMX said.

As the impasse continues, shippers are starting to grow more anxious.

"The threat of a strike during the peak shipping season has many retailers already implementing costly mitigation strategies," National Retail Federation President and CEO Matthew Shay said in a release. "At a time when inflation is on the downward trend, a strike or other disruption would significantly impact retailers, consumers and the economy." Shay urged President Joe Biden "to offer any and all support to get the parties back to the table to negotiate a new contract."

"The ILA hasn't had a coastwide strike for nearly five decades. But there's little doubt that a strike spanning both the East Coast and Gulf Coast – home to 5 of the 10 busiest ports in North America – would be far-reaching. No industry or region would be immune to the ripple effects of this major disruption," said Mia Ginter, director of North American Ocean for Eden Prairie, Minnesota-headquartered C.H. Robinson, a third-party logistics firm.

"Shippers with freight across Europe, Oceania, and Asia bound for the U.S. will especially feel the impact, which would cascade to disrupt the flow of freight across the U.S., Canada and Mexico. As we've seen with other global supply chain disruptions, this cascade would lead to both added time in transit and added costs ranging from congestion fees to possible detention and demurrage charges."

Meanwhile, supply chain data firm Sea Intelligence estimated in August that a strike would translate into an inability to load 20,000 TEUs each day. After the strike, the buildup of containers would have to be handled on top of normal volumes. While the East Coast ports could have the ability to increase capacity by 13%, the longer the strike lasts, the longer it would take for the operations to return to normal.

If the strike occurs for one day, then it could take six days to clear the backlog, Sea Intelligence said. But if the strike lasts one week, the backlog might not be cleared until mid-November; if the strike last two weeks, operations might not fully return to normal until 2025, the firm said.