Longshoremen strike could hit hybrid port operations in Georgia, North Carolina

Right-to-work states such as Georgia and North Carolina have both union and nonunion port employees

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An East Coast dockworker strike would close five of the 10 busiest ports in North America, said Mia Ginter, director of North American ocean at C.H. Robinson. (Photo: Jim Allen/FreightWaves)

A looming East and Gulf Coast dockworker strike by the International Longshoremen's Association could be detrimental even to cargo container ports in right-to-work states such as Georgia and North Carolina, experts said.

Talks between the ILA and the United States Maritime Alliance, which negotiates on behalf of management of the ports, terminals and shipping lines, have stalled. No new contract talks have been scheduled.

The six-year ILA master contract covering about 25,000 dockworkers and other port employees from Maine to Houston expires Sept. 30.

Ports with hybrid work models – employing both union and nonunion workers – in Wilmington, North Carolina, and Savannah, Georgia, could see a significant impact to operations if there is a work stoppage.

Under the hybrid model, non-union employees operate lift equipment to load and unload the containerships and ILA members perform the rest of the longshore work.

"It's expected that the Port of Savannah will not operate in the event of a strike. Based on the direction of previous strikes, even as a hybrid employer, it's unlikely that non-union workers will continue working," Mia Ginter, director of North American ocean at C.H. Robinson, told FreightWaves in an email.

The Georgia Ports Authority has about 1,500 nonunion workers, according to state <u>documents</u>. Although employees at the Georgia Ports Authority are currently not unionized, employees of the stevedoring companies operating at the Port of Savannah are members of the ILA. They include clerks and cargo checkers.

North Carolina State Ports Authority, which includes the Port of Wilmington, employs about 250 people, including 145 union workers.

Nari Viswanathan, senior director of supply chain strategy at Coupa Software, said an ILA strike at the Port of Savannah could affect the entire global supply chain.

"Ports in Georgia, especially the Port of Savannah, are critical gateways for goods entering the southeastern U.S. These ports play a pivotal role in global supply chains, handling diverse products for the entire nation's imports and exports," Viswanathan told FreightWaves in an email. "Given that these ports connect to major trade routes, a halt in operations would mean massive delays in the shipment of goods, increase transportation costs, and potentially cause shortages across the world."

Officials for the Georgia Ports Authority did not respond to a request for comment.

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Ginter said a strike would close five of the 10 busiest ports in North America and could impact import and export freight around the world.

"Not only would no country be outside the impact, but also no industry would be immune," Ginter said. "It is likely that industries like automotive and pharmaceuticals would be more affected than others, though. As a rule of thumb, a one-week disruption at a port can result in one month of congestion, backlogs and delays."

Viswanathan also said an ILA strike could force shippers to reroute their cargo to ports on the West Coast.

"Continuous disruptions should compel businesses to rethink their reliance on these ports, potentially redirecting more traffic to other regions or investing in alternative logistics solutions. For instance, businesses might opt to reroute shipments to less affected West Coast ports or other international ports," Viswanathan said. "This shift could trigger changes in trade patterns and logistics strategies, accentuating the importance of flexibility, timely reconfiguration of supply chains, and robust contingency planning."

The ILA recently won a court battle against port authorities in South Carolina and Georgia over nonunion jobs. In February, the U.S. Supreme Court declined to take up a dispute between the state of South Carolina and ILA dockworkers at the Port of Charleston's Leatherman container terminal.

State officials in Georgia and South Carolina as well as the National Right to Work Foundation also filed briefs asking the Supreme Court to hear the case between the ILA and South Carolina Ports Authority regarding unionized jobs.

The ILA had won a ruling against the state of South Carolina in July 2023, giving unionized dockworkers the right to staff every job at the Leatherman container terminal.

The South Carolina Ports Authority employs 700 workers, with ILA members performing the majority of the longshore work, while 270 nonunionized state employees operate state-owned lift equipment.

Mark Mix, president of the foundation, said the ruling could mean the ILA could eventually fight to take all nonunion jobs at the ports of Savannah and Wilmington.

The National Right to Work Foundation is a nonprofit whose mission is "to eliminate coercive union power and compulsory unionism," according to its website.

"I suspect that the ILA will push very hard ... to say that all ports under the authority of this master contract with United States Maritime Exchange, they all need to be union jobs," Mix told FreightWaves in an interview. "Those nonunion employees at the other ports that have the hybrid model will be under pressure to change the way they operate."

Mix said an ILA strike would make it hard for hybrid ports like Savannah and Wilmington to continue operating.

"The Port of Savannah might try to continue, but it would be awfully difficult," Mix said. "I don't think anybody tries to work during a strike. They'll likely try to get some boats in, and get some people to try to do things, but that's a pretty complex operation."