Apparel importers call for labor talks to resume, say port automation 'vital'

Trade group lauds Trump support for ILA

Stuart Chirls

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(Photo: Jim Allen/FreightWaves)

Apparel and footwear importers on Friday called for a resumption of port labor contract talks after President-elect Donald Trump <u>publicly backed</u> the East Coast longshore union.

"We welcome President-elect Trump's commitment to strengthening United States ports and appreciate his efforts to meet with the International Longshoremen's Association (ILA) President Harold Daggett and Executive Vice President Dennis Daggett," said American Apparel & Footwear Association Chief Executive Steve Lamar, in a statement. "This is a crucial time for the longshoremen and the employers to negotiate a fair and equitable labor contract with the United States Maritime Alliance (USMX) for the East and Gulf Coast ports before the master contract expires Jan. 15.

"The longshoremen serve as the front lines of our supply chains and are essential to our economy. We applaud their hard work."

Trump on Thursday in a social media post backed the union's fight against port automation after meeting with ILA leadership.

The ILA broke off contract talks last month as employers sought to include semiautomated container cranes in a new pact, saying the USMX was trying to eliminate union jobs. Employers countered that automation technology is needed to make box handling at ILA ports more globally competitive, which would in turn create jobs.

The trade group, which counts New Balance, Ralph Lauren (NYSE: <u>RL</u>), Lululemon (NASDAQ: <u>LULU</u>), Carhartt and Under Armour (NYSE: <u>UA</u>) among its members, called on both sides to return to bargaining.

"We urge the ILA to formally return to the negotiating table to finalize a contract with USMX that builds on the well-deserved tentative agreement of a 61.5% salary increase. Like our messages to President Biden, we urge President-elect Trump to continue his work to strengthen U.S. docks — by meeting with USMX and continuing work with the ILA — to secure a deal before the Jan. 15 deadline with resolution on the issue of automation."

The importers sought a middle ground, pointing out that the union has expressed its willingness to adopt some new technology while still protecting jobs.

"The current contract allows for semi-automation and stipulates that no jobs or hours be lost due to technology. We feel that semi-automation is vital to ensure efficient and safe U.S. ports, attract new investments, create new U.S. longshoremen jobs, and grow the U.S. economy."

The statement claimed that another port strike could cost \$4.5 billion to \$7.5 billion in economic activity each week.

The three-day ILA strike in October caused container handling backlogs that lasted over a month, the group said, and another disruption would hinder imports of vital goods such as pharmaceuticals and damage U.S. exports of produce and other food products.

"In short, a disruption would threaten millions of American jobs, including 3.5 million Americans directly employed by our industry, further raise prices for every hardworking American family already suffering under high inflation, and threaten the growth of the U.S. economy itself.

"We look forward to President-elect Trump's continued leadership on the East and Gulf Coast port labor negotiations to get a deal done before Jan. 15, so we avoid a major disruption to the American economy ahead of his inauguration on Jan. 20."

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