

## ILA, USMX reach contract agreement on automation, avoiding port strike

The agreement comes 6 days before expiration of the original contract extension

[FreightWaves Staff](#)

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(Photo: Jim Allen/FreightWaves)

The International Longshoremen's Association (ILA) and the United States Maritime Alliance (USMX) have reached a tentative agreement on a new six-year master contract. The agreement will replace the expiring contract which had been extended after a short strike in October 2024.

The two groups issued [a joint statement](#) late Wednesday evening, saying "the two sides agreed to continue to operate under the current contract until the union can meet with its full Wage Scale Committee and schedule a ratification vote, and USMX members can ratify the terms of the final contract."



International Longshoremen's Association 



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International Longshoremen's Association (ILA) and United States Maritime Alliance (USMX) Announce Tentative Agreement on New Six-Year Master Contract

NORTH BERGEN/LYNDHURST, NJ (January 8, 2025) – The International Longshoremen's Association (ILA) and United States Maritime Alliance (USMX) have reached tentative agreement on all items for a new six-year Master Contract. The two sides agreed to continue to operate under the current contract until the union can meet with its full Wage Scale Committee and schedule a ratification vote, and USMX members can ratify the terms of the final contract.

"We are pleased to announce that ILA and USMX have reached a tentative agreement on a new six-year ILA-USMX Master Contract, subject to ratification, thus averting any work stoppage on January 15, 2025," the two sides said in a joint statement. "This agreement protects current ILA jobs and establishes a framework for implementing technologies that will create more jobs while modernizing East and Gulf coasts ports – making them safer and more efficient, and creating the capacity they need to keep our supply chains strong.

"This is a win-win agreement that creates ILA jobs, supports American consumers and businesses, and keeps the American economy the key hub of the global marketplace."

Details of the new tentative agreement will not be released to allow ILA rank-and-file-members and USMX members to review and approve the final document.



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The agreement covers approximately 25,000 union workers in container-handling at 14 ports and maritime cargo centers from Texas to Boston.

Workers in roll on-roll off vehicle handling, which was also shut down during the October work stoppage, are not included in the new deal.

In a classic compromise, both sides got what they had been seeking. A source with knowledge of the agreement told FreightWaves that terminal operators and ocean carriers get broader rights to introduce semi-automated rail-mounted gantry cranes and other technology they say are needed to improve efficiency in container-handling, while the union receives guarantees for new jobs linked specifically to each piece of equipment. Jobs associated with cranes are among the highest-paying among port workers.

The agreement came together quickly, the source said, after the sides fleshed out details in meetings ahead of formal negotiations.

The sides had previously agreed to a 62% pay increase following the October strike, but that was contingent on completing a new contract. Benefits and container royalties are among the details still to be worked out.

Had an agreement not been reached, dockworkers could have gone on strike Jan. 15, when the extension expired. President Joe Biden had previously refrained from stepping in during strike activity in October.

It was also a clear-cut victory for ILA President Harold Daggett, who publicly portrayed foreign-based ocean carriers as siphoning billions of dollars in profits out of the U.S. earned on the backs of underpaid American dockworkers, and that automation technology would eliminate union jobs.

The current longshore contract negotiated in 2018 specifically prohibits full automation technology.

The potential strike could have coincided with the start of President-elect Donald Trump's second term; Trump had not made it clear whether federal action would have been taken this time around. In December he publicly backed the union in its anti-automation position.

In a separate statement Wednesday, the ILA said Trump's support was key to securing a new contract. The union also revealed for the first time that when Daggett and his son, Dennis Daggett, also a union official, met with Trump at Mar-a-lago in December, the President-elect spoke by phone with USMX officials to express his support for the ILA.

"You have proven yourself to be one of the best friends of working men and women in the United States," the statement said in part.

Details of the tentative agreement will not be announced during the final negotiation and ratification process, which will likely stretch into the summer.

Trade groups welcomed news of the labor agreement.

"We are pleased to see the ILA and USMX come to a final agreement on a new contract, as U.S. ports on the East and Gulf Coasts play a critical role in the retail supply chain," said National Retail Vice President Jonathan Gold, in a statement. "Providing certainty with a new contract and avoiding further disruptions is paramount to ensure retail goods arrive in a timely manner for consumers."

"The agreement will also pave the way for much-needed modernization efforts, which are essential for future growth at these ports and the overall resiliency of our nation's supply chain."