

# ILA halts talks over new contract until Maersk, APM clarify port IT projects



*The union representing 45,000 dockworkers across the East and Gulf Coasts has fiercely fought against automation efforts at marine terminals. Photo credit: Felix Mizionikov / Shutterstock.com.*

**Michael Angell, Associate Editor | Jun 10, 2024, 4:15 PM EDT**

*(Updating with additional details, background)*

The International Longshoremen's Association (ILA) said Monday it has canceled talks with management over a new six-year contract covering ports along the US East and Gulf coasts due to what it describes as violations of its existing deal amid automation projects by Maersk and its APM Terminals subsidiary at the Port of Mobile.

ILA said in a statement that negotiations with the United States Maritime Alliance (USMX) scheduled to begin Tuesday have been canceled "after discovering that APM Terminals and Maersk Line are utilizing an Auto Gate system, which processes trucks without ILA labor."

"This system, initially identified at the Port of Mobile, Alabama, is reportedly being used in other ports as well," ILA said. "This is a clear violation of our agreement with the USMX, and we will not tolerate it any longer."

The statement said ILA will not return to talks over a new master contract, which is set to expire Sept. 30, until the auto gate issue has been resolved.

Maersk has said the tech projects do not violate the master contract with the ILA and that it wants to reengage in talks with the union representing 45,000 dockworkers along the US East and Gulf Coasts.

ILA President Harold J. Daggett, the union's chief negotiator, cited automation projects at Pier 400 at the Port of Los Angeles and the introduction of semi-automated cranes at the Port of Virginia as examples of earlier automation projects by Maersk that resulted in fewer longshore jobs.

"There's no point trying to negotiate a new agreement with USMX when one of its major companies continues to violate our current agreement with the sole aim of eliminating ILA jobs through automation," Daggett said.

"Most of the problems the ILA is facing on the East and Gulf coasts all stem from APM Terminals and Maersk Line," he added.

The union said its members have "observed an increasing number of IT personnel on marine terminals, with concerns that APM and Maersk's IT departments are encroaching on their jurisdiction."

The statement also said ILA has been auditing the impact of technology on other jobs at marine terminals and is waiting on results of that study.

Maersk said in a statement to the *Journal of Commerce* that it is "disappointed" that details of ongoing negotiations were made public, but that it hopes to get the union back to the negotiating table as quickly as possible.

"We will continue to engage with all stakeholders, including the ILA, to address their concerns," Marsk said. "APM Terminals, through the representation of the USMX, looks forward to resuming constructive negotiations with the ILA to find mutually beneficial solutions that support the future of our industry."

## Strike threat

The disrupted talks come as the union set a May 17 deadline for the conclusion of local contract negotiations, such as those covering Mobile. The conclusion of local talks was

necessary for the two sides to proceed to the master contract talks that would cover longshore wages coastwide.

A source familiar with the ongoing labor negotiations said Mobile is the only local port where talks have not been settled. The source also said the technology at APM Mobile has been in place for a while, but that the ILA is using the issue as leverage in local talks over staffing and other issues.

If there is no coastwide contract in place by the time of the Sept. 30 expiration of the existing deal, Daggett has said the ILA will undertake its first strike in nearly 50 years.

The union has broadly resisted efforts to bring automation to marine terminals through its master contract with the USMX; the current master contract blocks the development of fully automated terminals and equipment.

However, there is more leeway in the adoption of semi-automated equipment as long as "both parties agree to workforce protections and staffing levels," according to the contract. Terminals that want to implement technology must go through a joint ILA-USMX committee and notify the local unions.

Another labor source at the Port of Mobile told the *Journal of Commerce* that the local union only recently became aware of APM's technology projects, saying APM did not go through the procedure outlined in the master contract for notifying labor about such projects.

The exact nature of the technology projects at Mobile is not clear. But the source said APM recently installed cameras on its yard tractors and has also instituted a new traffic system for yard tractors, which haul containers between the berth and the yard, requiring them to stop at newly installed lights on its container cranes. A longshore worker has typically directed traffic.

Maersk has shown interest in ways to automate the container supply chain. In 2021, its venture capital arm invested in Cambridge, Mass.-based start-up iSee, which is developing an autonomous yard tractor company. Last year, Maersk announced a pilot with autonomous truck developer Kodiak Robotics to run dry-van trailers between Houston and Oklahoma.

APM said in its statement it is "committed to upholding our agreements and fostering a safe and efficient working environment for all employees."

"We remain in full compliance with the ILA/USMX master contract," APM said.

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