

US East, Gulf coast ports confident of smooth post-strike reopening



Predictions from port officials for a return to normal cargo flow after reopening Friday ranged from 24 hours to one week. Port of Newark pictured. Photo Credit: Michael M. Santiago / Getty Images.

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Ports up and down the US East and Gulf coasts expect a generally smooth resumption of cargo flow after reopening early Friday morning thanks to a tentative agreement Thursday that ended a three-day dockworker strike.

The International Longshoremen's Association (ILA) and the United States Maritime Alliance (USMX), which represents maritime employers, said in a joint statement late Thursday they "have reached a tentative agreement on wages and have agreed to extend the master contract until Jan. 15, 2025, to return to the bargaining table to negotiate all other outstanding issues."

Port leaders say they have spare capacity and expect minimal disruptions in processing a backlog of more than 60 ships. Reduced volumes through the ports due to frontloading and diversions out of fear of the Oct. 1 strike threat — and the relatively short duration of the strike — will make the return to pre-disruption fluidity a matter of days, rather than weeks.

In a Friday press conference, Bethann Rooney, port director for the Port Authority of New York and New Jersey, downplayed concerns about the impact of the strike on the East Coast's busiest port, noting that the port often closes for two to three days for snow during winter.

"After a closure, we've been able to recover in a very quick way," Rooney said. "I have not seen it take one week for every day of closure."

The total backlog of containers offshore and on the ground in New York-New Jersey amounts to about one week worth of volume at the port. The 19-ship backlog should be cleared by the end of next week, along with servicing ships that are still heading to the port, Rooney said.

To the south, there was no waiting line for trucks at the Port of Savannah nor delays in discharging and loading at berths and the Mason Mega-rail facility, Georgia Ports Authority spokesman Tom Boyd said Friday. The port is offering weekend gates.

At the Port of Baltimore, officials also compared the operational impact of the stoppage to a winter weather-driven interruption. The Maryland Port Administration, which has extended hours to include Saturday to deal with the backlog, said delayed vessels are being "quickly assimilated into the schedule."

The Port of Virginia said it has opened its reservation system and expects a return to normal operations within 24 hours, "with many components of the operation being restarted in parallel."

Labor peace ... for now

The tentative agreement between the ILA and the USMX ends a nearly two-year standoff over a new six-year master contract covering 45,000 longshore workers. The agreement ensures labor peace for 90 days, giving both sides time to wrestle with how automation is addressed in the contract.

The two sides have agreed on economic terms, however, with container lines represented by the USMX agreeing to hike dockworker pay by more than 60%.

The three-month extension, something ILA President Harold Daggett had vehemently opposed in the lead up to expiration of the existing contract on Sept. 30, removes any peak season pressure for the upcoming holiday shopping season. Most goods needed for Black Friday and up until Christmas moved through the East and Gulf coasts before the strike, with toys and electronics coming through the West Coast now.

The end of the three-day strike, which grabbed global and popular attention, also takes political pressure off the Biden administration, and by extension, the presidential campaign of Vice President Kamala Harris. With election polling ending Nov. 5, President Joe Biden refused to break the strike and risk antagonizing organizing labor and made no attempt to hide his support of the ILA and scorn for “foreign-owned” ocean carriers.

Public attention and emotions rose in the lead up to the tentative agreement. The ILA drew the ire of some for not working ports handling relief supplies for Hurricane Helene in the US Southeast. The union pledged \$100,000 to the American Red Cross and asked its locals to contribute as well. The threat of a port takeover from Florida Gov. Ron DeSantis ratcheted up pressure to end the strike.

Overnight, Daggett grabbed global attention, and much of it was negative. The *New York Post* published aerial photos of Daggett’s Sparta, NJ, home, along with his address and details of the union leader’s two salaries as president of the international and a New Jersey ILA local that amount to \$900,000 per year.

The next day, the ILA said in a statement that Daggett and other union leaders received “threats of violence” directed against them. There was also the doxing of USMX President Dave Adam by publishing his address and phone number on X, formerly Twitter.

The automation elephant

While a tentative agreement has been reached, some details haven’t been released, much less worked. Sources have told the *Journal of Commerce* the USMX offered longshore workers a \$4-per-hour per-year increase to get talks restarted. The offer amounts to a 61.5% increase in the top tier of longshore wages.

The USMX’s last offer prior to the strike was a \$3-per-hour hike, equal to a 46% raise over the life of the six-year contract, according to a White House presentation shared with the *Journal of Commerce* last week. Back in June, the USMX initially offered the ILA a \$2.50-per-hour (38%) raise, which the union flatly rejected before breaking off talks.

However, the tentative agreement does not address one of the key sticking points between the ILA and USMX: automation. The ILA has repeatedly said that it wants a complete ban on any automation project that would eliminate longshore jobs, while the USMX says it wants to keep language from the current contract that allows semi-automation projects to go ahead with the union's consent.

“Unless an agreement is reached on ILA's very vocal demands to limit automation, disruption and uncertainty could return in January,” Peter Friedmann, executive director of the Agriculture Transportation Coalition said in a statement Friday. “Some who shifted to the West Coast gateways may stay there until the automation negotiations are resolved.”

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