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BUSINESS | LOGISTICS REPORT

## Dockworkers, East and Gulf Coast Ports Reach Tentative Labor Agreement

A six-year pact was reached ahead of the September expiration of the current deal, setting the stage for labor peace across U.S. trade gateways



The new agreement covering ports such as the Port of Newark, N.J., shown above, along with a separate pact for West Coast ports, gives importers and exporters a measure of labor stability at trade gateways. PHOTO: STEPHEN HILGER/BLOOMBERG NEWS

By *Erica E. Phillips*

June 6, 2018 6:05 p.m. ET

Dockworkers at U.S. East and Gulf Coast seaports reached a tentative six-year contract agreement with the port operators, the two sides said Wednesday, beating the September expiration of the current pact and setting the stage for several years of labor peace at the country's trade gateways.

In a statement Wednesday, the International Longshoremen's Association and the United States Maritime Alliance Ltd., which represents port associations and marine terminal companies from Maine to Texas, said in a statement that terms of the agreement were unanimously approved by 200 delegates of the ILA's 65,000 maritime-worker membership after months of on-again, off-again negotiations.

Discussions between the ILA and the employers' group, known as USMX, had broken off in December over disagreements on how ports define automation, but the parties returned to the table in March.

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ILA President Harold J. Daggett, and David F. Adam, chairman of USMX, called it, “beneficial to both sides.” In a statement the parties said they hoped to have local agreements that go along with the broader master contract ironed out by July 10, 2018. A ratification vote by members will come after that.

A ratified agreement, along with an existing contract between the separate West Coast dockworkers’ union and port employers there, would leave all ports across the U.S. covered under labor deals through at least the middle of 2022, easing concerns by retailers and manufacturers over a sector marked by labor strife in recent years.

In late 2014, a labor contract between the West Coast’s International Longshore and Warehouse Union and port employers ran out while the parties were negotiating, leading to widespread delays in cargo handling at major gateways. Dozens of ships sat offshore outside the nation’s largest port complex in Los Angeles and Long Beach, Calif., waiting to unload, and businesses across the country faced inventory shortages for months during and after the negotiations finally concluded in February 2015.

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“That all had an impact on the bottom line for companies and on the economy as a whole,” said Jonathan Gold, vice president for supply chain for the National Retail Federation. The new East and Gulf coast agreement provides retailers, manufacturers and exporters with long-term stability, Mr. Gold said.

The current contract between ILA and USMX was set to expire Sept. 30, 2018, and pressure for a new deal grew last year after the Pacific Maritime Association, which represents West Coast port operators, reached a pact with the union there to extend their 2015 agreement until July 1, 2022.

“Given the agreements that were reached on the West Coast, the East Coast really didn’t have a choice but to reach the same kind of agreement or they would really be risking jobs and business,” said Jon Slangerup, chief executive of American Global Logistics LLC, an Atlanta-based freight forwarder and logistics provider. Mr. Slangerup was chief executive of the Port of Long Beach from 2014 to 2016.

—Jennifer Smith contributed to this story.

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