

LEGAL UPDATES

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Dockworkers, Carriers Agree to Temporary Deal to Reopen Ports

Yesterday, the International Longshoremen's Association (ILA) and the United States Maritime Alliance (USMX) reached an agreement that extends the ILA labor agreement that ended September 30, 2024, and that allows dockworkers to suspend their strike that affected East and Gulf Coast port operations. The extension will be in force until January 15, 2025. In the interim, negotiations will continue between ILA and USMX on outstanding issues related to wages and port automation.

The suspension of the strike offers shippers and other participants in the supply chain a valuable opportunity to assess how their contingency plans were faring during the multi-day stoppage, what issues and challenges (anticipated or not) were faced, and what changes need to be made going forward. Among the many items brought to our attention in recent days by clients, those most frequently encountered included surcharges, detention and demurrage fees, insurance coverage, and the application of *force majeure* to the various business interruptions set in motion by the strike. Although the strike is suspended, some of these resultant issues are still in play. How they are resolved should inform future efforts to mitigate strike-related risks, and our team will be closely following the trends and developments impacting these challenges.

What this means to you

The extension of the ILA agreement is a temporary fix that enables dockworkers to return to work and ports to resume operations; however, shippers should follow closely how the negotiations between labor and industry proceed from here and use this time to assess and modify risk mitigation procedures in the event of future port closures.

Contact us

If you have questions regarding the ILA/USMX agreement or other strike-related questions, please contact Julie Maurer, Cortney Morgan, Carlos Rodriguez, or your Husch Blackwell attorney.