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## Dockworkers Walk Out of Labor Talks

Labor negotiations between employers and unionized dockworkers at East Coast and Gulf Coast ports got off to a rocky start this week after union leaders walked out of contract-extension talks.

*By Jennifer Smith*

Labor negotiations between employers and unionized dockworkers at East Coast and Gulf Coast ports got off to a rocky start this week after union leaders walked out of contract-extension talks. The main point of disagreement was about how ports define automation, according to the International Longshoremen's Association. Earlier this year the union's president, Harold Daggett, said the issue of job losses due to technology would be central during negotiations to extend the current contract, which expires in September 2018. He has pledged to prevent container terminals from automating to the same degree as many European ports.

The ILA and the United States Maritime Alliance Ltd., or USMX, which represents terminal operators and container shipping lines at ports from Maine to Texas, had agreed

to meet Tuesday and Wednesday in Hollywood, Fla., but ended talks early on the second day.

“They got upset about some discussions we were having around automation and then they left,” said David Adam, USMX’s chief executive. “I was absolutely shocked.”

This week’s meeting was meant to pave the way for an extension. A deal would put East Coast ports on a more even footing with ports on the West Coast, which compete for some of the same freight. West Coast employers and dockworkers in August agreed to extend a separate labor contract through 2022, giving retailers and manufacturers more certainty that cargo shipped there won’t get delayed by walkouts or slowdowns, which have dogged past negotiations.

A union spokesman said the dockworkers’ representatives disagreed with how USMX wanted to define what constitutes a fully automated terminal.

“ILA suggested language that any unmanned equipment would be considered automated,” spokesman James McNamara said. The union was “definitely frustrated and not happy,” he said. “We weren’t able to get the assurances and the language we felt comfortable with to move forward,” so Mr. Daggett instructed the delegates to go back to their ports and resume local bargaining.

The breakdown follows tensions earlier this year at East Coast gateways like South Carolina’s Port of Charleston, where a labor slowdown jammed truck traffic at one terminal. The head of the local union there also called for a one-day shutdown of ports from Maine to Texas so members could rally in Washington, D.C., over jobs lost to automation and the use of nonunion labor, though Mr. Daggett asked members to hold off on the proposed walkout.

The early end to the meeting was reported earlier by the Journal of Commerce.

USMX has issued a statement saying it expects the talks to continue “at some point in the future.”

It isn’t clear when the next formal meeting will take place. There are about 10 months left on the contract, which provides for some wiggle room.

“Typically the East Coast [union] is not as bad as the West Coast,” said Frank Guenzerodt, chief executive of Dachser USA Air & Sea Logistics Inc., the U.S. subsidiary of German logistics firm Dachser SE. “I kind of trust in them to actually reach an agreement and not run into a strike.”

Still, the breakdown of talks increases pressure on East Coast port associations and terminal operators that saw more cargo flow their way during the earlier West Coast labor battle.

“We strongly urge both sides to return to the bargaining table and reach an equitable agreement,” a spokesman for the Port Authority of New York and New Jersey said in an email.