

News

Update of situation at US Ports

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United States Maritime Alliance, Ltd. (USMX) represents employers of the East and Gulf Coast longshore industry. They include 24 container carriers, including the 10 largest carriers worldwide, and every major marine terminal operator and port association on the East and Gulf Coasts.

Dear Customers,

We are pleased to inform you that a 6 year master contract has been ratified by the ILA members. The following statement was made by United State Maritime Alliance, Ltd. 10th of April 2013.

Quote

ILA MEMBERS OVERWHELMINGLY APPROVE NEW SIX-YEAR MASTER CONTRACT
USMX Members to Vote April 17 on Ratification of Agreement

ISELIN, NJ (April 10, 2013) — International Longshoremen’s Association members voted overwhelmingly Tuesday to approve a new six-year Master Contract covering 14,500 workers at the East and Gulf Coast ports, the ILA announced. The approval, which followed more than a year of negotiations, came eight days before the scheduled ratification vote by members of the United States Maritime Alliance.

In a separate vote on a local agreement, the ILA also announced that workers at the Port of New York and New Jersey, the largest on the East Coast, had voted by a margin of more than 3 to 1 to approve a new local contract with the New York Shipping Association. Voting Tuesday, workers at 10 of the 13 other East and Gulf Coast ports also ratified separate local agreements, according to the union. It said negotiations at the three remaining ports - Philadelphia, Baltimore and Hampton Roads - are expected to conclude next week.

“We’re obviously pleased that ILA members voted to ratify the Master Contract,” David F. Adam, USMX’s new chairman and CEO, said. “It’s in the best interest of both sides, our customers and the country that the ports continue to operate without disruption and that’s precisely what this agreement will do for the next six years.”

“On behalf of ILA members and officers at all ports, we’re thrilled this Master Contract was ratified by an overwhelming margin,” ILA President Harold J. Daggett, who led the negotiations for the union, said.

The Master Contract includes a \$1-an-hour wage increase in 2014, 2016 and again in 2017, the final year of the contract. Starting pay would remain at \$20 an hour but new employees would reach the top wage scale in six years instead of the current nine.

The contract also guarantees that carriers will fund the annual container royalty payments at \$211 million, the amount paid in 2011, plus up to an additional \$14 million for administrative expenses, and share equally with the ILA any container royalties that exceed \$225 million.

Another provision of the agreement will protect the jobs of workers displaced by the introduction of new technology and automation at the ports. Negotiations on a new Master Contract began more than a year ago to replace the agreement that expired on Sept. 30, 2012. Both sides agreed twice to extend the contract and to continue bargaining under the auspices of the Federal Mediation and Conciliation Service.

Unquote

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Update of situation at US Ports as per 4th of February 2013

Dear Customers,

We are pleased to inform you that the following statement was made by Federal Mediation and Conciliation Service late 1st of February 2013.

Quote

The parties have reached a tentative agreement for a comprehensive successor Master Agreement. The tentative agreement is subject to the ratification procedures of both parties and, as well, to agreements being achieved in a number of local union negotiations. Those local negotiations are ongoing and will continue without interruption to any port operation.

Unquote

We thank you for your cooperation and interest in this matter, and we are happy to be able to close this issue.

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Update of situation at US Ports as per 30th of January 2013

Dear Customers,

Further to earlier updates, we will like to provide you with the following. As you know, the current ILA labor contract expires at midnight on Wednesday February 6, 2013.

A potential coastal wide strike starting February 7, 2013 is possible unless an agreement is reached or another extension is announced. The two-sides continue to meet in negotiations.

We encourage all customers with IMPORT loads currently sitting on terminal to take every available opportunity to have those loads picked up before February 6, 2013.

Equally, we strongly encourage the expedient return of all empty containers and chassis by February 6, 2013.

As we move closer to the February 6, 2013 deadline we will continue to provide updates as we receive them.

SGL will continuously follow the situation and keep you updated.

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Update per 2nd of January 2013

Dear Customers,

The planned meeting between ILA and U.S. Maritime Alliance (UNMX) on the 29th December 2012 has been postponed. The parties have agreed on extending the negotiations for another 30 days, this means that the announced strike has also been postponed.

After calling the parties to a meeting on prior to 29th December George H. Cohen, Director of The Federal Mediation and Conciliation Service (FMCS) give the following statement:

“The container royalty payment issue has been agreed upon in principle by the parties, subject to achieving an overall collective bargaining agreement. The parties have further agreed to an additional extension of 30 days (i.e., until midnight, January 28, 2013) during which time the parties shall negotiate all remaining outstanding Master Agreement issues, including those relating to New York and New Jersey. The negotiation schedule shall be set by the FMCS after consultation with the parties.

Given that negotiations will be continuing and consistent with the Agency’s commitment of confidentiality to the parties, FMCS shall not disclose the substance of the container royalty payment agreement. What I can report is that the agreement on this important subject represents a major positive step toward achieving an overall collective bargaining agreement. While some significant issues remain in contention, I am cautiously optimistic that they can be resolved in the upcoming 30-day extension period.”

SGL will continuously follow the situation and keep you updated. You will be able to find information here on our web site when there is news regarding the situation.

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Risk of strike at US Ports (Maine to Texas) as per 21st of December 2012

Dear Customers,

As we see a risk of strike in some US ports and Port Congestion Surcharges, we would like to give you an up-date of the situation.

The ILA’s 200-member wage scale committee gathered in Delray Beach, Florida and the International Longshoremen’s Association President Harold Daggett won authorization from ILA delegates to call a strike if a bargaining impasse is not settled before the union’s contract expires 29th December 2012. The vote by the ILA’s 200-member wage scale committee moves East and Gulf coast ports are close to their first coast wide strike in 35 years.

There was an abrupt breakdown in contract talks between the International Longshoremen’s Association and employers represented by the U.S. Maritime Alliance (USMX) on Tuesday 18th December.

According to USMX, at a meeting in Newark, N.J., “the Federal Mediation and Conciliation Service (FMCS) recommended a short contract extension to keep both parties at the bargaining table.

“While USMX agreed to the extension, the ILA rejected it, refusing to discuss any changes to the status quo on container royalty and renewing its vow to strike,” the employer group said.

At present time the parties are not able to reach an agreement, and since no further meetings are scheduled until the 29th December, it seems likely a strike will occur.

Scan Global Logistics has filed a Port Congestion Surcharge applicable to all shipments to/from ports in the United States. This also includes import shipments to the United States that are routed through Canada. This surcharge was originally filed for September 29, 2012.

All contract and tariff rates are subject the Port Congestion Surcharge as filed with the effective date of December 29th, 2012. Please note this is a forward filing as precaution to address the potential for congestion as result of possible labor actions. Should there be no labor action and subsequent congestion disrupting operations, this tariff filing will be nullified.

We of course hope there will be a solution, but for now it doesn’t look too promising. We will follow the situation and keep you updated on our web site and you are more than welcome to contact your local contact at Scan Global Logistics.

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