



U.S Dockworkers Approve New Labor Contract

More than 45,000 U.S. dockworkers ratify a new six-year contract that includes a 62% pay raise.

The 45,000 dockworkers represented by the International Longshoremen's Association (ILA) ratified a six-year contract after a series of contentious labor negotiations and a potential labor strike that may have impacted the flow of goods through both Atlantic and Gulf Coast ports.

The ILA says members “overwhelmingly” ratified the provisions of the new six-year master contract with the United States Maritime Alliance (an alliance of container shipping lines, port operations and other employers). This was the final stamp of approval needed for the contract, which won't expire until September 2030.

“Our ILA rank-and-file members are not only the greatest longshore workers in the world, but they are also the strongest, most powerful union members anywhere,” said ILA President Harold Daggett in an [announcement about the deal](#). “Their courage and determination helped win them this landmark contract”

Daggett described the new agreement as the “gold standard” for dockworker unions globally and said it includes a “record

shattering” 62% wage increase; full protections against automation; and accelerated wage raises for new ILA workers, among other benefits.

Finding Middle Ground

The new labor contract for dockworkers is a “win” for supply chain operators that were holding their breaths as the negotiation period wound down. As [WSJ](#) reported, thousands of dockworkers walked off the job for three days in October.

It was the ILA's first coastwide strike in almost 50 years, shutting down busy gateways in New York-New Jersey, Houston and Georgia's Port of Savannah during the busy peak shipping season.

[Reuters](#) says the 36 affected ports are some of the busiest in the U.S. and account for more than half of the country's imports. ILA officials say the contract will cost employers a total of roughly \$35 billion—almost double the sum for the last multiyear deal, [WSJ](#) notes. It also says the agreement includes important provisions that block the use of fully automated cranes at ports.

Indeed, the use of automation at ports was a hotly contested topic throughout the contract negotiations. In its [announcement](#), the ILA said the new presidential administration expressed “full support” of its position against “job-threatening automation that proved to be a major boost for the ILA in reaching a successful settlement with USMX.”

“Employers say the deal allows them to more quickly roll out technologies that will help them move larger cargo volumes more efficiently across the docks,” [WSJ](#) adds. “They also secured a commitment from the union to crack down on absenteeism when workers either don't commit to working a needed shift or don't show up to assigned jobs.”

Good News for Supply Chains

The contract approval capped off a fairly active month for supply chain operators focused on issues like tariffs, sanctions, mass government layoffs and other developments that may impact their operations, supply chain partners and end customers. The resolution of this contract dispute will also help ensure stability for crucial trade routes, preventing disruptions that could have rippled through the global economy.