



**AMERICAN SHIPPING  
COMPANY**



## **International Longshoreman's Association (ILA) Strike is Suspended as Workers Return to Job, Negotiations Continue and Activity Begins**

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The ILA officially went on Strike Tuesday, October 1st and in a series of back-end negotiations with the United States Maritime Alliance (USMX), they have announced that they have suspended the strike as of late Thursday and have directed its membership of workers to return to work today.

Working on a tentative agreement, the contract will now have some time be negotiated further. A new date has been set in hopes of finalizing and perhaps ratifying before January 15, 2025, which allows at least 90 days to conclude a new master contract. This is why this is being termed as a “suspension” of a strike by the ILA in order to return to the table in an official capacity and hopefully achieve an outcome they desire. While wages appear to have been tentatively agreed upon at an over 60% increase for six years, key components, such as automation, still remain at the forefront of the negotiations and remain a sticking point for the new contract.

As port terminals reopen, it should be understood that this will not be uniform across all East and Gulf port terminals. What time of day and what shifts will begin the reopening process will dictate this. Furthermore, not all terminals will be ready to allow drayage carriers to immediately access the terminals as well for recovery of containers. This can also come at different times of the day or could even be pushed out another day or two. This is to accommodate the startup and provide efficient operations and management of what will be a flux of vessels and offloading activities for imports, acceptance of export shipments, and management of empty equipment being returned simultaneously as activity resumes.

Collectively, hundreds of vessels remain anchored outside of the 36 ILA operated ports along both East and Gulf coasts, as new arrivals will also continue as vessels already in route approach. While there is no exact science to the situation of how many recovery days are needed per strike day and could even differentiate by terminal, there is wide belief that this will take a minimum of 10 days to 15 days return back to a normal flow, so delays are certainly to be expected.

In the coming days and weeks, it will be further learned as to what, if any, charges will be implemented by ocean carriers. Many ocean carriers have declared force majeure as a result of the strike and had sent out advisories leading up to the strike announcing contingency plans and several descriptive surcharges amongst them that they claim will be necessary to cope with the post-strike outcome.

Demurrage and Detention rules and charges will be likely return back to normal upon the confirmed startup at each terminal. We do anticipate that there will be extra charges involved as a result of the strike and post handling. Should there be any significant update, we will report accordingly.

With market volatility and unforeseen developments, we remind our community to plan in advance, anticipate delays, and be prepared for disruptions. Should you have any further questions or concerns, please contact your account manager or local handling office for assistance.

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