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**COMMENTARY**

*Why the Soon-To-Be Striking Dockworkers' Demands are Reasonable*

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East Coast and Gulf Coast port workers across the U.S. began their highly anticipated strike on Tuesday, October 1<sup>st</sup>, 2024.<sup>1</sup> The strike will likely halt the flow of half the country's ocean shipping,<sup>2</sup> including many common goods such as automobiles, food, and liquor.<sup>3</sup> These port workers, all members of the International Longshoremen's Association (ILA), are demanding "significantly higher wages and a total ban on the automation of cranes, gates and container-moving trucks."<sup>4</sup>

Under the ILA's previous contract, which expired the day before the strike began, the starting pay for port workers was \$20 per hour.<sup>5</sup> Salaries increased gradually in proportion

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<sup>1</sup> Chris Isidore & Vanessa Yurkevich, *Port Workers Strike Across the East and Gulf Coasts*, CNN (Oct. 1, 2024), <https://www.cnn.com/business/live-news/port-strike-ila-10-01-24/index.html>.

<sup>2</sup> Doyinsola Oladipo & David Shepardson, *US Dockworkers Strike, Halting Half the Nation's Ocean Shipping*, REUTERS (Oct. 1, 2024), <https://www.reuters.com/world/us/us-east-coast-dockworkers-head-toward-strike-after-deal-deadline-passes-2024-10-01/>.

<sup>3</sup> Chris Isidore & Vanessa Yurkevich, *Expect Shortages of Bananas, Booze, Chocolate and Cherries if there's a long Port Strike*, CNN (Sept. 29, 2024), <https://www.cnn.com/2024/09/29/business/goods-port-strike-east-gulf-coasts/index.html>.

<sup>4</sup> *What are the Demands of the Longshoreman? Here's a Breakdown*, KHOU-11 (Oct. 1, 2024), <https://www.khou.com/article/news/local/longshoreman-strike-demands/285-38b45d5d-e10b-4280-a720-8640a55ef004>.

<sup>5</sup> Megan Cerullo, *How much do Dockworkers Make? Here are the Striking Workers' Salaries*, CBS NEWS (Oct. 2, 2024),

to years of service, topping at \$39 per hour for workers with over six years of service.<sup>6</sup> The ILA is demanding their next contract pay workers an additional \$5 raise every year to account for inflation and the long hours worked.<sup>7</sup> This amounts to a 77% increase over the duration of the contract.<sup>8</sup>

The U.S. Maritime Alliance (USMX), a group that represents shipping companies and port authorities, is responsible for the salaries ILA workers receive.<sup>9</sup> Despite the USMX's offer of a nearly 50% increase over the next contract, the ILA has yet to budge.<sup>10</sup>

Analysts at Oxford Economics suggest that this strike could cost the U.S. \$4.5 billion per week as "truckers and other workers dependent on the ports are furloughed".<sup>11</sup> Moreover, for each week the strike continues, it will likely take a month to clear the backlog that it created.<sup>12</sup> While companies can temporarily divert their shipments, West Coast ports cannot absorb all the cargo that goes through its East and Gulf Coast counterparts.<sup>13</sup>

Given the looming economic impacts, the Biden administration has recently pressured USMX to raise their efforts to secure a deal to end the strike.<sup>14</sup> However, the President has declined to use the authority granted by the 1947 Taft-Hartley Act to directly order the ILA back to work.<sup>15</sup> Yet, with negotiations stagnant and billions of dollars being lost each week,

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<https://www.cbsnews.com/news/how-much-do-dock-workers-make-longshoreman-salary/>.

<sup>6</sup> *Id.*

<sup>7</sup> Fernando Cervantes Jr., *How much do Dockworkers Make? What to know about Wages amid ILA Port Strike*, USA TODAY (Oct. 2, 2024), <https://www.usatoday.com/story/money/2024/10/02/port-strike-dockworkers-wages/75485424007/>.

<sup>8</sup> *Id.*

<sup>9</sup> Chris Isidore & Vanessa Yurkevich, *Port Workers Strike Across the East and Gulf Coasts*, CNN (Oct. 1, 2024), <https://www.cnn.com/business/live-news/port-strike-ila-10-01-24/index.html>.

<sup>10</sup> *Id.*

<sup>11</sup> Danielle Kaye, *How the Dockworkers' Strike Could Ripple Through the Economy*, N.Y. TIMES (Oct. 1, 2024), <https://www.nytimes.com/2024/10/01/business/economy/port-dockworkers-strike-economy.html>.

<sup>12</sup> *Id.*

<sup>13</sup> *Id.*

<sup>14</sup> Doyinsola Oladipo & David Shepardson, *US Port Workers Union Backed by White House in Strike*, REUTERS (Oct. 2, 2024), <https://www.reuters.com/world/us/white-house-sides-with-union-dockworker-strike-enters-second-day-2024-10-02/>.

<sup>15</sup> 29 U.S.C.A. § 178; Danielle Kaye, *How the Dockworkers' Strike Could Ripple Through the Economy*, N.Y. TIMES (Oct. 1, 2024),

it is increasingly likely that the President will reconsider this option. Indeed, institutions predict that this strike will conclude rather quickly.<sup>16</sup> For example, Bank of America Analysts predict that the Taft-Hartley Act will be invoked within a few weeks.<sup>17</sup>

The ILA strike highlights the consequences that an unsuccessful negotiation with a large union can have on the U.S. economy.

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<https://www.nytimes.com/2024/10/01/business/economy/port-dockworkers-strike-economy.html>.

<sup>16</sup> Michael Ballaban, *Strike Shouldn't last too long, Bank of America Estimates*, CNN (Oct. 1, 2024), <https://www.cnn.com/business/live-news/port-strike-ila-10-01-24/index.html>.

<sup>17</sup> *Id.*