

East Coast Labor Update: Both Sides Will Meet with Mediator

by Michelle Kelley - Wednesday, December 26, 2012

Client Alert

Despite the break down in contract talks last week between the International Longshoremen's Association (ILA) and the U.S. Maritime Alliance (USMX), there is still some hope of a possible resolution between the parties. Federal mediators announced that both sides agreed to meet once last time before the contract expires on December 29. As of this writing, none of the parties involved have issued a public statement regarding this final meeting.

Several outcomes are possible.

1) Both sides agree to a contract extension.

This would be the least disruptive outcome for shippers, as East and Gulf Coast ports would continue to operate as normal while contract talks continued.

2) USMX declares a lockout OR the ILA declares a strike.

Either outcome would be disastrous for shippers. If a lockout is declared, union workers wouldn't be allowed to report to work. If a strike is declared, union workers will not report to work. Ports will be closed if either one occurs.

3) President Obama invokes the Taft-Hartley Act, delaying any lockout/strike action for 180 days.

If invoked, the Taft-Hartley Act requires that workers to go back to work and both sides of a labor dispute observe a cooling off period of 180 days before taking further lockout/strike action. Although it might buy a few weeks of peace, after the cooling off period, shipper's will be in the same boat they were in before the Act was invoked.

[Dec. 19: East Coast contract talks break down, increase likelihood of port strike](#)



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