

Lamorte Port Strike and Storm Update 3

As of October 5, 2024, the East and Gulf Coast port strike has officially ended following a tentative agreement between the International Longshoremen's Association (ILA) and the U.S. Maritime Alliance (USMX). The three-day strike, which began on October 1, caused significant disruptions across 36 ports from Maine to Texas, affecting the flow of container shipments and logistics throughout the U.S.

The new agreement includes a 61% wage increase over six years, with both parties agreeing to extend the current contract until January 15, 2025, to continue negotiations on unresolved issues, particularly concerning port automation. While port operations have resumed, it will take time to clear the backlogs caused by the strike. Experts estimate that for every day of the strike, it will take a minimum of four to six business days to fully recover, meaning delays could extend for several weeks.

Many vessel owners diverted previously to the West Coast of the country, assuming that the strike would extend longer. Our correspondents in California and the Pacific Northwest have been in contact with vessel owners, preemptively on the matter.

FLORIDA:

Regarding Florida ports, Governor Ron DeSantis has taken decisive action to mitigate the disruptions caused by the strike. DeSantis deployed the Florida National Guard and the Florida State Guard to critical ports, including Port Miami, Port Everglades, Port Tampa Bay, and JAXPORT. The goal of this deployment is to maintain order and assist in restoring operations, especially given the added challenges posed by Hurricane Helene.

Additionally, DeSantis has waived tolls, fees, and size and weight restrictions for commercial vehicles to facilitate the movement of goods into and out of Florida's ports. This measure supports hurricane recovery efforts and aims to reduce strain on the supply chain, which has been further impacted by the strike. The Governor emphasized the critical role of Florida's ports in maintaining the flow of goods, particularly amid ongoing hurricane recovery.

GEORGIA:

In Georgia, the Ports of Savannah and Brunswick are gradually resuming operations following the recent three-day strike. These ports, particularly Savannah—one of the busiest on the Mid-East Coast—experienced significant delays and closures. The Georgia Ports Authority has indicated that it will take some time to clear the backlog created during the strike, with disruptions possibly lingering for several weeks.

HURRICANE MILTON:

This, highly irregular, storm – originating not in the waters west of Africa, but east of Mexico – is quickly developing into a very dangerous, potentially Category 4, hurricane. It is expected to make landfall around the Tampa area of Florida, impacting the operations of

the major West Coast (of Florida) ports, before turning North, and therefore effecting the northern ports – including Jacksonville and Savannah. It is expected that the impacted ports will see diversions to Port Everglades, which is presently outside of the projected storm path.

Lamorte Port Strike and Storm Update 2

We have also been asked by several clubs for an update regarding storm damage impacting our Southern ports.

Hurricane Helene has caused substantial damage, especially along Florida's Gulf Coast. Ports such as Port Tampa Bay and Port Manatee were temporarily shut down due to record storm surges and strong winds. Severe flooding was reported in areas like Tampa and Steinhatchee, with water surges exceeding 10 feet. Emergency response and recovery efforts are currently underway, though the full extent of the damage to port infrastructure is still being assessed. It is expected that these ports will take some time to fully recover.

Moreover, Savannah is facing delays and congestion due to both the strike and power outages caused by Hurricane Helene. The storm has impacted transportation networks, including intermodal facilities, complicating recovery efforts in Georgia and Florida. The combined effects of the strike and the hurricane are exacerbating supply chain disruptions, resulting in delays in shipping essential goods such as food and pharmaceuticals.

Recovery operations are ongoing, and it may be some time before normal operations resume, especially as the strike continues. More as we know it.

Lamorte Port Strike and Storm Update 1

We wanted to share a detailed update on the evolving situation regarding the potential strike that could severely impact ports along the East and Gulf coasts.

Current Situation:

The labor contract between the International Longshoremen's Association (ILA) and the U.S. Maritime Alliance (USMX) is set to expire on September 30, 2024. Unfortunately, negotiations have stalled since June, increasing the likelihood of a strike starting on October 1, 2024. The main sticking points in these negotiations revolve around wage increases, automation concerns, and job security for dockworkers.

This would be the first major strike by the ILA since 1977, and it could affect 36 ports along the East and Gulf coasts, which handle nearly half of the nation's shipping. These ports play a crucial role in transporting essential goods such as agricultural products, automobiles, and pharmaceuticals.

As of now, the situation with the East and Gulf Coast port strike is escalating. The International Longshoremen's Association (ILA) has confirmed that unless a last-minute agreement is reached, dockworkers at 36 ports, including Miami, will go on strike starting at 12:01 AM on October 1, 2024.

Unofficial:

I have seen reports circulating on social media suggesting that some dockworkers may have already begun striking. However, there is no official confirmation or public record to support this, so it could be speculation or misinformation. Railways have begun refusing shipments, with growing concern over the ability to have the containers offloaded.

Recommendations for Mitigating Potential Impact:

To mitigate the potential effects of the upcoming strike, we recommend that all members take the following proactive steps:

- Prioritize and expedite any critical shipments today to avoid delays.
- Where possible, consider diversifying shipping routes by using West Coast or international ports that are less likely to be affected.

We will continue to monitor the situation closely and provide updates as needed. Our team is available to assist the club and its members in strategizing and preparing for any potential delays caused by the strike.

While there is still hope for a last-minute agreement, the probability of a strike remains high. Even if the strike is resolved quickly, its effects could extend beyond the immediate timeframe and lead to cascading delays.

Please don't hesitate to reach out for guidance or assistance.