

NEWSFLASH: ILA, USMX break off talks

Premium

Tuesday, December 18, 2012

Negotiations on a new contract between the International Longshoremen's Association and employers represented by the U.S. Maritime Alliance (USMX) broke off abruptly Tuesday afternoon.

The union and management said they were going to discuss container royalties, payments that are made to longshoremen based on the weight of containerized cargo. USMX has wanted to cap those payments.

Bennie Holland, executive vice president of the ILA, said the union told management it was "willing to extend the contract to Feb. 1 and keep talking if management would be willing to take the container royalty cap off the table and we could show them other ways to accommodate them with other adjustment that would offset" the royalties.

"They refused, so right now unless we hear back from them we will be on strike on Dec. 29," he added.

Dave Adam, senior vice president and chief operating officer of USMX, said "employers are willing to continue to bargain in good faith," but that the union had put terms on the extension that were unacceptable.

The ILA's demand that the container royalty cap be taken completely off the table "was not acceptable." He said USMX was willing to extend the contract for another couple of weeks and resume bargaining on Jan. 7, "and talk about all of the open issues, talk about some of the operational and efficiency issues we also have on the table. But the union was not agreeable to that and put unacceptable terms on it."

Joe Curto, president of the New York Shipping Association and a USMX director, noted that "there are still a few more days in this month where we would be willing to continue discussions."

Adam said the union rejected a Dec. 10 proposal where USMX offered to guarantee royalties at 2011 levels to all ILA employees who received royalty checks in 2011 for another 25 years.

Curto emphasized this was not a "last and best offer," but an offer that employers and the union could continue to discuss.

"I think we need some time to gather our thoughts," Curto said.

Federal Mediation and Conciliation Service Director George H. Cohen, who was at the meeting at the Marriott Hotel at Newark Liberty International Airport in New Jersey declined to comment. - [Chris Dupin](#)