



Customer Advisory

USMX - ILA Bargaining and Contract Update

September 9, 2024

Dear Customer,

As part of our commitment to providing transparent information about your supply chain operations, we want to ensure you are well informed about the ongoing negotiations between the International Longshoreman Association (ILA) and the United States Maritime Alliance, Ltd. (USMX), which could significantly impact your operations.

The current contract between USMX and ILA is scheduled to expire on September 30, drawing increased attention to the negotiation process. In the latest memorandum from USMX, shared with us on September 5, they stated that USMX remains committed to resuming negotiations with the ILA on a new Master Contract. However, despite continued outreach to ILA leadership, they still have been unable to secure a meeting.

Negotiations Update

On September 4-5, the ILA convened its Wage Scale delegates in Teaneck, NJ, to discuss its contract demands and to prepare for the possibility of a strike when our current agreement expires on September 30. At the start of its meetings, the ILA released a video directed to its members, which included a number of messages that strongly signaled it has no interest in bargaining and has already made the decision to call a strike. The meetings concluded with the ILA releasing a statement claiming unanimous support from Wage Scale delegates for an October 1 strike if there is not a new agreement in place.

The ILA has yet to share its current contract demands with USMX or reach out to schedule a bargaining session.

To keep the public and stakeholders informed about the latest developments, USMX continues to provide regular negotiation updates [on its website](#). The most recent update, published on September 5, reiterated the key points from its current offer, including industry leading wage increases and the retention of existing technology language, which we believe demonstrates USMX's willingness to reach a new deal with the ILA.

As with all industry negotiations over the years, we are confident that the parties involved are committed to reach an agreement that works for everyone and provides for robust and efficient supply chains. However, despite a long history of successful negotiations, the possibility of a strike increases each day without a settled contract in hand. Disruptions may be localized or more broad-based. Should a general work stoppage occur on

the U.S. Gulf and East Coasts, even a one-week shutdown could take 4-6 weeks to recover from, with significant backlogs and delays compounding with each passing day.

Should disruptions occur, Maersk stands ready to assist our customers explore options to keep their supply chains moving best as possible via alternate routes, modalities, or distribution schedules. Customers are asked to stay in close contact with their Maersk representatives now as communicating supply chain requirements will be key to developing tailored contingencies if needed.

We will share updates as needed should this developing situation impact your supply chain.

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