Tentative agreement reached as union calls off plans for US port strike

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The International Longshoremen's Association (ILA) called off a potential strike of 14,500 dock workers on the US East and Gulf Coasts after reaching a tentative agreement with the shipping industry bargaining group, the United States Maritime Alliance (USMX).

A federal government mediator announced that the framework for a deal between the union and the companies had been reached, and that the current contract would be extended until February 6 as details are worked out. A strike, which was scheduled to begin on Sunday, would have shut down US ports along the East Coast and Gulf of Mexico, from Boston to Houston.

The role of the federal mediator is an indication that the agreement was reached after heavy pressure from the Obama administration, acting on behalf of the corporate elite. For its part, the ILA had no desire to launch a work stoppage, which would threaten to escape its control and could damage its close relations with the companies and with the Democratic Party.

All sides remained largely silent on the details of the agreement, though the union, companies and the mediator indicated that a deal had been reached over the issue of container royalties, one of the central issues in the negotiations. This makes clear that the temporary agreement paves the way for an attempt to push through a concessions contract on the workers.

Containers royalties are fees paid by shippers to a fund controlled by the union that comprises part of the workers' compensation and health care plan. Currently, the fund is paid $4.85 per ton of containerized cargo.

The royalty system arose in the 1960s in response to the industry's move toward automation. Conceding to the elimination of tens of thousands of jobs, the ILA pursued a strategy of "sharing the savings" realized through automation with the employers. This agreement protected the union's assets while providing a measure of income security for a diminishing workforce. Over the past century, the number of workers at ports has fallen by up to 90 percent.

USMX wanted to cap this portion of a longshoreman's compensation at 2011 levels.

Benny Holland, an executive vice president for the ILA, told Reuters, "the royalty will stay intact. We have worked out a formula for it." In all probability, the "formula" will amount to a reduction in container royalty income for most ILA members. This represents a first step in eliminating this stream of income altogether.

Also at issue is the guaranteed eight-hour workday in the current contract and the seven-man "lashing gang." Lashing crews, or gangs, secure the containers in place before a ship leaves port. The USMX opposes both the guaranteed eight-hour workday and the seven-man crew. The drive is toward the greater use of temporary workers and greater "flexibility" in hiring.

Friday's contract extension comes after business lobbying groups and politicians of both parties called on the Obama administration to do everything in its power to prevent a strike. If no agreement was reached, available options for the president included invoking the national security provisions of the reactionary Taft-Hartley Act, by which workers can be forced back to work for an 80-day "cooling off" period.

The White House's statements earlier this week served to reassure big business and to intimidate workers from striking. In the context of rising working class discontent, a strike threatened to spread beyond the confines of a contract dispute and serve as a catalyst for broader social struggles.

Any final agreement reached between the ILA and the companies must still be voted on by workers. In

extending the contract once again—a previous extension was granted to ensure that no strike took place during the holiday season—the ILA has made clear that it is opposed to any struggle to defend the interests of port workers.