

# Transport workers pushed past the limit amid export surge

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4 October 2021

Transportation workers in the US and globally are being pushed to the limit as a surge of exports overwhelms logistics networks. Demands for increased hours and time away from families has impacted workers in shipping, rail, warehousing and truck transport, with shippers demanding seven-day, 24-hour operations at the busy port of Los Angeles.

In an interview with *American Shipper*, Gene Seroka, director of the Port of Los Angeles, said, “The railroads are full. The warehouses are full. Port terminals are full. Ships are coming in and waiting to get worked. The factories are behind in orders. This incredible demand has got everybody in the entire value chain just clipping out at levels we never could have imagined—and it’s still not enough.”

The brunt of the sacrifices imposed by the crisis are being borne by transport workers, from ship’s crews to dockworkers, air freight, truck drivers and railroad workers, all vital components of the global supply chain. Workers are facing brutally long work shifts in jobs that are inherently dangerous. In addition, they are having to contend with the pandemic, often facing quarantine far from home.

According to industry publication *FreightWaves*, the supply chain crisis, itself a product of the inherent anarchy of capitalist production, portends major risks for the entire capitalist economic system as retailers’ bottom lines are hit by increased freight costs. American Apparel & Footwear Association (AAFA) President Steve Lamar said it was an “acute shipping crisis” that was driving inflation, in a letter to President Biden.

*FreightWaves* senior editor Greg Miller writes, “From the beginning of 2020 to August 2021 the cost of shipping a container from Ningbo port (in China) to the US has increased by more than eightfold, from \$3,000 to \$26,000. The typical market price for shipping a standard 40-foot container from China to Europe was between \$4,000 and

\$8,000 in 2020, rising to \$6,000 to \$12,000 in 2021.” The vast majority of goods exported from China to Europe and the US consists of clothing, home appliances and some simple machinery. A typical container full of goods is worth about \$40,000. An increase in the shipping cost from \$3,000 to more than \$20,000 means that expense rises from around 8 percent of the total value of goods to 60 percent or more.

Meanwhile, giant shipping companies are raking in record profits as a result of the increase in European and US demand for exports from Asia, primarily China. The shipping companies hold a distinct advantage over most all other modes of alternative transport with shipping more than eight times more cost effective than air cargo.

To give an indication of the enormous profits being squeezed from workers, the largest multinational container shipping concern, Denmark-based Maersk, had profits of \$3 billion last year, but is projected to take in \$16.2 billion this year.

US agricultural exporters have taken issue with the sky-high shipping rates and have demanded the US Federal Maritime Commission intervene along with other agencies to investigate the shipping giants overrates. However, no such demands have been raised on behalf of workers, who have endured effective wage cuts due to rocketing inflation.

There are an estimated 1 million shipping workers employed on 60,000 vessels around the world, according to the industry-sponsored website [maritimeinfo.org](http://maritimeinfo.org), and ship crews are suffering from the extended time away from family and friends. Thirteen percent of container ship crews are from India and the Philippines, and reports reveal an increased number of suicides.

Ships handle 90 percent of world trade and at the start of the pandemic many of the ship crews were stranded at home, or at port as lockdowns were imposed. Sometimes lockdowns exceeded the length of workers’ contracts,

which average in duration from four to eight months. Trans-Pacific voyages can vary in length from 15 to 30 days, with unloading taking around three days.

“The global supply chain is very fragile and depends as much on a seafarer [from the Philippines] as it does on a truck driver to deliver goods,” according to Stephen Cotton, International Transport Workers’ Federation (ITF) secretary general. The International Bargaining Forum, which includes ITF, hailed a rotten deal recently imposed on workers affiliated with the union based on an insulting 3 percent wage increase next year, and 1.5 percent the following year, an effective wage cut when measured against inflation.

Further delays have been caused by the proactive measures by China to close Yantian and Ningbo ports, which are two of four major ports, to contain outbreaks of the Delta variant of COVID-19. These necessary public health measures have saved lives and serve as an example of the actions needed to eradicate the deadly disease.

Transport unions in the US—including the International Longshore and Warehouse Union (ILWU) on the US West Coast, the International Longshoremen’s Association (ILA) on the US East Coast, the International Brotherhood of Teamsters, and the several railroad unions—have sought to block worker resistance to long hours and intolerable conditions. The unions have been a central part of Biden’s strategy to police worker opposition to further attacks and brutal working conditions and enforce the homicidal back-to-school and work campaigns.

At the two largest US ports, Los Angeles and Long Beach, California, ships are often waiting up to three weeks to be unloaded. As a result, there have been up to 70 vessels idling near the port.

Chronic delays due to the labor shortage have led to a blame game, with terminal operators blaming truck drivers who miss appointments due to congestion, dockworkers unable to unload because empty containers clogging the port, and further down the line railroads unable to hand off containers due to the dearth of drivers and yard workers.

But with the infrastructure at the ports at full capacity, all these links are being strained by the record import levels. As a consequence, the terminal operators and shipping companies want to go to 7-day, 24-hour operations at the ports, similar to most ports around the world. However, operators are balking at the premium pay rates they would have to pay for extended operations.

Retail giants Walmart and Amazon have sought their

own shipping capacity, but with bottlenecks at nearly every port in the US it is doubtful whether their measures will be effective. As a result, the continued delay of imported goods into the US and worldwide will be a significant economic problem and the results from the upcoming holidays will be critical for some companies.

According to trade publication *Progressive Railroading*, rail traffic of shipping containers in the US this past week was down 8.3 percent, related to the bottleneck at the ports. US railroad workers have been in negotiation with the Class 1 railroads for nearly two years. Meanwhile, their pay has been frozen. Shipping giant Hapag-Lloyd, based in Hamburg, Germany, reported its US containers had dwell time of 9.8 days this month, up from 5.9 since February.

Rail workers in the US are subject to the anti-worker Railway Labor Act (RLA) of 1926, which was expanded to include pilots and flight attendants of the airline industry in 1934. The imposition of the draconian law was a response to previous struggles by rail workers, including the 1877 Great Railroad Strike.

The WSWs and Socialist Equality Party encourage workers to take up the fight to build rank-and-file committees independent of the unions to begin a struggle to fight attacks on their living standards, as well to protect their health and that of their families. These committees will fight to link the struggles of other sections of the working class through the building of the International Workers Alliance of Rank-and-File Committees (IWA-RFC).



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