Press Release

The U.S. Port Competition Problem

ALLIE WATSON | MARCH 11, 2025

U.S. ports have struggled to compete with other developed countries for decades, underperforming comparable ports in nearly every major economy. In new research, Trade Policy Analyst Jacob Jensen explains why the recent East and Gulf Coast port labor contract threatens to worsen the state of U.S. ports by raising the cost of labor while at the same time limiting productivity with restraints on automation.

An excerpt:

> *This analysis shows that many International Longshoremen's Association (ILA) workers have higher hourly wages and higher wage growth when compared to other employees in the United States. Yet these premium wages have not translated into more productive ports when compared to foreign competitors. Solely looking at U.S. ports over time, wait times have not improved and neither has the amount of cargo being handled. In fact, the dwell (or wait) times at East and Gulf Coast ports grew by 40 percent from 2018 to 2022. Even factoring in supply chain disruptions, the value of imports rose around 27 percent during the same contract period, which is lower than the wage growth of most ILA employees. The same story holds for total container volume.*

Read the analysis.