U.S. Department of Health & Human Services
ASPR Administration for Strategic Preparedness & Response

Potential Impact of International Longshoremen's Association (ILA) Strike on the U.S. Medical Supply Chain
18 July 2024

Introduction: The International Longshoremen's Association (ILA) represents longshoremen along the East Coast and Gulf of Mexico (Figure 1). Current labor negotiations between the ILA and the U.S. Maritime Alliance Ltd. (USMX) have raised concerns about a possible strike. This report examines the potential impact of such a strike on the medical supply chain, emphasizing the critical ports, pharmaceutical products, and medical devices at risk. The possibility of a strike is particularly concerning as the ILA is the largest port union in the U.S. with over 85,000 members.

Figure 1: ILA-affiliated ports; source: https://ilaunion.org/map/

Risk of Strike Occurrence: The ILA and USMX have historically resolved contract disputes without strikes, as seen in the 2018 and 2012 negotiations. However, the unresolved issues regarding automation and job security, combined with past near-strike situations, the expectation for recognition of ILA longshore workers' contributions during the pandemic, and the International Longshore and Warehouse Union (ILWU), which represents over 40,000 West Coast dockworkers and whose recent labor negotiations secured a new contract with a 32% pay raise over six years and a one-time bonus for work during the pandemic, suggest a moderate to high risk of strike occurrence.

Ports at Risk: The ports that could be most impacted by a strike, in order of their impact on the medical supply chain based on **Tables 1 & 2**, are Savannah, Charleston, New York, Port Everglades, Boston, Miami, Philadelphia, Baltimore, New Orleans, Wilmington, Jacksonville, Mobile, and Port Tampa. These ports handle a significant portion of U.S. tonnage and containerized cargo.

Potential Impact on Pharmaceuticals Tracked within the SCCT: Market research demonstrates that the ports of Savannah, Philadelphia, and Charleston are the most critical for the import of pharmaceutical products

monitored by the SCCT. These ports handle a significant volume of essential medical supplies, and any disruption due to a strike could have severe consequences for the healthcare supply chain. The port of Savannah is the most critical, handling 46.7% of the imported weight of pharmaceutical products and 57.9% of the shipments. Key pharmaceuticals at Savannah include Heparin, Naloxone, Dobutamine, and Amoxicillin. Philadelphia also plays a significant role, managing 15.1% of the weight and 28.8% of the shipments, with key pharmaceuticals such as Heparin, Ondansetron, and Lidocaine. Charleston contributes 9.5% of the imported weight and 10.7% of the shipments, including key pharmaceuticals like Heparin, Ondansetron, Lidocaine, and Azithromycin. Based on **Figure 2**, the following products tracked within the SCCT have over 50% of their shipping through an at-risk port: Ampicillin, Ceftazidime, Continuous Renal Replacement Solution, Dobutamine, Enoxaparin, Heparin, Labetalol, Lorazepam, Midazolam, Naloxone, Oseltamivir, Potassium Chloride, Rocuronium, Sodium Bicarbonate, Succinylcholine, Tramadol, Vasopressin.

Potential Impact on Medical Devices Tracked within the SCCT: Market research demonstrates that the ports of Savannah, Charleston, and Miami are the most critical for importing medical devices monitored by the SCCT (Table 2). Any disruption due to a strike at these ports could severely impact the healthcare supply chain. Charleston is the most critical port, handling approximately 63.9% of the imported weight of medical device products and 58.0% of the shipments going through at-risk ports. The critical medical devices imported through Charleston include exam gloves, isolation gowns, IV catheters, and surgeon gloves. Savannah handles approximately 34.2% of the imported weight and 38.2% of the shipments going through at-risk ports. Key medical devices imported through Savannah include hypodermic needles, blood tubing, exam gloves, tracheal tubes, isolation gowns, surgical masks, surgical gowns, examination gowns, and surgeon gloves. Miami handles 0.7% of the imported weight and 1.9% of the shipments going through at-risk ports. Essential medical devices imported through Miami include hypodermic needles, blood tubing, exam gloves, and tracheal tubes. Given these figures, the ports of Charleston and Savannah are likely to experience the most significant disruptions in the event of a strike, posing substantial risks to the medical supply chain. Based on **Figure 3**, the following medical devices tracked within the SCCT have over 25% of their shipping through an at-risk port: blood tubing, exam glove, isolation glove, surgeon glove, and tracheal tube.

Economic Impact: A strike could significantly disrupt the supply chain for critical medical supplies. In 2012, both the East Coast (ILA) and West Coast (ILWU) unions threatened strikes, but only the ILWU on the West Coast went on strike. Labor contract negotiations led about 70 clerical workers to strike, with approximately 10,000 longshoremen honoring the strike and shutting down over half of the terminals. This strike caused substantial economic disruptions, with estimated losses of $1 billion per day over the eight days from November 27 to December 4, 2012. Given the volume of medical supplies imported through the ports at risk, a similar economic impact is anticipated, potentially reaching hundreds of millions to a billion dollars per day.

The potential impact on medical supplies could be further amplified by the nature of the ILA's demands and the geographic focus of the strike. Unlike the 2012 strike, where the ILA honored the ILWU's walkout, a full-blown ILA strike would target East and Gulf Coast ports, which handle a much more diverse set of imports. Besides Asian cargo shipped through the Panama and Suez canals, these ports also handle significant volumes of goods from Europe and South America. Data from the U.S. Census Bureau reveals that around 20% of U.S. containerized imports come from Europe, with East and Gulf Coast ports handling the vast majority of this traffic efficiently. The lack of readily available rerouting options for European cargo, compared to Asian imports that

could be redirected to West Coast ports, could exacerbate shortages of critical medical equipment and pharmaceuticals. Additionally, the ILA is aiming for a larger pay raise than the 32% raise over six years secured by West Coast dockworkers in June 2023, as well as prohibitions against terminal automation and tightened language ensuring all work at new terminals goes to ILA members.

Mitigation Strategies: The potential impacts of a strike on the medical supply chain could include significant delays in the delivery of essential pharmaceuticals and medical devices, such as Heparin, Naloxone, surgical gloves, and isolation gowns. Additionally, increased transportation costs due to rerouting and longer shipping times could further strain healthcare budgets. To mitigate these impacts, decision-makers should prepare strategies such as:

1. *Stockpiling Critical Supplies*: Ensure adequate reserves of essential pharmaceuticals and medical devices to cover the potential duration of a strike.
2. *Alternative Supply Routes*: Identify and establish alternative shipping routes or transportation methods to circumvent affected ports.
3. *Supplier Diversification*: Work with multiple suppliers and manufacturers to reduce dependency on single points of failure in the supply chain.
4. *Coordination with Authorities*: Engage with federal and state agencies to prioritize the movement of medical supplies and facilitate expedited clearance processes.
5. *Communication Plans*: Develop and implement communication strategies to keep stakeholders informed about potential delays and contingency plans.

Conclusion: The potential ILA strike poses a significant risk to the medical supply chain, affecting the import of essential pharmaceutical products and medical devices. Decision-makers associated with the medical supply chain should prepare for possible disruptions and consider alternative logistics strategies to mitigate the impact on healthcare operations. Continued monitoring of the labor negotiations is essential to anticipate and respond to developments effectively.

For questions or concerns regarding this assessment, please contact SCCT@hhs.gov.

Figures and Tables:

Table 1. Import Summary for July 2023 through July 2024 for pharmaceutical products tracked within the SCCT for Ports at Risk of Strike. All information is summed across approximately one year (07/19/2023 – 07/14/2024). Data was extracted from Panjiva by searching all U.S. Import Records for each product's generic and brand names, filtering to a date range of one year, selecting Panjiva's Port of Unlading Summary report, and exporting the summary table. Note that this table is limited to pharmaceutical products tracked within the SCCT. If there are additional medical products of interest, a request for information can be submitted to the SCCT to gather the associated data for the product(s).

Port	# of pharmaceutical products tracked within the SCCT imported	Imported Weight (KG) of pharmaceutical products tracked within the SCCT	# of Shipments of pharmaceutical products tracked within the SCCT	List of pharmaceutical products tracked within the SCCT imported
Savannah	49	33,557,435	2763	Heparin, Naloxone, Dobutamine, Ondansetron, Levothyroxine, Metoprolol, Calcium Gluconate, Azithromycin, Oseltamivir, Atropine, Enoxaparin, Methylprednisolone, Dexamethasone, Ocuronium, Insulin, Lidocaine, Hydrochlorothiazide, Magnesium Sulfate, Ceftazidime, Acyclovir, Norepinephrine, Amoxicillin, Propofol, Succinylcholine, Continuous Renal Replacement Solution (Prismasol or Phoxillum), doxycycline, Tramadol, Potassium Chloride, Albuterol, Furosemide, Sulfamethoxazole, Labetalol, Ceftriaxone, Sodium Bicarbonate, Epinephrine, Piperacillin and Tazobactam, Vancomycin, Etomidate, Dexmedetomidine, Silver Nitrate, Cisatracurium, Dextrose Injection, Vasopressin, Cefepime, Sodium Chloride, Ampicillin, Penicillin G, Midazolam, Fentanyl
Charleston	37	15,161,813	957	Heparin, Naloxone, Ondansetron, Levothyroxine, Metoprolol, Calcium Gluconate, Azithromycin, Oseltamivir, Budesonide and Formoterol (Symbicort), Enoxaparin, Methylprednisolone, Dexamethasone, Ocuronium, Insulin, Lidocaine, Hydrochlorothiazide, Magnesium Sulfate, Ceftazidime, Acyclovir, Norepinephrine, Propofol, Doxycycline, Tramadol, Potassium Chloride, Albuterol, Sodium Bicarbonate, Epinephrine, Povidone, Vancomycin, Etomidate, Dexmedetomidine, Silver Nitrate, Dextrose Injection, Cefepime, Sodium Chloride, Fentanyl, Vecuronium
New York	35	4,563,165	388	Heparin, Ondansetron, Levothyroxine, Metoprolol, Calcium Gluconate, Azithromycin, Budesonide and Formoterol (Symbicort), Enoxaparin, Methylprednisolone, Dexamethasone, Insulin, Lidocaine, Hydrochlorothiazide, Magnesium Sulfate, Acyclovir, Phenytoin, Amoxicillin, Succinylcholine,

				Tramadol, Potassium Chloride, Ipratropium Bromide, Albuterol, Furosemide, Sulfamethoxazole, Labetalol, Sodium Bicarbonate, Lorazepam, Epinephrine, Piperacillin and Tazobactam, Vancomycin, Dexmedetomidine, Silver Nitrate, Sodium Chloride, Ampicillin, Penicillin G
Port Everglades	17	864,709	75	Naloxone, Dobutamine, Methylprednisolone, Insulin, Lidocaine, Magnesium Sulfate, Phenytoin, Norepinephrine, Doxycycline, Potassium Chloride, Labetalol, Sodium Bicarbonate, Epinephrine, Silver Nitrate, Dextrose Injection, Sodium Chloride, Ampicillin
Boston	16	2,821,241	80	Naloxone, Ondansetron, Calcium Gluconate, Methylprednisolone, Insulin, Magnesium Sulfate, Norepinephrine, Amoxicillin, Tramadol, Potassium Chloride, Sodium Bicarbonate, Epinephrine, Vancomycin, Cefepime, Sodium Chloride
Miami	12	3,325,958	157	Heparin, Azithromycin, Insulin, Hydrochlorothiazide, Magnesium Sulfate, Amoxicillin, Potassium Chloride, Labetalol, Sodium Bicarbonate, Epinephrine, Silver Nitrate, Sodium Chloride
Philadelphia	12	28,868,117	140	Insulin, Lidocaine, Hydrochlorothiazide, Magnesium Sulfate, Amoxicillin, Tramadol, Potassium Chloride, Sodium Bicarbonate, Lorazepam, Epinephrine, Silver Nitrate, Sodium Chloride
Baltimore	8	20,840,462	66	Insulin, Lidocaine, Magnesium Sulfate, Potassium Chloride, Sodium Bicarbonate, Silver Nitrate, Sodium Chloride, Fentanyl
New Orleans	7	3,595,251	32	Insulin, Magnesium Sulfate, Epinephrine, Silver Nitrate, Sodium Chloride, Ampicillin, Penicillin G
Wilmington	6	4,619,131	28	Naloxone, Insulin, Sodium Bicarbonate, Epinephrine, Vancomycin, Potassium Chloride
Jacksonville	4	1,340,804	73	Insulin, Sodium Bicarbonate, Sodium Chloride, Fentanyl
Mobile	3	101,749	3	Magnesium Sulfate, Epinephrine, Penicillin G
Port Tampa	2	165,897	5	Sodium Bicarbonate, Fentanyl

Table 2. Import Summary for July 2023 through July 2024 for medical devices tracked within the SCCT for Ports at Risk of Strike. All information is summed across approximately one year (07/19/2023 – 07/14/2024). Data was extracted from Panjiva by searching all U.S. Import Records for each product's name, filtering to a date range of one year, selecting Panjiva's Port of Unlading Summary report, and exporting the summary table. Note that this table is limited to medical devices tracked within the SCCT. If there are additional medical products of interest, a request for information can be submitted to the SCCT to gather the associated data for the product(s).

Port of Unlading Name	# of medical devices tracked within the SCCT	Imported Weight (KG) of medical devices tracked within the SCCT	# of Shipments of medical devices tracked within the SCCT	List of Medical Devices tracked within the SCCT Imported
Savannah	9	5,813,014	558	hypodermic needle, blood tubing, exam glove, tracheal tube, isolation gown, surgical mask, surgical gown, examination gown, surgeon gloves
New York	8	631,495	59	piston syringe, exam glove, isolation gown, infusion pump, surgical mask, surgical gown, examination gown, surgeon gloves
Miami	7	120,663	27	hypodermic needle, blood tubing, exam glove, tracheal tube, infusion pump, IV catheter, tracheostomy tube
Baltimore	6	177,870	19	exam glove, tracheal tube, isolation gown, infusion pump, surgical gown, tracheostomy tube
Charleston	4	10,869,646	848	exam glove, isolation gown, IV catheter, surgeon gloves
Port Everglades	4	30,294	11	hypodermic needle, blood tubing, infusion pump, tracheostomy tube
Boston	3	172,350	25	exam glove, isolation gown, infusion pump
Jacksonville	3	62,046	7	exam glove, tracheal tube, tracheostomy tube
Philadelphia	2	30,336	3	exam glove, tracheal tube
Mobile	1	581,582	85	surgical gown
New Orleans	1	3	1	infusion pump
Port Tampa	1	18,000	1	exam glove

Figure 2. Percentage of Imports by Weight from At Risk Ports (Orange) vs. Not at Risk Ports (Grey) from July 2023 through July 2024 for pharmaceutical products tracked within the SCCT. Orange represents proportion of product moving through an "At Risk" port in the last year. Data was extracted from Panjiva by searching all U.S. Import Records for each product's name, filtering to a date range of one year, selecting Panjiva's Port of Unlading Summary report, and exporting the summary table.

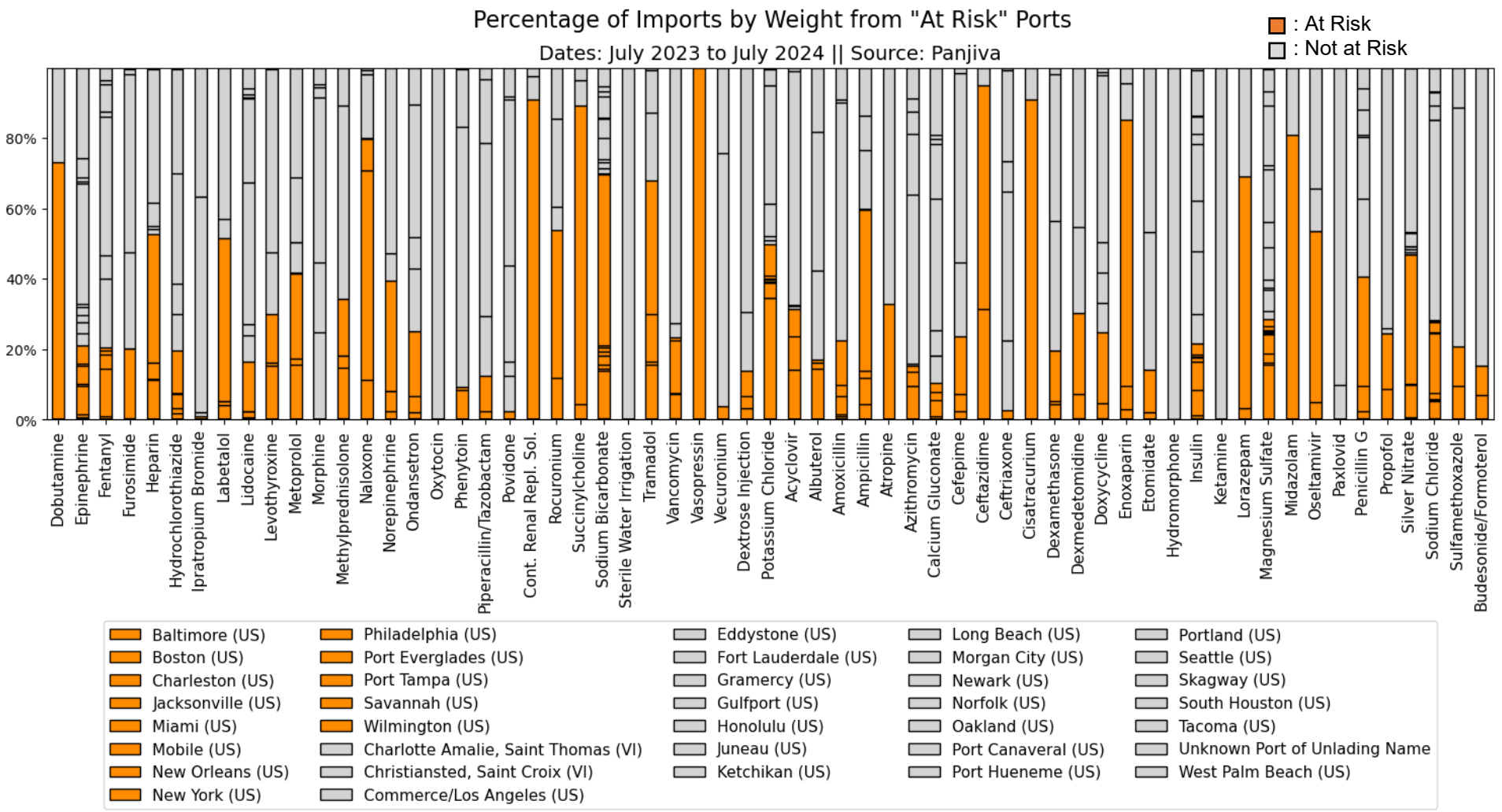
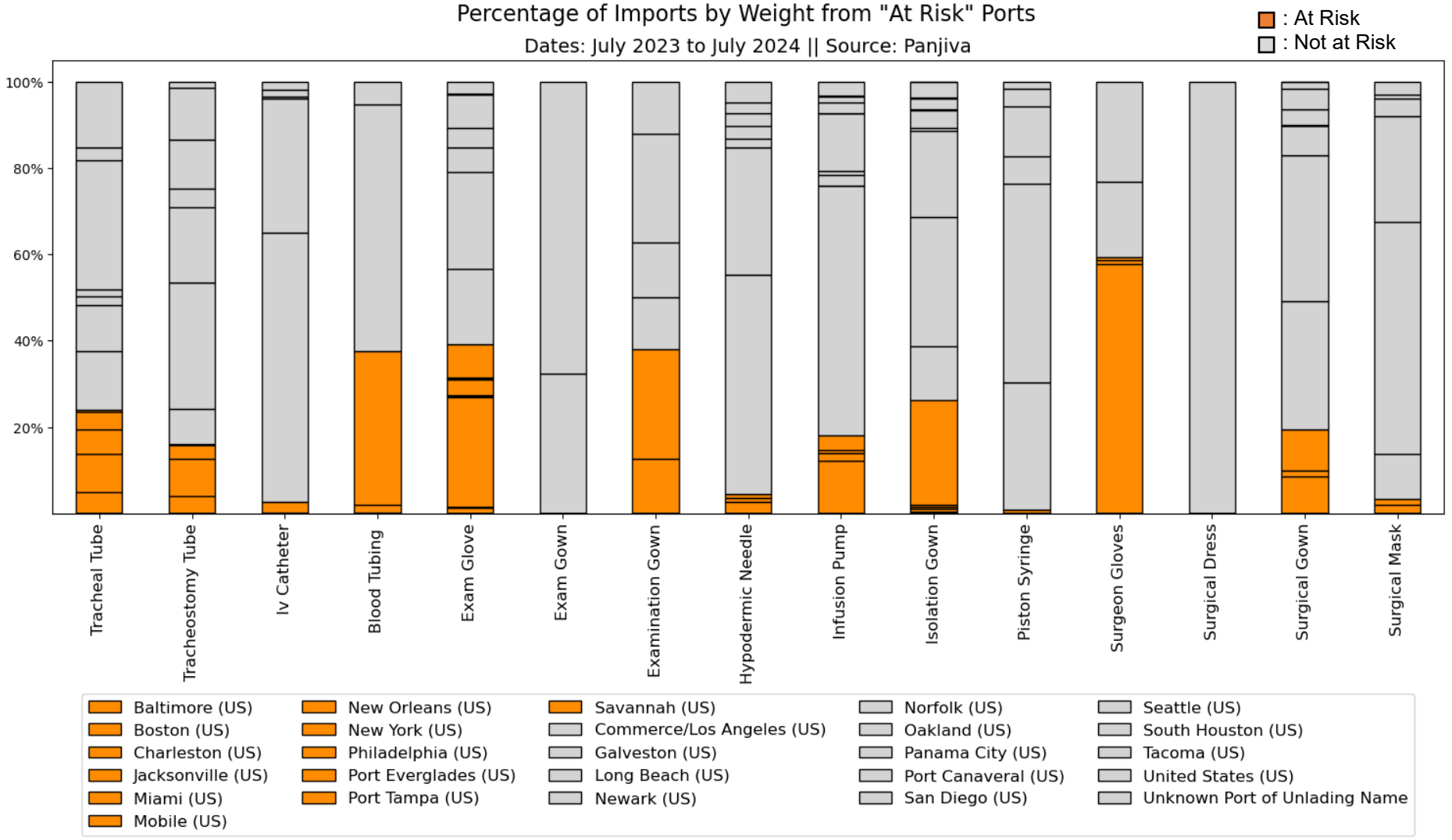


Figure 3. Percentage of Imports by Weight from At Risk Ports (Orange) vs. Not at Risk Ports (Grey) from July 2023 through July 2024 for medical devices tracked within the SCCT. Orange represents proportion of product moving through an "At Risk" port in the last year. Data was extracted from Panjiva by searching all U.S. Import Records for each product's name, filtering to a date range of one year, selecting Panjiva's Port of Unlading Summary report, and exporting the summary table.


Percentage of Imports by Weight from "At Risk" Ports
Dates: July 2023 to July 2024 || Source: Panjiva
: At Risk
: Not at Risk
100%
80%
60%
40%
20%
Tracheal Tube
Tracheostomy Tube
Iv Catheter
Blood Tubing
Exam Glove
Exam Gown
Examination Gown
Hypodermic Needle
Infusion Pump
Isolation Gown
Piston Syringe
Surgeon Gloves
Surgical Dress
Surgical Gown
Surgical Mask
Baltimore (US)
Boston (US)
Charleston (US)
Jacksonville (US)
Miami (US)
Mobile (US)
New Orleans (US)
New York (US)
Philadelphia (US)
Port Everglades (US)
Port Tampa (US)
Savannah (US)
Commerce/Los Angeles (US)
Galveston (US)
Long Beach (US)
Newark (US)
Norfolk (US)
Oakland (US)
Panama City (US)
Port Canaveral (US)
San Diego (US)
Seattle (US)
South Houston (US)
Tacoma (US)
United States (US)
Unknown Port of Unlading Name