

November 6, 2014

President Barack Obama
The White House
1600 Pennsylvania Avenue NW
Washington, DC 20500

Dear Mr. President:

The undersigned associations representing United States manufacturers, farmers, wholesalers, retailers, importers, exporters, and transportation and logistics providers are writing to express our deep concern about ongoing interruptions at West Coast port terminal operations and to seek your help to ensure the situation does not escalate to a complete shutdown of West Coast ports.

Labor contract negotiations between the International Longshore and Warehouse Union (ILWU) and the Pacific Maritime Association (PMA) began on May 15, 2014 and it seems little progress has occurred since the contract expired on July 1, 2014. Until recently, both parties to the negotiation had honored a self-imposed media blackout.

While the parties to the negotiation stated earlier this year that they would continue operations throughout the negotiations, we have seen crisis levels of congestion at the ports since September. Both parties recently issued press releases accusing each other of renegeing on this commitment.

The sudden change in tone is alarming and suggests that a full shutdown of every West Coast port may be imminent. The impact this would have on jobs, down-stream consumers, and the business operations of exporters, importers, retailers, transportation providers, manufacturers, and other stakeholders would be catastrophic.

The threat of a West Coast port shutdown is creating high levels of uncertainty in a fragile economic climate which has forced many businesses to once again undertake contingency plans that come at a significant cost to jobs and our economic competitiveness. The West Coast lockout 12 years ago cost the U.S. economy \$1 billion a day. It took half a year for the ports to clear the backlog and recover from this 10-day shut down. A shutdown now could be even more costly. A new study released in June by the National Association of Manufacturers and the National Retail Federation anticipates impacts at a much greater cost in 2014 – nearly \$2 billion in daily costs to the economy for a five-day interruption.

Our organizations believe that both parties can reach an agreement that will ensure the continued success and competitiveness of these ports for the foreseeable future. However, we would like to see an agreement reached without any shutdowns or further disruptions.

We believe immediate action is necessary and the federal government's use of all of its available options would be helpful in heading off a shut-down and keeping the parties at the

negotiating table. This includes encouraging the parties to begin working with a federal mediator through the Federal Mediation and Conciliation Service (FMCS). This approach was successful in resolving difficult negotiations for East and Gulf Coast ports just last year. Even if both parties refuse federal mediation, we believe the FMCS would benefit from beginning to monitor the negotiations. We further believe that if a strike or lockout occurs, the consequences would be so serious as to warrant you exercising the extraordinary authority granted under the Taft-Hartley Act (29 U.S.C. §§ 176-180) that would likely result in requiring the parties to work with the FMCS.

Thank you for your consideration.

Sincerely,

Agriculture Transportation Coalition (AgTC)
Airforwarders Association
Alliance of Automobile Manufacturers
American Apparel & Footwear Association (AAFA)
American Association of Exporters and Importers
American Cotton Shippers Association
American Farm Bureau Federation
American Frozen Food Institute
American Home Furnishings Alliance
American Import Shippers Association
American Potato Trade Alliance
American Pyrotechnics Association
American Trucking Associations
Association of California Recycling Industries
Auto Care Association
Bicycle Product Suppliers Association
BizFed
CalChamber
California Business Properties Association
California Farm Bureau Federation
California Trucking Association
Columbia River Customs Brokers and Forwarders Association
Coalition of New England Companies for Trade (CONNECT)
Consumer Electronics Association
Cookware Manufacturers Association
Customs Brokers and Forwarders Assoc. of Northern California
Customs Brokers and Freight Forwarders of Washington State
Distilled Spirits Council of the U.S., Inc.
Express Association of America
Fashion Accessories Shippers Association (FASA)
Food Marketing Institute
Footwear Distributors and Retailers of America
Gamma Industry Processing Alliance (GIPA)

Green Coffee Association
Grocery Manufacturers Association
Halloween Industry Association
Harbor Association of Industry & Commerce
Idaho Potato Commission
Inland Action
Inland Empire Economic Partnership
Institute of Makers of Explosives
Intermodal Association of North America
Intermodal Motor Carriers Conference (IMCC)
International Casual Furnishings Association
International Irradiation Association
International Source Suppliers and Producers Association (ISSPA)
International Warehouse and Logistics Association
International Wood Products Association
Juvenile Products Manufacturers Association
Los Angeles Area Chamber of Commerce
Los Angeles Customs Brokers and Freight Forwarders Association
Michigan Retailers Association
Montana Retail Association
Motorcycle Industry Council
National Association of Beverage Importers
National Association of Chemical Distributors
National Association of Egg Farmers
National Association of Manufacturers
National Chicken Council
National Cotton Council
National Customs Brokers and Forwarders of America
National Grain and Feed Association
National Oilseed Processors Association
National Pork Producers Council
National Potato Council
National Retail Federation
National Shippers Strategic Transportation Council (NASSTRAC)
National Turkey Federation
North American Export Grain Association
North American Shippers Association, Inc.
Northwest Food Processors Association
Northwest Horticultural Council
Outdoor Industry Association
Pacific Coast Council of Customs Brokers and Freight Forwarders
PNASA – Pacific Northwest Asia Shippers Association
Promotional Products Association International (PPAI)
Propeller Club of Los Angeles-Long Beach
Retail Council of Canada
Retail Industry Leaders Association

San Diego Customs Brokers and Forwarders Association
San Gabriel Economic Partnership
Society of Chemical Manufacturers and Affiliates (SOCMA)
Specialized Furniture Carriers
Sports & Fitness Industry Association
The Distilled Spirits Council of the United
The Hardwood Federation
The National Industrial Transportation League (NITL)
The Waterfront Coalition
Toy Industry Association
Transportation Intermediaries Association
Travel Goods Association (TGA)
United States Council for International Business
United States Fashion Industry Association
U.S. Apple Association
U.S. Chamber of Commerce
US Hide, Skin and Leather Association
USA Poultry & Egg Export Council
Washington Council on International Trade
Washington Retail Association
Washington State Potato Commission
Washington State Tree Fruit Association
Washington Trucking Associations
Women in International Trade, Los Angeles
Wine & Spirits Wholesalers of America
Wine and Spirits Shippers Association

cc: Members of Congress

Department of Transportation Secretary Anthony Foxx
Department of Commerce Secretary Penny Pritzker
Department of Labor Secretary Thomas E. Perez
Federal Maritime Commission Chairman Mario Cordero
Federal Mediation and Conciliation Service Acting Director Allison Beck
The Honorable Jerry Brown, Governor of California
The Honorable Jay Inslee, Governor of Washington
The Honorable John Kitzhaber, Governor of Oregon