

March XX, 2023

The Honorable Joseph R. Biden
President
The White House
1600 Pennsylvania Ave NW
Washington, DC 20500

Dear President Biden,

On behalf of the undersigned organizations, and the millions of businesses and employees we represent, we are writing to you once again regarding the ongoing West Coast port labor negotiations between the International Longshore and Warehouse Union and the Pacific Maritime Association. The labor contract has now been expired for over eight months. Negotiations have been ongoing for over ten months, with little to no progress towards a new long-term agreement. It is imperative that administration work with the parties to quickly reach a new agreement and ensure there is no disruption to port operations and cargo fluidity.

We previously shared our concerns on July 1, 2022 when the contract initially expired. At that time we called upon the administration to engage with the parties as well as urged the parties to agree to a contract extension while negotiations continued. We applaud the engagement from former Secretary of Labor Marty Walsh through the negotiations. Now that he has departed the administration it is critical that a new administration point person be named to continue engagement with the parties as they negotiate. With the lack of progress to date, we would also encourage the administration to offer mediation services to the parties in their negotiations.

As we have witnessed, significant cargo flows have shifted away from the West Coast ports because of the uncertainty related to the labor negotiations. While there certainly are other issues impacting the West Coast ports, many cargo interests have expressly stated that they shifted cargo as a result of the negotiations. That cargo will not return to the West Coast until after a contract is final and approved by both parties. The longer there is no ratified contract only increases the probability that some portion of the freight will never return to the West Coast ports.

Businesses have already made their shipping decisions for the all-important peak shipping season, which will begin this summer. Even though cargo volumes have dropped, we continue to experience supply chain stress and challenges. While many continue to recover from pandemic related issues, the ongoing stress of inflation and economic uncertainty continues to impact supply chain stakeholders as well.

The lack of a labor contract adds to this uncertainty. While we appreciate that the parties agreed not to engage in a strike or a lockout, we are aware of several instances of activities that have impacted terminal operations. We need the administration to ensure these activities do not continue or escalate.

We know that significant issues remain for both parties to resolve. However, the only way to resolve these issues is for the parties to remain at the bargaining table and actually negotiate. We encourage the administration to provide any and all support to the parties in their negotiations to reach a final agreement.

As we have said previously, the only way the parties can reach an agreement that will ensure the continued competitiveness of the ports and the supply chain stakeholders who rely upon them is to remain at the table until a new agreement is finalized. Thank you for your leadership on this important issue.

Sincerely,

CC: The Honorable Pete Buttigieg, Secretary, Department of Transportation
The Honorable Julie Su, Acting Secretary, Department of Labor
The Honorable Gina Raimondo, Secretary, Department of Commerce
The Honorable Tom Vilsack, Secretary, Department of Agriculture
The Honorable Lael Brainard, Director, National Economic Council
General Stephen Lyons, Supply Chain and Ports Envoy
Mr. Willie Adams, President, International Longshore and Warehouse Union
Mr. James McKenna, Chairman and CEO, Pacific Merchants Association