December 3, 2012

The President  
The White House  
Washington, DC

Dear Mr. President:

The undersigned associations representing United States manufacturers, farmers, wholesalers, retailers, and transportation and logistics providers are writing to express our deep concern about the labor situation in the ports of Los Angeles and Long Beach, California. We urge the Administration to quickly engage in the situation to end the work stoppage at the ports and help the parties in their negotiations.

On November 27, 2012, the Marine Clerk Office Clerical Unit Local 63 (OCU), a unit of the International Longshore and Warehouse Union (ILWU) representing only about 600 workers, broke off contract negotiations with fourteen marine terminal employers in Los Angeles and Long Beach, California. The OCU set up picket lines at 10 of the 14 terminals operating at the two ports. Other ILWU units not party to the negotiations have refused to cross these pickets, effectively shutting down the nation’s largest port complex.

In the six days since, ocean carriers have begun to divert cargo to Mexico and Canada. There is great concern that diverting cargo to other U.S. ports would only widen the labor actions. Meanwhile, ships are beginning to back up in the harbor. And port terminal operators are running out of room to store empty containers and other intermodal equipment. Even if labor returned to work today, it would take several weeks to unsnarl the gridlock this disruption has already set in motion.

If this situation is not quickly remedied, far more dire consequences will result:

- Manufacturers needing parts for their assembly lines may have to suspend operations.
- Exporters will fail to meet delivery times for their customers in the Far East.
- Exporters of perishable cargos have already been affected.
- Agricultural interests will have to divert production to domestic use, or freeze produce instead of shipping it fresh, thereby losing significant economic value.
- Retailers will be unable to get goods to their store shelves in a timely fashion.
- Importers, wholesalers, and U.S. consumer brands will face order cancellations if they cannot meet delivery dates.

While this labor dispute has affected fewer ports than the coast wide lockout of 2002, it still bears remembering that Los Angeles and Long Beach are the international gateway of choice for many exporters and importers doing business in the Pacific Rim. The 2002 labor dispute, which lasted for only 10 days, cost the US economy $1 billion a day.

We recognize the difficulties of government intervention in labor disputes. However, this dispute has already harmed many economic interests across the country, as evidenced by the organizations listed below. We urge you to take immediate action and use whatever means necessary, including Taft-Hartley to get labor back to work in the nation’s largest port.

Sincerely,

National Shippers Strategic Transportation Council (NASSTRAC)