

Congress of the United States
Washington, DC 20510

June 7, 2022

The Honorable Joseph Biden
President of the United States
The White House
1600 Pennsylvania Avenue NW
Washington, DC 20050

Dear President Biden,

We write to follow up on a March 15, 2022 letter from 19 U.S. Senators expressing concern regarding the contract negotiations at America's West Coast ports. To date that letter has not received a response. While negotiations started on May 10, 2022, it has been reported that contract talks have already been suspended once.¹ We are concerned by the lack of response to the previous letter that your Administration does not share the same urgency raised by stakeholders and Congress. If the negotiations between the International Longshore and Warehouse Union (ILWU) and the Pacific Maritime Association (PMA) are not completed before the contract expires on July 1, experience shows that there are likely to be additional disruptions to our nation's supply chain, which would exacerbate freight congestion and harm manufacturing and agriculture in our states. We strongly urge you to work with both the ILWU and PMA, and engage with stakeholders and Congress, on this critical issue.

We have heard from a number of stakeholders with concerns that a breakdown in negotiations between the ILWU and PMA will lead to even more disruptions and shipping delays at a time when our nation's ports are reporting record backlogs. The West Coast ports account for over 44 percent of our nation's port traffic.² Additionally, the recent lockdowns in Shanghai have added to the severe logistical supply chain challenges. According to research firm Resilinc, shipping one container from China to the West Coast now costs roughly twice as much as it did a year earlier, and 344 ships were stuck at the Shanghai port, a 34 percent increase over March.³ The analysis also warned that "The ripple effect of the current Chinese backlog might last till the end of 2022 and beyond."⁴

¹ Bill Mongelluzzo, "West Coast Longshore Contract Talks Suspended Until June 1: Source", The Journal of Commerce Online, May 23, 2022, https://www.joc.com/port-news/longshoreman-labor/west-coast-longshore-contract-talks-suspended-until-june-1-source_20220523.html.

² Stephen Garner, "Amid Supply Chain Crunch, 49 Industry Associations Urge White House to Start Contract Negotiations with West Coast Ports", Yahoo News, March 1, 2022, <https://www.yahoo.com/entertainment/amid-supply-chain-crunch-49-194210701.html>.

³ Will Daniel, "This graph about the Shanghai port illustrates the harsh reality of the supply chain crisis", Fortune, April 19, 2022 <https://fortune.com/2022/04/19/shanghai-port-supply-chain-crunch-picture-ships/>

⁴ Christiaan Hetzner, "Shanghai plots path out of lockdown, but supply chain bottlenecks could last through the year", Fortune, May 16, 2022 <https://fortune.com/2022/05/16/shanghai-lockdown-end-june-china-supply-chain-bottleneck-2022/>

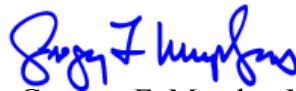
Historically, negotiations between the ILWU and PMA have created gridlock, even during times of economic prosperity. These negotiations encompass 22,400 dockworkers, 70 employers, and 29 ports.⁵ In 2002, there was a breakdown in negotiations that resulted in a lockout of 11 days and an estimated cost of \$1 billion a day.⁶ In 2014, negotiations lasted 10 months leading to billions in increased costs for American businesses.⁷ Given the unprecedented economic challenges that our nation faces with respect to the supply chain and rising inflation, it is essential that these negotiations proceed smoothly. While this Administration has previously exhibited one-sided behavior favoring unions during labor negotiations, it is essential that the Administration works with both the ILWU and PMA to ensure a timely agreement is made in order to avoid additional disruptions to the nation's supply chain.

We urge you to begin working with the ILWU and PMA to ensure their crucial work continues without interruption, and to keep stakeholders and Congress informed of any progress or setbacks in negotiations. We understand that Secretary of Labor Walsh is monitoring these negotiations, though we are not clear about any follow-up from the Administration. Any delays caused by failed negotiations will have a drastic cost and impact on our nation's supply chain. This cost will be felt by not only retailers and others that rely on ports for their business, but also by millions of American workers, farmers, and ranchers, who may face short-term shutdowns at their factories or barriers to shipping their products to market.

Sincerely,



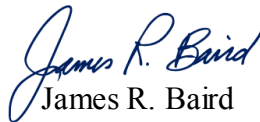
Mike Braun
U.S. Senator



Gregory F. Murphy, M.D.
Member of Congress



Richard Burr
U.S. Senator



James R. Baird
Member of Congress



James Risch
U.S. Senator



Ken Buck
Member of Congress

⁵ Paul Berger, "Labor Talks to Start in 2022 at Congested West Coast Ports", Wall Street Journal, November 28, 2021 <https://www.wsj.com/articles/labor-talks-to-start-in-2022-at-congested-west-coast-ports-11638104401>

⁶ Andrew Soergel, "Anchored Ships Weighing on U.S. Economy", U.S. News & World Report, February 20, 2015, <https://www.usnews.com/news/articles/2015/02/20/west-coasts-anchored-ships-weighing-on-domestic-economy>

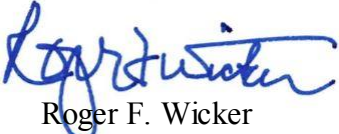
⁷ Eric Kulisch, "Bargaining over West Coast Ports Labor Pact Puts Retailers on Edge", Freight Waves, February 25, 2022 <https://www.freightwaves.com/news/bargaining-over-west-coast-ports-labor-pact-puts-retailers-on-edge>



Mike Crapo
U.S. Senator



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Member of Congress



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Member of Congress



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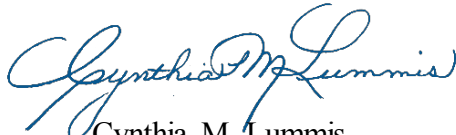
Young Kim
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Todd Young
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John Hoeven
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Kevin Cramer
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Jerry Moran
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Roger Marshall, M.D.
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Mitt Romney
U.S. Senator