



Washington State Legislature

February 13, 2015

Mr. Robert McEllrath
President
International Longshore and Warehouse Union
1188 Franklin St., 4th Floor
San Francisco, Calif. 94105

Mr. James McKenna
Chairman and CEO
Pacific Maritime Association
555 Market St., 3rd floor
San Francisco, Calif. 94105

Dear Mr. McEllrath and Mr. McKenna:

As elected leaders in the State of Washington, we are increasingly disturbed by the slow pace of negotiations over a new master contract at Pacific coast ports. We strongly urge the International Longshore and Warehouse Union and the Pacific Maritime Association to resolve their differences and end the jam at the ports that has slowed the flow of trade.

We understand that contract terms are a matter for labor and management to negotiate between themselves, and we do not wish to intrude in the bargaining process. The reduced cargo volume that we have seen at Pacific coast ports over the last three months is a different matter, and it is properly a public concern. Whatever its cause, this bottleneck at the docks is having a significant effect on Washington exporters and importers. Producers of agricultural commodities in Washington State are reporting tens of millions of dollars in lost overseas sales, while news reports tell us McDonald's is having to ration French fries in Japan for lack of Pacific Northwest potatoes.

At this point we don't know the full extent of the loss to our gross state product. We only know it is immense, the losses are mounting every week, and the cargo backup will take months to clear. We also can expect this situation to have a dampening effect on our economic recovery and on the tax collections on which state government operations depend. In a state where it has been estimated that 40 percent of jobs depend to some extent on international trade, any disruption is significant.

We urge you to think of the long-term implications for the competitiveness of our ports and the exporters who rely on them. Uncertain shipping makes it harder for Washington firms to compete for contracts against exporters from other countries. Meanwhile, our west coast ports face growing competition from the Canadian ports of Prince Rupert and Vancouver, and with the expansion of the Panama Canal, from the ports of the Gulf coast and the East. The longer this situation persists, the worse it will be for our long-term business prospects and for the people of Washington we represent.

Right now, thanks to bustling trade with Asian countries, the ports of Seattle and Tacoma together rank second nationally for the volume of container traffic, behind Long Beach and Los Angeles. It is in the interest of labor, management and the greater community to ensure that our ports operate at full capacity and our trade continues to thrive.

We are pleased that both sides have requested the assistance of the Federal Mediation and Conciliation Service, and we hope that this will help provide a swift resolution.

Respectfully,



Senator Mark Schoesler
Senate Republican Majority Leader



Speaker Frank Chopp
Speaker of the House of Representatives



Senator Sharon Nelson
Senate Democrat Minority Leader



Representative Dan Kristiansen
House Republican Minority Leader