



Committee on Transportation and Infrastructure
U.S. House of Representatives
Washington, DC 20515

Sam Graves
Chairman

Rick Larsen
Ranking Member

Jack Ruddy, Staff Director

Katherine W. Dedrick, Democratic Staff Director

September 19, 2024

President Joseph R. Biden Jr.
The White House
1600 Pennsylvania Ave. NW
Washington, D.C. 20500

Dear President Biden:

We write to express our serious concern with the state of the labor contract negotiations between the United States Maritime Alliance (USMX) and the International Longshoremen's Association (ILA). Given the devastating economic consequences of a potential strike and the Administration's lack of engagement to date, we urge you to give immediate attention to this matter, to aid in these negotiations, and find a reasonable resolution to these contract disputes.

The current Master Contract between the USMX and ILA, which stipulates the terms and conditions for employment at ports on the East and Gulf Coasts of the United States, is set to expire on September 30, 2024.¹ Unfortunately, negotiations to reach a new Master Contract between the two parties have seemingly stalled due to several issues, including proposed wage increases for union employees and the adoption of automated technologies at ports.² ILA leadership has warned of a potential work stoppage at East and Gulf Coast ports beginning October 1, 2024, if no agreement is reached, which would result in delays and dire impacts to our supply chains, our economy, and the American consumer.³

The maritime industry has been fraught with uncertainty in operations for several years. The supply chain crisis brought on by the COVID-19 pandemic strained carrier and warehousing capacity, leading to huge delays for unloading cargo at ports and massive increases in freight

¹ INTERNATIONAL LONGSHOREMEN'S ASSOCIATION, MASTER CONTRACT, *available at* <https://ilaunion.org/master-contract/>.

² *Concern Grows for U.S. Dock Strike as USMX and ILA Make Opposing Statements*, THE MARITIME EXECUTIVE, (Aug. 14, 2024), *available at* <https://maritime-executive.com/article/concern-grows-for-u-s-dock-strike-as-usmx-and-ila-make-opposing-statements>.

³ *Id.*

rates.⁴ Global supply chain pressures were a major driver of inflation during the pandemic, accounting for up to 60 percent of the price surge.⁵ Master Contract negotiations at ports on the West Coast between the International Longshore and Warehouse Union (ILWU) and the Pacific Maritime Association (PMA) led to uncertainty for continuing operations at West Coast ports, with large cargo volumes being diverted to the East Coast.⁶ Thankfully, many ILWU workers continued working after the expiration of its contract with PMA, and a long-term solution was eventually reached last year.⁷ Additionally, low water levels in the Panama Canal and disruptions in the Red Sea caused by insurgent attacks on commercial vessels have jeopardized once reliable shipping corridors, leading to longer transit times, increasing fuel and operating costs, and higher freight rates.⁸

Now with the potential for further disruption of service at East and Gulf Coast ports, carriers and importers are once again being forced to adjust shipments in anticipation of future delays. Retailers are reportedly accelerating shipments into East and Gulf Coast ports to get ahead of the potential work stoppages beginning in October.⁹ Moreover, cargo volumes are once again being diverted back to the West Coast to avoid the impending situation, further straining port capacity.¹⁰ If a work stoppage occurred at East and Gulf Coast ports in October, estimates suggest that a one-week strike would take until mid-November to recover from and clear the backlog of cargo.¹¹ Estimates further suggest a two-week strike would take until 2025 to fully recover from.¹² Lengthier strikes would have an even greater cascading disruption. Any of these situations would have serious consequences for American consumers and the holiday season.

⁴ UNITED NATIONS TRADE & DEVELOPMENT, *Shipping during COVID-19: Why Container Freight Rates Have Surged*, (Apr. 23, 2021), available at <https://unctad.org/news/shipping-during-covid-19-why-container-freight-rates-have-surged>.

⁵ Zheng Liu and Thuy Lan Nguyen, *Global Supply Chain pressures and U.S. Inflation*, FEDERAL BANK OF SAN FRANCISCO, (June 20, 2023), available at <https://www.frbsf.org/research-and-insights/publications/economic-letter/2023/06/global-supply-chain-pressures-and-us-inflation/>.

⁶ Lisa Baertlein, *U.S. West Coast Ports Regain Lost Volume as Competitive Pressure Mounts*, REUTERS, (May 18, 2024), available at [https://www.reuters.com/business/autos-transportation/reuters-events-us-west-coast-ports-regain-lost-volume-competitive-pressure-2023-05-18/#:~:text=Extrapolating%20that%20first%2Dquarter%20data,Colgate%2DPalmolive%20Co%20\(CL](https://www.reuters.com/business/autos-transportation/reuters-events-us-west-coast-ports-regain-lost-volume-competitive-pressure-2023-05-18/#:~:text=Extrapolating%20that%20first%2Dquarter%20data,Colgate%2DPalmolive%20Co%20(CL)

⁷ Alejandra Carranza, *ILWU Ratifies 6-Year Contract*, SUPPLY CHAIN DRIVE, (Sept. 1, 2023), available at <https://www.supplychaindrive.com/news/ilwu-vote-ratify-6-year-contract-pma-west-coast-ports-strike-fears/692544/>.

⁸ Mike Short, *Red Sea and Panama Canal Disruptions: 2024 Implications for Shippers*, AJOT INSIGHTS (Mar. 5, 2024), available at <https://www.ajot.com/insights/full/ai-red-sea-and-panama-canal-disruptions-2024-implications-for-shippers>.

⁹ Shiddharth Cavale and Lisa Baertlein, *U.S. Retailers Rush Holiday Imports, Fearing Strikes and Disruptions*, REUTERS, (Aug. 6, 2024), available at <https://www.reuters.com/business/retail-consumer/us-retailers-rush-holiday-imports-fearing-strikes-disruptions-2024-08-09/>.

¹⁰ Lori Ann LaRocco, *Strikes at East Coast, Gulf Ports are a Big Labor Risk This Year, and Trade Diversions have Already Started*, CNBC, (Mar. 27, 2024), available at <https://www.cnn.com/2024/03/07/countdown-clock-for-strike-at-east-coast-gulf-ports-has-begun.html#:~:text=Cargo%20containers%20once%20bound%20for,ports%20up%20and%20down%20the>.

¹¹ Lisa Baertlein, *Possible U.S. Seaport Strike Could Back Up Goods for Months, Shipping Experts Say*, REUTERS, (Aug. 15, 2024), available at <https://www.reuters.com/business/possible-us-seaport-strike-could-back-up-goods-months-shipping-experts-say-2024-08-14/>.

¹² *Id.*

While we understand issues persist in the contract negotiations between the USMX and the ILA, it is imperative that both parties remain at the bargaining table for as long as necessary to reach an agreement that avoids a work stoppage and the serious negative economic consequences that would follow. We expect the Administration to provide any and all support it can offer to both parties as these negotiations continue. Furthermore, if a strike should occur, we urge the Administration to utilize every authority at its disposal to ensure the continuing flow of goods and avoid undue harm to American consumers and the Nation's economy.

Sincerely,



Sam Graves
Chairman
Committee on Transportation
and Infrastructure



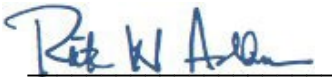
Daniel Webster
Chairman
Subcommittee on Coast Guard
and Maritime Transportation



Robert B. Aderholt
Member of Congress



Mark Alford
Member of Congress



Rick W. Allen
Member of Congress



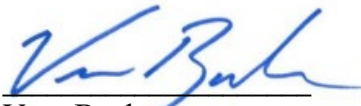
Brian Babin, D.D.S.
Member of Congress



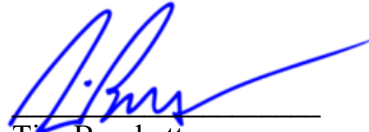
Aaron Bean
Member of Congress



Mike Bost
Member of Congress



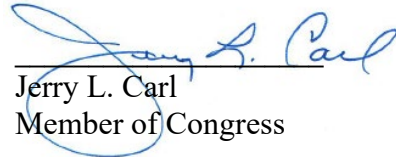
Vern Buchanan
Member of Congress



Tim Burchett
Member of Congress



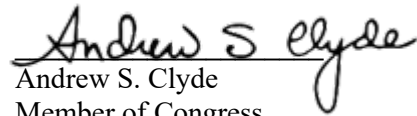
Kat Cammack
Member of Congress



Jerry L. Carl
Member of Congress



Earl L. "Buddy" Carter
Member of Congress



Andrew S. Clyde
Member of Congress



Mike Collins
Member of Congress



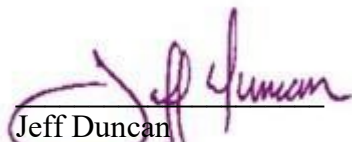
Eric A. "Rick" Crawford
Member of Congress



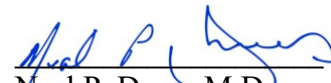
Dan Crenshaw
Member of Congress



John Duarte
Member of Congress




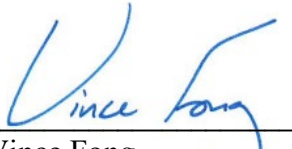
Jeff Duncan
Member of Congress



Neal P. Dunn, M.D.
Member of Congress

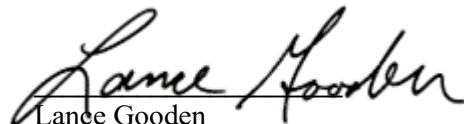

Mike Ezell
Member of Congress



Brad Finstad
Member of Congress



Vince Fong
Member of Congress

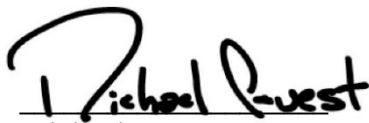

Russell Fry
Member of Congress

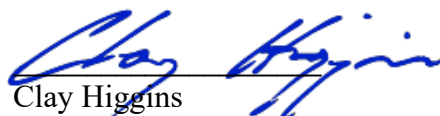

Jennifer González Colón
Member of Congress


Lance Gooden
Member of Congress

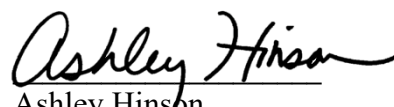

Garret Graves
Member of Congress


Mark Green, M.D.
Member of Congress


Michael Guest
Member of Congress

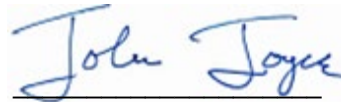

Clay Higgins
Member of Congress


French Hill
Member of Congress

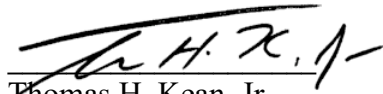

Ashley Hinson
Member of Congress



Dusty Johnson
Member of Congress



John Joyce, M.D.
Member of Congress



Thomas H. Kean, Jr.
Member of Congress



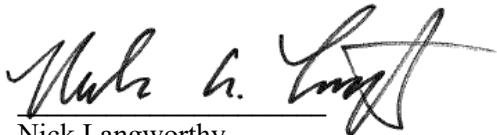
Jen Kiggans
Member of Congress



Kevin Kiley
Member of Congress



Nick LaLota
Member of Congress



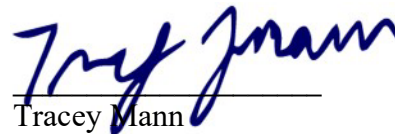
Nick Langworthy
Member of Congress



Debbie Lesko
Member of Congress



Frank D. Lucas
Member of Congress



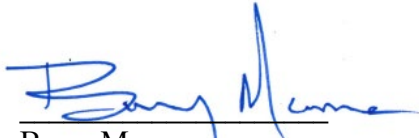
Tracey Mann
Member of Congress



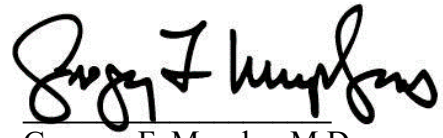
Mary E. Miller
Member of Congress



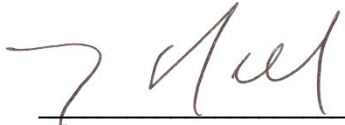
Marc Molinaro
Member of Congress




Barry Moore
Member of Congress



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



Troy E. Nehls
Member of Congress



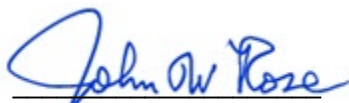
Ralph Norman
Member of Congress



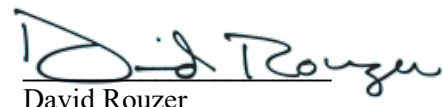
Burgess Owens
Member of Congress




Mike D. Rogers
Member of Congress



John Rose
Member of Congress



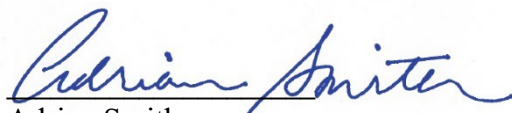
David Rouzer
Member of Congress



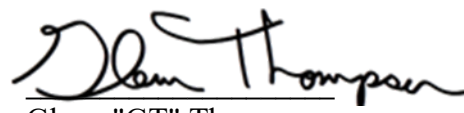
Michael A. Rulli
Member of Congress



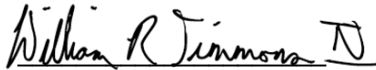
Austin Scott
Member of Congress




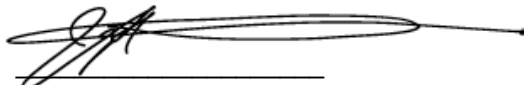
Adrian Smith
Member of Congress

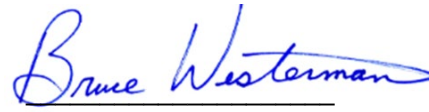



Glenn "GT" Thompson
Member of Congress


William R. Timmons, IV
Member of Congress

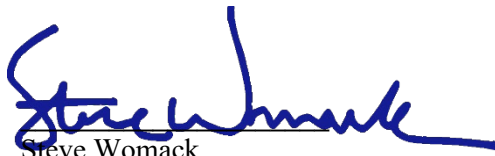

David G. Valadao
Member of Congress



Jeff Van Drew
Member of Congress


Bruce Westerman
Member of Congress


Joe Wilson
Member of Congress


Robert J. Wittman
Member of Congress

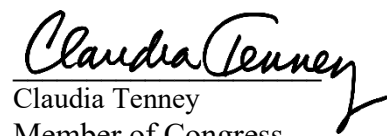

Steve Womack
Member of Congress


Rudy Yakym III
Member of Congress


Pete Sessions
Member of Congress


Nicole Malliotakis
Member of Congress


John R. Moolenaar
Member of Congress


Claudia Tenney
Member of Congress

President Biden
September 19, 2024
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A handwritten signature in black ink, appearing to read "Cory Mills", written over a horizontal line.

Cory Mills
Member of Congress

cc: Vice President Kamala Harris
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