



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

October 1, 2024

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

Dear President Biden:

On October 1, 2024, after failing to reach a new labor contract with the United States Maritime Alliance (USMX), International Longshoremen's Association (ILA) workers halted work, shutting down port operations along the East and Gulf Coasts of the United States.¹ The resulting strike will cause devastating economic impacts for our Nation, halting the movement of cargo at ports that represents an average daily trade value of \$2.1 billion.² Despite calls from stakeholders and 69 Republican Members of Congress, the Biden Administration failed to meaningfully engage the parties in an effort to reach a resolution leading up to the strike deadline.³ Continued inaction only compounds our Nation's economic harm, further burdening American families' pocket books. We urge you to immediately intervene to avoid this unnecessary harm to our economy.

The *Taft-Hartley Act* empowers the President to restore operations at our Nation's ports and bring parties back to the negotiating table to resolve their differences.⁴ In 2002, 29 Pacific Coast ports belonging to the Pacific Maritime Association (PMA) initiated a lockout against

¹ *A historic strike is underway at U.S. ports — and the impact on global supply chains could be huge*, CNBC, (October 1, 2024), available at <https://www.cnbc.com/2024/10/01/what-a-lengthy-us-port-strike-could-mean-for-global-supply-chains.html>.

² *Mapping the Impacts of a Port Strike*, NATIONAL ASSOCIATION OF MANUFACTURERS (2024), available at <https://nam.org/mapping-the-impact-of-a-port-strike-32072/?stream=issue-transportation-infrastructure> [hereinafter Impact Maps].

³ See e.g. Press Release, NAT'L RETAIL FEDERATION, *NRF Urges ILA_USMX to Resume Negotiations, Avoid Port Strikes*, (Sept. 3, 2024), available at <https://nrf.com/media-center/press-releases/nrf-urges-ila-usmx-resume-negotiations-avoid-port-strike>; Letter from the Hon. Sam Graves, Chairman, H. Comm. on Transp. and Infrastructure, et. al, to the Hon. Joseph R. Biden, Jr., President, United States of America, (Sept. 19, 2024) (on file with Comm.); Letter from Nat'l Cotton Council, et. al, to the Hon. Joseph R. Biden, Jr., President, United States of America, (Sept. 17, 2024) available at https://www.usmx.com/assets/content/public-resources/9-17-24_USMX_RESPONSE_TO_JOINT_ASSOCIATION_COALITION_LETTER.pdf.

⁴ 29 U.S.C. § 176-181.

members of the International Longshore and Warehouse Union (ILWU), after accusing the ILWU of engaging in a work slowdown to gain leverage in contract negotiations.⁵ Recognizing the grave economic impact to our economy, soon after the lockout began, President George W. Bush invoked his powers under the *Taft-Hartley Act* to restore operations at West Coast ports.⁶ As a result, port operations resumed, negotiations continued, and the ILWU and PMA agreed to a new contract.⁷

As you are well aware, the supply chain crisis strained carrier and warehousing capacity, leading to significant delays for unloading cargo at ports and massive increases in freight rates.⁸ As a consequence, consumers saw substantial price impacts, as global supply chain pressures drove inflation up and accounted for nearly 60 percent of the price surge.⁹ With this disruption of service at East and Gulf Coast ports, consumers can expect the same.

The impacted ports represent more than 68 percent of containerized exports and 56 percent of containerized imports, including a majority of our Nation's pharmaceutical imports and vehicle exports. Therefore, the economic impacts of failing to intervene and bring the parties to the negotiating table will be wide ranging, leaving the American consumer paying higher prices as we approach the holidays.¹⁰ We urge you to immediately bring the parties together and restore the full capacity of our Nation's commerce.

Sincerely,



Sam Graves
Chairman
Committee on Transportation
and Infrastructure



Daniel Webster
Chairman
Subcommittee on Coast Guard
and Maritime Transportation

⁵ Chris Isidore, *West Coast Port Lockout*, CNN MONEY, (Sept. 28, 2002), available at <https://money.cnn.com/2002/09/27/news/ports/index.htm>.

⁶ *Judge Orders Ports Opened*, CNN MONEY, (Oct. 9, 2002), available at https://money.cnn.com/2002/10/08/news/ports_longshoremen/.

⁷ Nancy Cleeland, *Port Labor Deal Struck*, LOS ANGELES TIMES, (Nov. 24, 2002), available at <https://www.latimes.com/archives/la-xpm-2002-nov-24-fi-ports24-story.html>.

⁸ 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>.

⁹ 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>.

¹⁰ Impacts Map, *supra* note 2.

President Biden
October 1, 2024
Page 3 of 3

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