



February 24, 2022

Mr. William E. Adams  
President  
International Longshore and Warehouse Union  
1188 Franklin Street, 4th Floor  
San Francisco, CA 94109

Mr. James McKenna  
Chairman and CEO  
Pacific Maritime Association  
555 Market Street, Third Floor  
San Francisco, CA 94105

Dear Mr. Adams and Mr. McKenna:

On behalf of the National Retail Federation (NRF) and the millions of businesses and employees we represent, I am writing to urge both parties to begin your contract negotiations as soon as possible, in the hopes of achieving a new contract before the June 30 contract expiration. We applaud the close partnership that the ILWU and PMA have achieved throughout the pandemic and the ability to deal with the unprecedented cargo surge over the past two years. As many expect the supply chain disruptions to continue through 2022, contract negotiations should not lead to additional pressures or disruptions to the supply chain.

NRF is the world's largest retail trade association, passionately advocating for the people, brands, policies and ideas that help retail thrive. NRF empowers the industry that powers the economy. Retail is the nation's largest private-sector employer, contributing \$3.9 trillion to annual GDP and supporting one in four U.S. jobs – 52 million working Americans. For over a century, NRF has been a voice for every retailer and every retail job, educating, inspiring and communicating the powerful impact retail has on local communities and global economies.

We know key issues for both parties need to be worked out during this contract negotiation and believe the parties should sit down now and not wait to begin negotiations. Both parties should attempt to reach a contract well before expiration for the benefit of the national economy and to provide the needed certainty to all the stakeholders in the supply chain that rely on the U.S. West Coast ports. We would further ask that you issue a statement committing to the commencement of meaningful negotiations now, and to commit to continue negotiating and working without interruption, even if negotiations extend beyond the June 30 contract expiration.

The ongoing supply chain disruption issues and port congestion have certainly put West Coast ports in the spotlight. As congestion issues continue for a variety of reasons, we need to make sure negotiations don't result in additional congestion issues. As you are well aware, the contract negotiations will come at a critical time for the retail industry as the peak shipping season for the important holiday season begins this summer. Additional disruptions will certainly impact NRF members and other supply chain stakeholders that rely on West Coast ports.

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NRF's members are continuing to adjust to the ongoing supply chain disruptions. Any kind of additional disruptions at the ports would add further costly delays to our members' supply chains and likely add to inflation concerns and further threaten the economic recovery. Many members are already looking to put in place mitigation strategies to address additional disruptions related to the contract negotiations.

It is important to note that in a recent NRF member survey, many respondents indicated a strong concern about the upcoming negotiations; even the *perceived* risk of a disruption will force retailers and other shippers to reevaluate their use of U.S. West Coast ports. Without a clear commitment to keep negotiating, cargo shifts to other gateways would likely happen even if a disruption never occurs, simply due to the need to mitigate the risk of a disruption.

We urge you to begin contract negotiations now and to attempt to reach agreement on a new contract before the June 30 expiration. Both parties must recognize their critical role in the global economy and the need to ensure predictability and reliability for the many diverse stakeholders that rely on the ports. An early contract agreement will benefit all parties, ensuring continued cargo growth for the region.

We believe you can reach an agreement that will ensure the continued success and competitiveness of these ports for the foreseeable future. If you have any questions, please contact Jonathan Gold, NRF's Vice President, Supply Chain and Customs Policy, at (202) 626-8193. Thank you for your consideration.

Sincerely,

A handwritten signature in black ink, appearing to read "M. R. Shay".

Matthew R. Shay  
President and CEO  
National Retail Federation