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United States Senate

COMMITTEE ON HEALTH, EDUCATION,
LABOR, AND PENSIONS

WASHINGTON, DC 20510-6300

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September 23, 2024

VIA ELECTRONIC DELIVERY

The Honorable Joseph R. Biden
President of the United States
The White House
1600 Pennsylvania Avenue, NW
Washington, DC 20500

The Honorable Kamala D. Harris
Vice President of the United States
The White House
1600 Pennsylvania Avenue, NW
Washington, DC 20500

Dear President Biden and Vice President Harris:

Unionized dockworkers at the East and Gulf Coast ports face an expiring contract on September 30. The International Longshoremen's Association and the United States Maritime Alliance have been in negotiations since October 2021 and made encouraging progress until June. The situation has deteriorated to such an extent that neither side has met since then.¹ Your administration shows no urgency to avert a potential strike and the economic ramifications for American families.

This situation requires leadership. However, your administration has not encouraged the parties to resolve the collective bargaining process prior to the end of the current contract. Instead, your administration seems more interested in cementing its "pro-union" legacy rather than being pro-worker. This callous attitude is insensitive to hard-working Americans who will bear the brunt of this unnecessary hardship.

Strikes at the East and Gulf Coast ports will have devastating consequences for American workers. A work stoppage not only affects 25,000 longshoremen, but also thousands of other port and freight workers who work at or move goods from the ports to businesses. Port and freight workers are responsible for moving and distributing supplies from up to 74,000 shipping containers per day to American households, businesses, and military operations.² Work stoppages will leave many non-port workers in manufacturing, retail, agriculture, and various integral industries with less to provide for their families.

Other ripple effects include higher costs, reduced purchasing power for consumers, export loss, and import delays. This is alarming given the historically high inflation American families are experiencing because of your administration's policies. The National Association of

¹ Jonathan Gold, *Port labor strike gets closer to reality*, National Retail Federation (September 10, 2024), <https://nrf.com/blog/port-labor-strike-gets-closer-reality>.

² Lori Ann LaRocco, *Port union voices unanimous support for strike, escalating U.S. supply chain fears*, CNBC (September 5, 2024), <https://www.cnbc.com/2024/09/05/port-union-voices-full-support-for-strike-raising-us-economic-fears.html>.

Manufacturers found that a similar dockworker strike at West Coast ports could cause \$9.4 billion dollars in lost economic output over five days.³ Additionally, a one-day strike holds \$5 billion worth of goods offshore and requires five days to clear the backlog.⁴ A weeklong strike requires at least a month to clear the backlog of shipments intended for Thanksgiving and Christmas.

Additional disruptions on top of already increased demands during the holiday shipping season will force retailers, manufacturers, and other important shipping partners to shift cargo, causing supply chain concerns that could rise to the level of COVID-19 pandemic related shipping delays. During the 2021 holiday season, consumers received 253 percent more out-of-stock messages compared to the same frame in 2019.⁵ At the same time, dozens of container ships, containing an estimated \$24 billion in goods, waited outside of two ports until they could be properly offloaded.⁶

A similar potential impact would be catastrophic, especially in Louisiana, the home of five of the 13 busiest U.S. ports in terms of total tonnage.⁷ Louisiana's ports generate one-in-five jobs and more than \$600 million in wages annually.⁸ The Port of New Orleans is one of the busiest ports for shipping containers and announced record volume in May.⁹ Protracted strikes in Louisiana will idle numerous container ships offshore in the Mississippi River and Gulf of Mexico during the height of hurricane season.

Your administration can use the Taft-Hartley Act to give parties an additional 80 days to negotiate. In 2002, President George W. Bush successfully used this resource to end an 11-day lockout and preserve port operations that are “vital to our economy and to our military.”¹⁰ Shipping diversions and delays hurt all Americans. That remains true since the advent of the pandemic and the West Coast port work stoppages in 2021. The ongoing Houthi incursions in the Red Sea have led to a 90 percent decline in Red Sea container shipping, as much as two weeks of additional travel time, and \$1 million in additional fuel costs for each ship's voyage.¹¹

³ *The National Impact of a West Coast Port Stoppage*, National Association of Manufacturers (June 2014), <https://nam.org/wp-content/uploads/2019/05/NAM-Port-Closure-Full-Report-2014.pdf>.

⁴ Eric Revell, *Biden won't block potential port strikes on East and Gulf Coast*, Fox Business (September 17, 2024), <https://www.foxbusiness.com/politics/biden-wont-block-potential-port-strikes-east-gulf-coast>.

⁵ *Adobe: U.S. consumers spent a record \$204 billion online this holiday season*, Adobe Blog (January 12, 2022), <https://blog.adobe.com/en/publish/2022/01/12/adobe-us-consumers-spent-a-record-204-billion-online-this-holiday-season>.

⁶ Matt Egan, *\$24 billion in goods is floating outside California's biggest ports*, CNN (October 25, 2021), <https://www.cnn.com/2021/10/25/business/supply-chain-ports-inflation/index.html>.

⁷ Patricia S. Hu et al., *2024 Port Performance Freight Statistics Program: Annual Report to Congress*, Department of Transportation (January 2024), https://www.bts.gov/sites/bts.dot.gov/files/2024-01/2024_Port_Performance_Report_0.pdf.

⁸ *The southeastern gateway to America's economic growth*, JPMorganChase (May 31, 2024), <https://www.jpmorganchase.com/newsroom/stories/port-of-nola>.

⁹ Press Release, Port of New Orleans, *The Port of New Orleans Announces Record Container Growth* (May 2, 2024), <https://portnola.com/info/news-media/press-releases/the-port-of-new-orleans-announces-record-container-growth>.

¹⁰ David E. Sanger and Steven Greenhouse, *President Invokes Taft-Hartley Act to Open 29 Ports*, New York Times (October 9, 2002), <https://www.nytimes.com/2002/10/09/us/president-invokes-taft-hartley-act-to-open-29-ports.html>.

¹¹ *Yemen: Houthi Attacks Placing Pressure on International Trade*, U.S. Defense Intelligence Agency (September 17, 2024), https://www.dia.mil/Portals/110/Images/News/Military_Powers_Publications/YEM_Houthi-Attacks-Pressuring-International-Trade.pdf.

American families should not pay the price for your administration's "pro-union" favoritism. Your refusal to act prioritizes convenience over the needs of the American people. You have the tools to act and avoid a harmful strike—all that is missing is leadership.

Respectfully,

Bill Cassidy, M.D.

Bill Cassidy, M.D.

Ranking Member

U.S. Senate Committee on Health,
Education, Labor, and Pensions

cc: The Honorable Pete Buttigieg, Secretary, U.S. Department of Transportation
The Honorable Gina Raimondo, Secretary, U.S. Department of Commerce
The Honorable Julie Su, Acting Secretary, U.S. Department of Labor