

November 9, 2015

The Honorable Penny Pritzker  
Secretary  
United States Department of Commerce  
1401 Constitution Avenue, NW  
Washington, DC 20230

Dear Secretary Pritzker:

On behalf of the Department of Commerce Advisory Committee on Supply Chain Competitiveness, we would like to provide you our thoughts and a recommendation regarding the recent service disruption at our nation's West Coast ports. The members of the advisory committee represent a substantial percentage of the freight transported within and exported from this country. Many of the industries and products represented by the advisory committee members are reliant upon an efficient, reliable system of ports in order to remain viable. As a result, the severe slowdown in late 2014 and early 2015 imposed significant hardship.

Many of us, along with a large number of affected industries, were pleased when President Obama deployed you and Secretary of Labor Thomas Perez in mid February to help encourage a resolution to a stalemate in the negotiations between the Pacific Maritime Association (PMA) and the International Longshore and Warehouse Union (ILWU). The participation of such prominent members of the cabinet demonstrated the Administration's awareness of the punitive impact this service disruption was imposing on the economy and the willingness to encourage a resolution. Specifically, we believe that assigning a deadline for negotiations to conclude by February 20 or, if not resolved by then, compelling the negotiations to be conducted in Washington, DC, the following week provided some needed urgency and motivation for the two parties to resolve their differences.

While we appreciate the productive role the Administration played to help bring this protracted dispute to a resolution, members of the advisory committee would like to urge the Administration, and subsequent administrations, to not allow such a lengthy amount of time to expire before becoming actively engaged in future negotiations between operators and longshoremen at our nation's various port regions.

We acknowledge that two parties must enjoy the latitude to negotiate the terms of a contract with limited, and ideally no, government interference. However, it is also important to acknowledge that not all negotiations are equal. In some negotiations, the consequences of an impasse are confined to the two parties in dispute. In others, the consequences of an impasse extend beyond the parties at the negotiating table and instead reverberate throughout the entire economy. Clearly, given the severity of the disruption to a diverse range of industries, the recent contract negotiations at our West Coast ports is an example of the latter.

We acknowledge the difficulty of establishing a fixed "line in the sand" that will serve to activate engagement by the Administration in future contract negotiations at our nation's ports. Judgement and discernment as each situation presents itself will be required. Members of the advisory committee

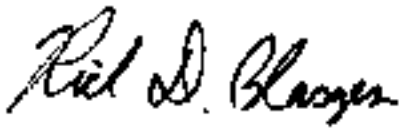
simply contend that it will better serve the industries we represent, and the overall economy, if the Administration, and future administrations, would become more engaged when the consequences of a future negotiation impasse are more modest, rather than severe.

We all share the goal of maintaining and enhancing our reputation as the preeminent exporter in the international marketplace. Unfortunately, the service disruption at our West Coast ports diminished that reputation. It is our concern that it will be only be a temporary reprieve before antagonism and, as a result, service declines arise once again at one of our nation's port regions.

As we all understand, export excellence is not simply a function of producing what our international customers demand. It is also a function of being able to deliver it to them. The industries we represent and many others remain able to earn the business of our international customers. We are hopeful that our West Coast ports will facilitate this process and no longer be an obstacle to it. Having our Administration signaling a willingness to be actively engaged as soon as problems materialize would be a welcome support as we all endeavor to remain the exporter, and the overall economy, other nations aspire to emulate.

Thank you for your consideration and the opportunity to be of service.

Sincerely,



Mr. Rick D. Blasgen  
President and CEO, Council of Supply Chain Management Professionals  
Chair, Advisory Committee on Supply Chain Competitiveness



Mr. Mike Steenhoek  
Executive Director  
Soy Transportation Coalition  
Subcommittee Chair, Finance and Infrastructure