



we wearSM transportation

November 28, 2012

Dear California Senator/Representative,

On behalf of the American Apparel & Footwear Association (AAFA), I am writing to call your attention to the increasingly dire situation in the ports of Los Angeles and Long Beach, CA. We at AAFA would like to express our grave concern for the economic well-being of our industry, consumers, and country, which will be adversely affected by recent developments in our West Coast ports. We urge all representatives of the West Coast to be aware of these events and to take immediate action to restore full operations at the ports immediately.

AAFA is the national trade association for apparel, footwear, and other sewn product companies, and their suppliers, which compete in the global and domestic market. Our membership consists of more than 380 American companies which represent one of the largest consumer segments of the United States. The apparel and footwear industry overall represents \$380 billion in annual domestic sales and sustains more than four million American jobs. As it stands, 98 percent of apparel and 99 percent of footwear sold in the U.S. is produced globally, and over 45% of these products come through ports on the West Coast. The reliance of our industry and the U.S. economy on West Coast ports cannot be overstated - in 2002, a 10-day coast-wide labor lockout backlogged over 300,000 containers, cost U.S. commerce an estimated \$1 billion daily, and caused sustained, universal damage to businesses and consumers of clothing and shoes all over our nation.

As you may know, the International Longshore & Warehouse Union's (ILWU) Local 63 Office Clerical Union (OCU) at the ports of LA and Long Beach has been working without a contract since June 2010. Although contract negotiations between the OCU and the Harbor Employers Association (HEA) have been rocky, with several walkouts on the part of the OCU, negotiations for a new contract had progressed since August 2012 mostly without incident. While AAFA and many other trade associations have applauded the steps taken forward by both sides, there has always remained cause for concern, as any OCU work stoppages or slowdowns may be supported by ILWU dockworkers coast-wide, effectively shutting down every West Coast port and grinding commerce to a halt.

Unfortunately, this fear materialized over the last 48 hours, when the OCU and ILWU initiated work stoppage action in at the APM Terminal of the Port of LA. After ignoring an Area Arbitrator's decision that the OCU had not bargained to a good faith impasse in contract negotiations (which they withdrew from November 20 with no new talks scheduled) and that the picket lines were therefore not "bona fide", the strike spread throughout major terminals in the Port of LA/Long Beach. The Pacific Maritime Association (PMA), representing shipping companies and terminal operators on the West Coast, has previously stated they would **lock out ILWU labor if this occurred.** While the PMA's course of action is not known for certain at this point in time, AAFA and other industry groups are highly concerned that the situation as it stands will lead to a repeat of the devastating 2002 scenario.

1601 North Kent Street
Suite 1200
Arlington, VA 22209

(703) 524-1864
(800) 520-2262
(703) 522-6741 fax
www.wewear.org

We urge you to use your role as an elected public official representing California to encourage a swift and immediate resolution of this economically injurious situation. Our members have to make decisions over the next 48 hours whether to make alternative, and far more costly, transportation arrangements to accommodate the uncertainty arising from this action. Please note that companies are still working to recover from the devastating effects of Hurricane Sandy and are still navigating an overall tenuous economic situation.

Thank you for your time and consideration in this urgent matter. If you have any questions or concerns please contact AAFA's Transportation Liaison, David Lapidus, at 703-797-9049 or DLapidus@wewear.org.

Sincerely,

A handwritten signature in black ink that reads "Kevin M. Burke". The signature is written in a cursive, flowing style.

Kevin Burke
President and CEO
American Apparel & Footwear Association (AAFA)