



July 12, 2010

John Fageaux Jr.
President
Office and Clerical Unit
6615 East Pacific Coast Hwy, Suite 250
Long Beach CA 90803

Stephen L. Berry
Partner
Paul, Hastings, Janofsky & Walker LLP
695 Town Center Drive, 17th Floor
Costa Mesa, California 92626

Dear Mr. Fageaux and Mr. Berry:

On behalf of the Waterfront Coalition, we urge you to quickly conclude negotiations on a contract for the Office and Clerical Unit in southern California. A major disruption in the San Pedro Bay ports would complicate a situation that is already very difficult to manage for exporters and importers and further threaten the fragile economic recovery underway.

By way of background, the Waterfront Coalition represents manufacturers, retailers, product suppliers and exporters responsible for moving a large share of containerized commerce through marine terminals in southern California. The freight our members route through the region helps sustain the longshore labor workforce and employment in affiliated industries. We support these hard working men and women as they are vital to guarantee that our members' cargo moves safely, efficiently and as environmentally responsible as possible.

Over the past several months, shippers of all varieties are experiencing excessive cargo delays on freight transiting marine terminals in the region. These delays, that also impact intermodal freight moving to rail yards, are contributing to severe service delays resulting in lost delivery guarantees and sometimes lost sales for exporters reaching overseas markets and retailers fulfilling demand in domestic markets. These supply chain problems show no sign of improving and many shippers are considering alternative gateways to move discretionary cargo not destined for the local southern California region.

A lengthy and contentious negotiation on a contract for the Office and Clerical Unit in southern California has the very real potential to further add to the urgency for shippers to consider

alternative North American gateways for discretionary cargo. As we have learned from past congestion experiences, a significant share of this cargo never returns to the region.

It is the Waterfront Coalition's position to support business practices that make all ports competitive places to route cargo including the ports of L.A. and Long Beach. In an effort to help guarantee that the San Pedro Bay port complex remains the premier maritime gateway in the nation, we urge you to quickly complete negotiations on a contract for the Office and Clerical Unit in southern California.

Sincerely,

Robin Lanier
Executive Director

CC: James McKenna
Robert McElrath