

## Business / Technology

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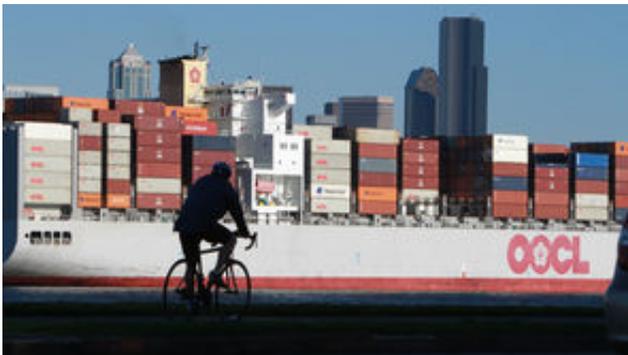
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### Congestion at ports rattles growers, importers and truckers

Pressure is mounting for terminal operators and West Coast unions to reach an agreement so container shipping in Seattle, Tacoma and other ports can return to normal. Meanwhile, food containers are at risk of rotting, trucks are idle, and goods destined for holiday shoppers are stuck.

By Coral Garnick

Seattle Times business reporter



Jason Davenport, owner of Allied Potato in Pasco, should have shipped 42 containers of potatoes last week to customers in Asia, Latin America and the Caribbean, but he only shipped six.

Bob Gillingham, owner of Plant Stand in Redmond, was supposed to receive a shipment of his newest product from China so that retail chains such as Ace Hardware, True Value and Fred Meyer could stock their shelves before the holidays. But that container is still sitting on a

ship anchored in Puget Sound.

Bartelson Transport in Puyallup usually has 50 trucks a day delivering everything from potatoes to lumber to the Seattle and Tacoma ports, but in recent days it has been lucky to send 10 — and even luckier if the cargo containers were off-loaded, said Jim Pizl, Bartelson's chief financial officer.

Pressure is mounting for port terminal operators and West Coast unions to come to an agreement that returns container shipping to normal. But meanwhile, containers are full of food at risk of rotting, truck drivers are at a standstill, and goods destined for holiday shoppers are stuck.

"I'm sitting here with customers and orders, and I can't send them product," Gillingham said.

The International Longshore and Warehouse Union (ILWU) has been in contract negotiations since May with the Pacific Maritime Association (PMA), which represents terminal operators and shipping lines at 29 West Coast ports from San Diego to Bellingham. Their previous six-year agreement expired July 1.

Last week, the PMA accused the ILWU of deliberately slowing down traffic by reducing container movement at Seattle and Tacoma port terminals to 10 to 18 per hour, from the usual 25 to 35 containers per hour. The two sides continue to blame each other for congestion at the ports, which has spread to the Ports of Long Beach and Los Angeles.

Union spokesman Craig Merrilees has not disclosed what the sticking points in the contract

negotiations have been. But he has mentioned the importance of access to training for new and different jobs as new technology is being used on the docks, as well as some changes in work allocation.

With more than two-thirds of all U.S. international trade moving through West Coast ports, more than 100 organizations from farmers, wholesalers and retailers to transportation and logistics providers wrote Thursday to President Obama seeking help to keep the slowdowns from escalating to a complete shutdown.

The letter recommended the use of a federal mediator to forestall any threat of a lockout or strike.

“The sudden change in tone is alarming and suggests that a full shutdown of every West Coast port may be imminent,” said the group, led by the National Retail Federation. Its letter said the impact of such a shutdown would be “catastrophic” for consumers, workers and businesses.

The retail group and the National Association of Manufacturers in June estimated that a shutdown would cost the economy approximately \$2 billion a day, compared with a 2002 lockout that lasted 10 days and cost the economy about \$1 billion a day.

While the PMA accuses the dockworkers union of bringing the ports to “the brink of gridlock,” the union said Monday its workers are not responsible for the congestion.

“The numerous, nonlabor related causes of the congestion problem up and down the West Coast are well documented,” ILWU spokesman Merrilees said in a statement.

He cited a shortage of rail cars and of truck chassis used to move containers, record retail import volumes, larger vessels discharging massive amounts of cargo, and the pre-holiday peak shipping season.

The union also maintains workers are simply working at a safe rate, asserting that employers’ constant demand for increased production is the biggest factor causing accidents on the docks.

“The men and women of the ILWU will not make up for the current supply-chain failures at the expense of life and limb,” Merrilees said.

While Allied Potato’s Davenport has missed out on shipping three-dozen containers, each worth about \$8,000, the state’s apple industry is worried as well.

“With the record apple crop we are having this year, the need to move Washington apples outside of the United States is even greater,” said Rebecca Lyons, international marketing director for the Washington Apple Commission.

Washington grows the most apples in the nation and this year produced a crop of about 155 million 40-pound boxes, 35 percent more than usual. While shipments to the biggest importers of Washington apples, Mexico and Canada, don’t go through the ports, exports are sent by ship to some 60 other countries.

Ryan Nesbitt, who runs the international logistics of an apple-shipping company in Yakima, said he had 100 containers of apples sitting at the Seattle and Tacoma ports last week that should have already been shipped. Each container has about \$30,000 worth of apples inside, he said.

“Basically, every day that I’m not allowed to ship, I lose \$300,000 to \$400,000 in business,” Nesbitt said.

Peter Friedmann, executive director of the Agriculture Transportation Coalition, said the slowdowns will have repercussions on the West Coast agriculture community as a whole.

During the 2002 lockout, he said, Japanese candy makers replaced almonds and hazelnuts from Oregon and California with ones from Turkey. And when port operations in the U.S. resumed, the

candy makers stuck with Turkey. “They found a more dependable supply chain,” he said. “That business is lost forever.”

He said when foreign buyers can’t get product from the U.S., they simply source it some other place in the world. “If the longshoremen want to have jobs for their children, they need to be sure they are keeping the ports’ interests in mind,” he said.

In a letter to the ILWU and PMA on Monday, the ports of Seattle, Tacoma, Portland and Oakland, Calif., urged the two organizations to reach an agreement and restore the flow of commerce through the ports.

“Uncertainty and delay on the docks send the wrong signal to the global marketplace at a time when shippers have many more options for moving their goods to market,” the letter said.

Sens. Patty Murray and Maria Cantwell of Washington are actively encouraging both sides to continue working toward an agreement, and Gov. Jay Inslee has been talking to the key players involved, according to their spokespeople.

*Information from The Associated Press and Seattle Times archives is used in this report. Coral Garnick: 206-464-2422 or cgarnick@seattletimes.com. On Twitter @coralgarnick*



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