



Harold Daggett
President

March 7, 2022

VIA EMAIL & FIRST CLASS MAIL

The Honorable Amy Klobuchar
U.S. Senator
425 Dirksen Senate Building
Washington, D.C. 20510

**Re: Adverse Impacts of Ocean Shipping Competition
Reform Act of 2022 on the Shipping and Longshore Industry**

Dear Senator Klobuchar:

I am President of the International Longshoremen's Association ("ILA"), which represents approximately 65,000 members at port areas from Maine to Texas, the Great Lakes region, Puerto Rico, major U.S. rivers, as well as Eastern and Central Canada. I write in fervent opposition to S. 3586 – also referred to as the Ocean Shipping Competition Reform Act of 2022 ("OSCRA") – which you introduced in the Senate as bill sponsor on February 3, 2022, and respectfully request that you withdraw this bill.

While you have touted S. 3586 as legislation that would somehow alleviate port congestion and shipping costs by wholesale removal of the limited antitrust immunity that ocean carriers and marine terminal operators have operated under since the original Shipping Act of 1916 – more than a century ago – the reality is that liner shipping is a highly-competitive industry. Ocean transportation pricing is very sensitive to changes in supply and demand and, due to unprecedented consumer demand during the COVID-19 pandemic, shipping prices have increased in turn.

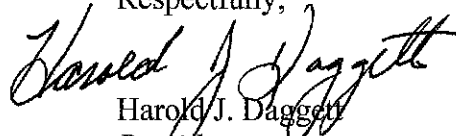
Eliminating the limited antitrust immunity would undermine the ocean carriers' ability to form vessel sharing agreements, which allow carriers to provide customers with more frequent service at a lower cost by sharing vessel space. Without vessel sharing, which enables carriers to offer services at smaller and medium-size ports, there would most likely be a higher concentration of services at large ports, which are already receiving record volumes of cargo. If signed into law, OSCRA would create uncertainty and chaos in the shipping industry and send shockwaves throughout the rest of the marketplace, since 90% of global trade is carried by sea.

Moreover, the ILA vehemently opposes S. 3586 because of the detrimental effects it will have on collective bargaining for both the ILA and its West Coast brothers and sisters at the International Longshore and Warehouse Union ("ILWU"), whose collective bargaining agreement ("CBA") expires in July of this year. The ILA has structured its entire CBA around the industry practice of antitrust immunity. Should ocean carriers and marine terminal operators be stripped of their limited antitrust immunity, their business model will be altered, which may have a detrimental effect on the imminent collective bargaining process for the ILWU. In turn, this may also adversely impact the terms and conditions of employment for ILA members after the expiration of the current CBA on September 30, 2024.

This is an urgent matter for not only the ILA and other U.S. maritime unions, but also the global economy and consumers who are already facing economic hardships in light of the COVID-19 pandemic and current geopolitical strife. As the ILA is in need of certainty for its collective bargaining process, I respectfully urge that you not pursue legislation that would undermine the ILA's members who work tirelessly to ensure the safe and efficient flow of cargo through U.S. ports.

Thank you for your consideration.

Respectfully,



Harold J. Daggett
President

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cc: Mr. Stephen Knott, Sec.-Treas., ILA
Mr. Dennis Daggett, Exec. Vice-Pres., ILA
Mr. Wilbert Rowell, Gen. Vice-Pres., ILA
Mr. John D. Baker, Gen. Org., ILA
Mr. James H. Paylor, Jr., Ass. Gen. Org., ILA
Mr. Alan Robb, Asst. Gen. Org., ILA
Mr. Benny Holland, Exec. Vice-Pres. Emer., ILA
Mr. Ingo Esders, Leg. Dir., ILA
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