



## To Our Stakeholders

2017 was a landmark year for the West Coast waterfront. Over the summer, we reached a historic three-year contract extension covering workers at all West Coast ports through July 1, 2022.

This extension is a first for the PMA and ILWU, and sets the stage for reliable, productive operations for years to come. This predictability is a crucial objective for PMA members and businesses throughout the supply chain. By ensuring labor stability, the extension delivers long-term certainty that will bring economic benefits to the entire region.

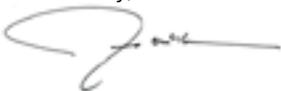
At the same time, the agreement provides ILWU members with a generous wage and benefits package during a time of great change in our industry. Significant corporate consolidations continued in 2017, resulting in larger but fewer companies calling the West Coast.

Beyond the contract extension, a key theme of 2017 was volume growth. Ports in Southern California, Northern California, and the Pacific Northwest saw significant year-over-year gains, with larger cranes, modern technology, and greater productivity all contributing to that success.

Continued terminal upgrades will be needed to meet the challenges of greater projected volumes. Maintaining a trained and adequately sized workforce will also be important. In 2017, we began adding registered and casual workers in the largest ports, and will continue to balance the size of the workforce to meet future demand.

Looking forward, I believe the future of the West Coast Waterfront is bright. The contract extension, in particular, is both a significant achievement and a great opportunity to attract more market share and demonstrate that our ports and our workforce are truly world-class.

Sincerely,



James C. McKenna  
President and CEO

