

Jim McKenna Remarks
May 2022

- As the premier gateways for America's international trade, West Coast ports play a critical role in our nation's economy.
- Recently, West Coast ports have been tested like never before. The Covid-19 pandemic and historically high cargo volumes combined to disrupt the nation's supply chain.
- Yet we rose to the challenge, moving record amounts of cargo in 2021 thanks to the partnership between PMA and the ILWU.
- This cooperation is vital to the growth and vitality of our ports and to millions of workers and businesses throughout the country.
- West Coast ports help move nearly half of all Asian imports destined for American consumers and businesses – the first link in a complex supply chain that supports millions of jobs and keeps the United States growing.
- Our ports also play a crucial role in the export of leading American goods to the world, including fruit, nuts, meat, recyclables, lumber and other essential commodities.
- In all, our ports supported nearly \$2 trillion of economic value nationwide in fiscal year 2021. That totals approximately 9 percent of the U.S. GDP, supporting over 12 million jobs nationwide.

UPCOMING NEGOTIATIONS

- In coming weeks, the PMA and the ILWU will engage in important negotiations for a new Pacific Coast contract. This contract covers more than 15,500 registered longshore members. The current contract expires on July 1.
- PMA is dedicated to good-faith negotiations with the ILWU, and we are guided by the following principles:
- First: PMA is committed to negotiating a new contract without disruption. Any disruption would be debilitating to the U.S. economy. We and the ILWU need to stay at the table and bargain, without any impacts on West Coast marine terminals.
- Second: We will continue to provide world-class wages and benefits to ILWU workers. Currently, ILWU members earn nearly \$195,000 a year on average -- roughly three times the U.S. median household income. ILWU members also enjoy fully employer-paid healthcare, generous pension and retirement-savings plans, and pay guarantees.

- Third: We will continue to create training opportunities to prepare longshore workers for the high-skilled jobs required today and in the future. And we will continue to make safety a top priority.

In the past year alone, we've trained hundreds of longshore workers for skilled positions. Overall, more than 850 registered longshore workers, mechanics and marine clerks were added in 2021. And in February, PMA partnered with the ILWU and the Port of Los Angeles to break ground on a first-of-its-kind training facility that will provide up-skill and re-skill training to position ILWU members for future work on the waterfront.

- Fourth: We must modernize our terminals to achieve greater cargo throughput and accommodate growing cargo volumes. This is particularly important in the largest ports where there is no opportunity for physical expansion. Automation allows greater densification at existing port terminals, enabling greater cargo throughput and continued cargo growth over time.

ILWU members overwhelmingly agreed to automation dating back to 2008. It's been a contractual right for PMA members for almost 15 years. **We have seen through experience over the past 18 months that automated terminals were the most effective at handling historic volumes – while also expanding work opportunities for ILWU members.**

- And finally: We will meet stringent environmental regulations to protect the health of our workers and the communities where West Coast ports are located. Automation has been – and will remain – an essential tool to reducing emissions and achieving environmental objectives approved by lawmakers in the major ports, particularly the nation's largest port complex in Southern California.

CONCLUSION

- As PMA's CEO, I understand the importance of vital West Coast ports for the ILWU members and their families, and to the millions of workers and businesses that rely on our ports every day.
- It's no secret that past contract talks between PMA and the ILWU have not always gone smoothly. That's why I've heard from worried importers and exporters across our nation about the upcoming talks. I've assured them, and I will reiterate now, that PMA's commitment is to reach a new contract with the ILWU – without disruption.
- Together, we've demonstrated our ability to work cooperatively to achieve great results under extraordinary circumstances. PMA will be guided by that spirit of cooperation, and by our understanding that healthy West Coast ports are vital to the national interest.
- Thank you.