



**RICK SCOTT**  
GOVERNOR

December 20, 2012

The Honorable Barack Obama  
President of the United States of America  
The White House  
1600 Pennsylvania Avenue, NW  
Washington, DC 20500

Dear Mr. President:

I write today regarding an issue that is critically important to the nation's economy, as well as the State of Florida. As you are aware, the International Longshoremen's Association (ILA) and the United States Maritime Alliance (USMX) have been in contract negotiations since March. Earlier this year, contract talks between the bargaining committees collapsed, raising the possibility of an October 1, 2012 strike or lockout that would have paralyzed cargo traffic moving in and out of 15 Atlantic and Gulf Coast U.S. ports, including those here in Florida.

As the October deadline approached, with the assistance of the Federal Mediation and Conciliation Services, the parties agreed to a 90-day contract extension to allow an opportunity for continued negotiations. After several weeks of on-again, off-again confidential talks, it appears the two sides are once again at odds over several issues of union compensation. Both parties are publicly acknowledging the lack of progress towards resolving these remaining issues. At this time, it appears likely that a strike or lockout affecting the 15 ports will occur when the contract extension expires on December 29.

As Governor of Florida, I am deeply concerned about the economic well-being of my state. The predicted effects of a strike on the State of Florida would be devastating. Cargo-related activity at Florida seaports currently generates more than 550,000 direct and indirect jobs in Florida, and contributes approximately \$66 billion in economic value to Florida's economy. Further, in just the last three years, Florida has invested \$421 million in our ports to grow our business links and take advantage of the benefits of trade with Central and South America, and to ready our state for the expansion of the Panama Canal and the potential for increased trade with Asia.

Additionally, if a strike occurs, it is not only the State of Florida that will be affected, but the entire country. The international liner shipping industry, as well as

retailers and distributors, are already preparing for inevitable shortages and supply chain backlash issues at ports outside the region that would remain operative in the event of a strike or lockout. A strike will affect everyone – including ports on the West Coast - as well as our intermodal capabilities. This issue must be addressed and resolved immediately.

Mr. President, as you know, only four years ago this country faced the greatest economic recession since the Great Depression. As we continue rebuilding from the turmoil and displacement wrought by that global economic calamity, we cannot afford to allow a suspension of terminal operations to extinguish the fragile recovery efforts. A strike affecting the East Coast and Gulf Coast ports would devastate small and large U.S. businesses throughout the supply chain and harm the millions of Americans they employ. Moreover, a closure of East and Gulf coast ports would wreak havoc on supply chains to our Armed Forces in the Middle East and elsewhere, impeding our war efforts and damaging U.S. national security interests. However, there are options available to the Administration that I believe should be considered expeditiously and put into action as soon as possible.

In 1947, Congress passed the Taft-Harley Act to address just this scenario. The Act empowers the President with the means to protect the public from labor disputes that will “imperil the national health or safety.” While the Act provides for injunctive relief, conciliation and mediation are the touchstone of Taft-Hartley; the Act does not authorize the federal government to impose any outside solution or even to make recommendations.

In two cases, past Presidents invoked – and federal courts approved – the use of the Act to address disputes at our Nation’s ports. Neither of those cases threatened the national economy as gravely as the anticipated ILA strike would today. In 1971, President Nixon invoked the national emergency provisions of the Taft-Hartley Act to address an on-going strike by West Coast longshoremen during the Vietnam War. More recently, President Bush invoked the Act in 2002 to end a shutdown at West Coast ports. In both cases, and particularly in 2002, invoking the Act helped guide the parties to an agreement.

The shutdown in 2002 lasted for 10 days before President Bush intervened; the country continued to suffer the ill-effects of the shutdown for months thereafter. The shutdown disrupted supply chains nationwide and cost U.S. importers, exporters, and the U.S. economy billions of dollars – the economic cost of the 2002 shutdown is estimated to have been as high as \$10 billion. Tons of perishable cargo were destroyed and it took over three months to clear the backlog of shipments. The country cannot

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afford another shutdown at this time. It is imperative that action be taken to prevent a shutdown before it occurs. History shows us that even a 10-day shutdown can cause lasting harm.

Consistent and effective operation of our East Coast and Gulf Coast ports is vital to the flow of international trade and commerce, both into and out of the United States, and has never been more important. The threat to national health and safety that would result from mass closure of the ports cannot be overstated. The Taft-Hartley Act provides your Administration with tools that can help avoid this threat. On behalf of the State of Florida, I respectfully ask that you invoke the Act to prevent a work stoppage when the contract between the ILA and USMX expires at the end of the month.

Thank you for your attention and consideration regarding this important matter. I look forward to working with you to do what is best for the region and the country as a whole.

Sincerely,

A handwritten signature in blue ink, appearing to read "Rick Scott", with a stylized flourish at the end.

Rick Scott  
Governor