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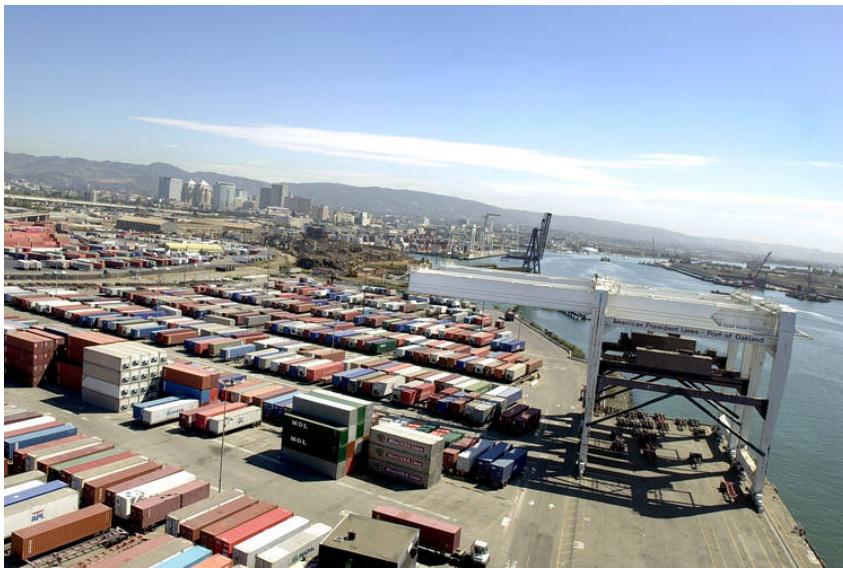
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BUSINESS | LOGISTICS REPORT

Exporters Tally the Damage From West Coast Port Delays

International Paper details 'millions of dollars' in extra costs from congestion at West Coast ports earlier this year



Shipping containers are shown at a major shipping terminal in the Port of Oakland's Middle Harbor *PHOTO: BLOOMBERG NEWS*

By **ERICA E. PHILLIPS**

Updated June 26, 2015 12:16 p.m. ET

SAN FRANCISCO—Agricultural exporters are still fuming over West Coast port delays earlier this year that left their goods stranded and cost them a big piece of their business.

At the annual meeting of the Agriculture Transportation Coalition in San Francisco Thursday, a panel of shippers—from family farmers to multinationals, including Cargill Inc. and International Paper Co. —recounted their experiences from late 2014 through

the first quarter of 2015, as labor contract negotiations dragged on between the West Coast dockworkers' union and the terminal operators and shipping lines at the 29 ports they serve.

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Avanti Nut Co. Inc. attributed \$50,000 in additional costs this year to the port slowdowns—something the small company could ill afford, said Vice President Nina Solari.

Ms. Solari called for changes to the union contract such as productivity goals “to hold union workers accountable,” and she suggested that the West Coast ports’ negotiating entities be broken up.

“Clearly, having one contract has shown the damage it can do,” she said.

The International Longshore and Warehouse Union and the Pacific Maritime Association, which represents West Coast port employers, reached terms of a new contract in late February after nine months of negotiations, but it took another several weeks before congestion cleared up at the ports.

Importers and exporters should have a seat at the table during port labor negotiations, alongside the PMA, Ms. Solari said. “What ultimately happens during these contract negotiations?” she asked the audience of 350 exporters, logistics companies, truck drivers, port officials and others. “The ILWU gets what they want, PMA pays for it and then turns around and charges us.”

Ms. Solari’s fiery delivery was met with a standing ovation that included other members of the panel.

Marlon Jones, export supply chain manager for International Paper, one of North America’s top five exporters of container cargo, said the West Coast port slowdowns cost the company three times more than it normally would have to ship their goods. International Paper lost “millions of dollars” and took a major hit to its competitive edge abroad, he said.

“We had 100% share of a lot of our customers,” Mr. Jones said, but foreign competitors

cut into that by pushing those companies diversify their sourcing to avoid U.S. port uncertainty. “They really played this West Coast fiasco to their hand,” he said.

Echoing the comments of many of the conference attendees, Mr. Jones concluded: “A lot of this business will never come back. To that I say we all lost.”

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Corrections & Amplifications:

Agricultural exporters spoke at the Agriculture Transportation Coalition’s annual meeting. An earlier version of this article incorrectly stated the name of the organization hosting the panel.

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