

## President Obama Sends Aid in the Negotiations as West Coast Congestion Worsens



Despite overcoming major obstacles with the agreement on healthcare and pay raise, as well as a tentative agreement on the jurisdiction of chassis maintenance, West Coast Labor Negotiations are seemingly at a standstill in their final stages. Concerned with the negative impact the West Coast congestion is having on the U.S. economy, as the main gateway for Asian exports entering into the U.S., President Obama announced over the weekend his intentions to push both parties to reach an agreement as quickly as possible by sending in U.S. Labor Secretary Tom Perez to participate in the talks. In addition to aiding in the negotiations, Perez will also keep Obama informed on the latest standing.

West Coast ports saw their container volume drop 6 percent in December, compared to the previous year, as West Coast terminals have been hindered by ILWU work slowdowns. Accordingly to Drew's Container Insight Weekly, as much as 150,000 TEUS have been diverted to the East Coast during 2014. In the fourth quarter, the gap for Asian Imports between East Coast and West Coast widened substantially with the West Coast marking an uplift of 3.6 percent while East Coast ports rose by 13.4 percent, in comparison. Drewry found in its weekly insight, "If one works on the premise that under normal circumstances cargo growth rates should be broadly similar across the U.S. eastern and western seaboards, then it would appear that as much as some 150,000 TEU could have been diverted to the USEC during 2014."

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