



December 17, 2012

The President
The White House
1600 Pennsylvania Avenue, NW
Washington, DC 20500

Dear Mr. President:

On behalf of the National Retail Federation, I am writing to express our growing concern regarding the likelihood of a major strike at container ports from Maine to Texas. With the current labor contract between the International Longshoremen's Association (ILA) and the U.S. Maritime Alliance (USMX) set to expire on December 29, the threat of a strike is escalating despite the efforts of a federal mediator.

As the world's largest retail trade association and the voice of retail worldwide, NRF represents retailers of all types and sizes from the United States and more than 45 countries abroad including department stores, specialty, apparel, discount, online, independent, grocery and chain restaurants, among others. Retailers operate more than 3.5 million U.S. establishments that support one in four U.S. jobs – 42 million working Americans. Contributing \$2.5 trillion to annual GDP, retail is a daily barometer for the nation's economy.

We know there are tough issues that have yet to be resolved during these negotiations, but it is critically important for the American economy that the two parties remain at the table until a new deal is finalized. The most recent negotiations ended on December 12 without reaching a final agreement, and the two parties have been negotiating a new contract on and off since April making little progress. A strike of any kind at ports along the East and Gulf Coast could prove devastating for the U.S. economy, particularly considering the economic setback suffered by the ports, especially the Port of New York/New Jersey, as a result of superstorm Sandy. We call upon you to use all means necessary, including Taft-Hartley, to keep the two sides at the negotiating table and head off a coast-wide strike.

The recently resolved 8-day strike at the Ports of Los Angeles and Long Beach has impacted importers, exporters and other transportation industries that depend on the ports. While the full impact of this disruption is still being calculated, one only needs to look at the 10-day lockout in 2002 that shut down all of the West Coast ports to see what kind of impact a coastwide strike could have. According to economists, the 2002 lockout led to lingering supply chain disruptions and cost the U.S. economy \$1 billion for each day of the lockout. It took over six months for the ports and retailers' supply chains to completely recover. The 2002 shutdown had a profound impact on the retailers, importers, manufacturers, agricultural exporters, transportation providers and other affiliated industries that rely on the ports every day, and we anticipate that an extended strike along the East and Gulf Coast could have a greater impact considering the fragile state of the U.S. economy.

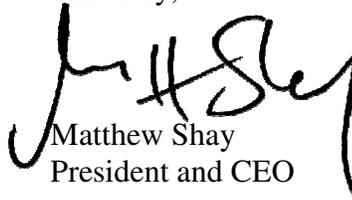
Liberty Place
325 7th Street NW, Suite 1100
Washington, DC 20004
800.NRF.HOW2 (800.673.4692)
202.783.7971 fax 202.737.2849
www.nrf.com

We cannot afford further supply chain disruptions as we enter 2013. The two sides must remain at the negotiating table until a deal is reached. We fully believe the two sides can reach an agreement that will ensure the continued competitiveness of these ports for the foreseeable future.

At this point, however, we believe that a strike will only be averted through immediate intervention by the administration. Allowing a strike to occur for even one day could have a negative impact on all of those downstream businesses and employees who rely on the ports. The U.S. economy cannot afford to wait for a strike to occur before we see administration action. We urge you to get engaged now with these parties to ensure a strike does not occur.

If you have any questions, please contact Jonathan Gold, Vice President, Supply Chain & Customs Policy (202-626-8193; goldj@nrf.com), in our office. Thank you for your consideration.

Sincerely,



Matthew Shay
President and CEO

cc: Members of Congress

Department of Transportation Secretary Ray LaHood
Department of Commerce Acting Secretary Rebecca Blank
The Honorable Robert J. Bentley, Governor of Alabama
The Honorable Jack Markell, Governor of Delaware
The Honorable Richard Scott, Governor of Florida
The Honorable Bobby Jindal, Governor of Louisiana
The Honorable Nathan Deal, Governor of Georgia
The Honorable Tom Corbett, Governor of Pennsylvania
The Honorable Martin O'Malley, Governor of Maryland
The Honorable Deval Patrick, Governor of Massachusetts
The Honorable Chris Christie, Governor of New Jersey
The Honorable Andrew Cuomo, Governor of New York
The Honorable Beverly Purdue, Governor of North Carolina
The Honorable Nikki Haley, Governor of South Carolina
The Honorable Rick Perry, Governor of Texas
The Honorable Bob McDonnell, Governor of Virginia