

TESTIMONY OF LEAL SUNDET, COAST COMMITTEEMAN
INTERNATIONAL LONGSHORE AND WAREHOUSE UNION

BEFORE THE

SENATE SUBCOMMITTEE ON INT'L TRADE, CUSTOMS AND GLOBAL COMPETITIVENESS

SENATE FINANCE COMMITTEE

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“Doubling U.S. Exports; Are U.S. seaports ready for the challenge?”

Mr. Chairman, thank you for inviting me to testify on behalf of the 65,000 members of the International Longshore and Warehouse Union, (ILWU). Based in San Francisco, our union represents longshore workers in California, Oregon, Washington, Alaska, and Hawaii as well as warehouse, maritime, agriculture and hotel and resort workers. I am an elected representative of the Coast Longshore Division, representing dockworkers in the three Pacific Coast States that include the major container Ports of Los Angeles/Long Beach, San Francisco, Seattle, Tacoma and Portland. I work out of our International office in San Francisco and am primarily responsible for all Labor Relations in Ports in Washington and Oregon, though I also deal with California Port issues. I started my career in the tiny Port of Newport, Oregon, transferred to Portland where I was elected President of the Local prior to running for the International office. I am currently serving my second elected term as a representative of the entire Coast Longshore Division.

President Obama has set a high goal of doubling exports and creating 2 million additional trade-related jobs. In previous testimony to Congress, the Department of Labor cited recent research that found the wages of workers are 10 to 11 percent higher at plants that export their products. We welcome the opportunity to load even greater amounts of agricultural goods for export as there are many high paid jobs associated with grain, wheat and other commodities. However, the President and Congress would be remiss if an opportunity were not taken to re-invigorate our industrial base and create manufacturing jobs so we can export value-added products.

The ILWU's priority is the maintenance of good jobs and the creation of good paying jobs with benefits. There is a direct correlation between making the necessary investments in our transportation system and job creation. Infrastructure investments are critical to the long term economic health of our country.

The Recovery Act was a start, keeping the country from sliding further into a depression. The Recovery Act investments created or sustained 280,000 transportation project jobs. Employment growth, including direct and indirect jobs related to these investments, grew by 890,000, according to the House

Transportation and Infrastructure Committee. However, the infrastructure investments were not enough to catapult us out of the recession. The number of the unemployed continues to rise. Therefore, Congress must commit to larger scale investments in jobs and infrastructure if we are to accelerate economic growth and fix the high rate of unemployment in the long term.

Necessary investments in rail and road improvements need to be concentrated in and out of our nation's public ports if we are to double exports. The infrastructure investments in our roads, bridges and rail are critical to the efficient movement of our cargo. Major investments in rail and fast corridors must be a higher priority. For the west coast, it is vitally important that investments be made on projects that move cargo from east to west and visa-versa. Recovery Act projects such as the Gerald Desmond Bridge replacement in Long Beach achieves the priority of moving the cargo efficiently from the interior of the country for export while creating approximately 21,980 jobs. In addition, the Recovery Act investment in the Mercer corridor in Seattle achieves the goal of efficiently moving our exports while creating an estimated 7,000 jobs. These investments as well as investments in infrastructure in the interior of the country are necessary to move exports more efficiently. In terms of investing in port infrastructure, we recommend that Congress continue to work with the public ports on their needs rather than looking at private facilities.

The federal government is carrying a significant deficit, which means every project request should not be funded. Too often do we see other projects funded that have little to do with moving cargo more efficiently or creating high wage jobs of the future. Instead, Congress needs to be making the necessary investments in road, bridge and rail projects a priority.

The ILWU provides skilled labor to handle containers for operators involved in loading and unloading containers on barges or ships. Recently, the Department of Transportation awarded the inland ports of Stockton and Sacramento with \$30 million dollars of stimulus funds for the purpose of carrying agricultural products on barges from these ports to the Port of Oakland. As far as we know, there are no barge operators who have committed to this service. No operator is currently talking to us about making this service a reality. Furthermore, agriculture shippers have not committed to using the service. Fred Klose, executive director of the California Agricultural Export Council said, "There are going to be a lot of costs that come up that nobody really was expecting." The Department of Transportation is making an investment in cranes and docks for ports even though the "short sea shipping" project will not work in the long term, according to ILWU officers who have decades of experience in the industry. This is \$30 million that could be spent on rail separation projects, fast corridors, and bridge replacements – projects that are certain to create good jobs and move our cargo efficiently.

The ILWU argues the same can be said regarding the spending on port security projects. How many new fences and cameras are really necessary? Is it an impediment to efficient trade to spend countless millions of dollars to radiate 100 percent of containers for export? Do we need to screen a sufficient number of containers that would create the same barrier? The TWIC program is a hugely expensive program that provides very minimal security benefits. Due to incompetence, delays, and lack of concern by TSA employees, the TWIC program has caused great pain for our hard working American citizens.

Please see the attached article concerning a longshoreman from Portland who suffered at the hands of the TSA.

Prior to 9/11, there was a great deal of attention given to the infrastructure necessary to relieve congestion in and out of our ports. Creating fast corridors to move exports and imports that benefit the entire nation as well as workers engaged in international trade became a top priority. The ILWU testified before the House Transportation and Infrastructure Committee on the need to make investments in rail and offered ideas on space management at ports for the purpose of alleviating congestion and more efficiently moving cargo. Of course the attention turned to security after the attacks on our country, but it is now time to prioritize the building of our infrastructure.

The ILWU supports SAFETEA-LU reauthorization. In the context of that legislation, we support a dedicated funding mechanism for infrastructure projects at U.S. seaports and surrounding areas to improve the movement of goods, and mitigate environmental damage caused by the movement of goods. Any fees or taxes levied should not have the effect of diverting cargo to Mexico or Canada. The ILWU represents longshoremen in British Columbia and though it is not our intention to take any work from them, we do want U.S. policy to have the effect of moving and expanding port and trade related jobs away from the United States.

The Corps of Engineers civil works budget should be fully funded to complete critical port maintenance and deep dredging projects. These projects are essential to keep American ports competitive, particularly with the growing need for channels to accommodate a new generation of vessels that require deeper drafts. The harbor maintenance tax surpluses should not be used to mask the federal deficit but should be dedicated to projects that will help provide the capacity to double our exports over the next 5 years.

The ILWU is in full agreement with the Port of Portland regarding the need to keep industrial property around ports from being taken over by condos and apartments or other types of non-trade related development. These areas must be set aside for warehouse jobs related to international trade. This is important for job creation and the efficient movement of our exports and imports. The ILWU is in a constant battle with developers who want to encroach upon our ports. Recently, we won these battles against developers in San Diego and Sacramento but we should not be in a position of constantly fighting development at the expense of port and trade related jobs.

Thank you for inviting us to testify today on this important subject.