



**WRITTEN TESTIMONY OF
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**BEFORE THE
COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE
SUBCOMMITTEE ON COAST GUARD AND MARITIME TRANSPORTATION
U.S. HOUSE OF REPRESENTATIVES**

**HEARING ON “THE STATUS OF THE U.S. MARITIME SUPPLY CHAIN DURING
THE COVID-19 PANDEMIC”**

February 9, 2021

Good morning, Chairman Carbajal, Ranking Member Gibbs, and members of the Subcommittee. Please accept our congratulations; we in the maritime industry look forward to your leadership in the 117th Congress. My name is Lauren Brand, and I am the President of the National Association of Waterfront Employers (NAWE). The members of NAWE and I thank you for this opportunity to relay what we are experiencing during these unprecedented times.

NAWE is the voice for U.S. marine terminal operators, stevedores, and operating port authorities. Our members are the U.S. entities who are responsible for safely and securely transporting freight and passengers between vessels, trucks and rail at U.S. ports in 34 States and Puerto Rico. Our terminals are located on the Atlantic, Pacific and Gulf Coasts, the Great Lakes and a portion of the inland waterway system. Members also include the associations responsible for labor relations and contract negotiations with the ILA and the ILWU in all coastal states. I would like to request my formal written remarks be entered into the record at this time.

We would like to share three items with you today:

1. Prioritization of vaccinations for the women and men who work on the waterfront so that we can keep freight moving. NAWE has written to the Governors of thirty-four States and Puerto Rico seeking vaccination priorities. We respectfully request you instruct the

Center for Disease Control (CDC) to recognize ports as viable inoculation sites for transportation workers.

2. Funding the Marine Transportation System Emergency Relief Program (MTSERA). We thank Chairman DeFazio for his leadership in drafting this and applaud you for your support in passing this important piece of legislation last Congress. \$3.5B will help the maritime industry begin to recover.
3. Promotion of innovative port and intermodal infrastructure assistance programs and policies that address our system as a network of transportation corridors vs. modal silos.

Prioritize vaccinations for the women and men who work on the waterfront so that we can keep freight moving.

NAWE's members hire labor, fund the purchase of cargo moving equipment, construct intermodal infrastructure and design systems that track each shipment. At the hearing held on May 29, 2020, I reported on significant COVID-19 related challenges. Today, the health and safety of waterfront workers remains our number one priority. We have redesigned operating areas and implemented protocols that meet or exceed CDC guidelines. Now we need vaccines for the women and men who work on the waterfront.

To quote from a letter issued by the leaders of the ILA, ILWU, PMA and USMX¹: "Since the start of the pandemic last year, America's maritime workforce has answered the call of duty to keep our ports open for business and warehouses and store shelves fully stocked...In recent weeks, however, COVID infections among frontline port workers have reached crisis levels in many locations... For example, at the Ports of Los Angeles and Long Beach, America's largest port complex, almost as many longshore workers tested positive in the first three weeks of 2021 as in the first 10 months of the pandemic, from March through December of 2020. Other port regions report similar, troubling increases."

At times we are facing a shortage of workers. Imagine the number of employees needed to be ready for a 24-hour security detail...and then they are quarantined due to exposure to COVID-19. How quickly can a critical team be replaced? We respectfully request that CDC work with

¹ International Longshoremen's Association (ILA) is the largest union of maritime workers in North America, representing upwards of 65,000 longshoremen on the Atlantic and Gulf Coasts, Great Lakes, major U.S. rivers, Puerto Rico and Eastern Canada. The International Longshore and Warehousemen's Union (ILWU) represents approximately 40,000 longshoremen in the States of Alaska, Washington, Oregon, Hawaii and California. The Pacific Maritime Association (PMA) negotiates and administers the maritime labor agreements with the ILWU for the 29 U.S. West Coast ports. The United States Maritime Alliance, Ltd. (USMX) is an alliance of container carriers, direct employers, and port associations serving the East and Gulf Coasts of the U.S.

States to designate gateway port authorities and terminals as sites where all essential waterfront and transportation workers can be inoculated. Vaccination sites designated at ports for essential workers represent a practical way to protect the waterfront and ensure the integrity of the supply chain. This will be an expedient way to serve thousands who work in or around a single location. Ports have the space to make this happen. We are willing to work with the CDC and States on this initiative.

Funding the Marine Transportation System Emergency Relief Program (MTSERA).

The MTSERA program is vital to this industry. It is historic in that rather than passing a one-and-done stimulus program, MTSERA is a true disaster relief program that includes this pandemic situation. Declared March 13, 2020, the pandemic has been raging for eleven months now, and is projected to continue its impact well into 2022. Funding MTSERA at \$3.5B or more, will begin to enable this industry to recover. Each of our members is a key leader in the movement of freight. They handle containers filled with consumer goods and manufacturing parts, bulk products needed to build roads, agriculture shipped overseas to feed other nations, export cars and heavy equipment that is made in the U.S., petroleum products needed to propel trucks, trains, planes and automobiles, and, yes, they handle thousands and thousands of boxes of PPE and equipment needed to fight COVID. The expenses incurred meeting CDC guidelines for sanitation, separation and protection of workers is steadily increasing. Some have been able to continue infrastructure projects, while others have had to put them on hold. A full twenty-four percent are also responsible for the safe, secure transfer of passengers, luggage and provisions onto and off of large and small vessels. These are U.S. taxpayers who will have not been able to work for over 18 months or more before this pandemic is over. We are losing uniquely skilled workers during this down time. The resulting financial hit is a hard, stressful blow to employers and workers alike. MTSERA is the only program that has been made available to this sector.

Promotion of innovative port and intermodal infrastructure assistance programs and policies that address our system as a network of transportation corridors vs. modal silos.

Which leads me to the question: how quickly can freight move in a system that is stretched beyond its capacity? You may be aware that the maritime trade lane into the Pacific Southwest is saturated. This is primarily due to a consumer shift from buying services to buying goods.

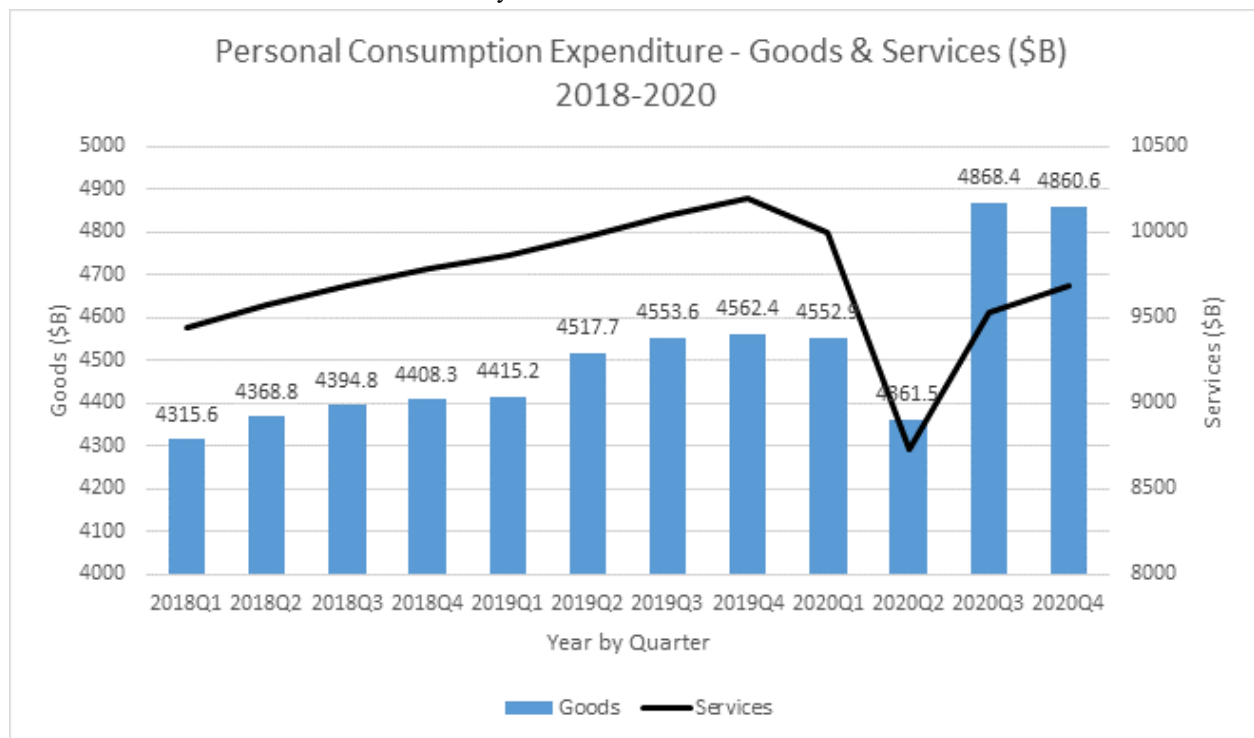
Our intermodal transportation system was designed in response to the market. The market demanded where roads and rail would be built and selected their ports of entry. The market defined expected cargo flows, built distribution centers to accommodate their projected shipments, and ordered the number of trucks and chassis needed to move it all. COVID-19 has changed the volumes flowing through this trade lane faster than the system can reinvent itself.

Today’s demand for retail products, agricultural exports, PPE and equipment to fight COVID-19, finished components to support domestic manufacturing, raw material to support heavy industry, and continual personal protective equipment has pushed the system to its limits. Ninety-eight percent of the international fleet of container ships are currently being utilized and are at sea. Using our nation’s number one gateway of Los Angeles and Long Beach as an example, this import supply chain has been challenged with record-breaking volumes of cargo orders. As a result, a series of related challenges have clogged the import supply chain:

- the inland distribution centers are operating at, or above, designed capacity,
- because inland warehouses are full, import cargo is being stored “on wheels”,
- and containers are being parked in auxiliary yards between the port and the warehouse which has essentially exhausted the supply of chassis.

What is the impact to terminals? Loaded containers are dwelling on marine terminals for eight days; marine terminals have been designed to securely store containers for half that amount of time. Today cargo volumes at terminals are “dense”; containers that are normally stacked 3-high are now being stored 5-high.

Chart source: U.S. Bureau of Economic Analysis



Here is one example of what is happening: a trucker is dispatched to pick up your container, which is now probably at the bottom of that stack, requiring the stevedore to move four other containers to retrieve your load. These added container moves degrade terminal efficiency while vastly increasing operating costs...and the truck driver has been kept waiting. The good news is

that union dockworkers have been reliable partners and are working five-plus days a week and Eastbound rail transits have sustained scheduled services.

As of last week, there were 37 container ships at anchor outside the two ports of Los Angeles and Long Beach, awaiting a berth in port. We estimate that equates 185,000 loaded containers at anchor awaiting off-load. This is the scope and scale of our challenge. Every shipper is anxiously awaiting their cargo. Every load is critical. Everyone wants their goods yesterday. We recognize this pressure, as these goods are necessary to bolster our Nation's economic engine.

While these challenges are most pronounced in one region of our nation, they demonstrate the risk to the system posed by the current pandemic and the immediate need to prioritize maritime workers for vaccines and invest in the industry's ability to withstand the financial pressures and recover. To date, operations in other regions have been able to handle issues as they arise, but even where terminals are not experiencing significant operational delays, they still requiring additional sanitizing – especially between shifts – to allow safe work in the pandemic.

We encourage the development of port and intermodal infrastructure assistance programs and policies that address our system as a network of transportation corridors vs. modal silos. And we stand ready to work collaboratively with others in the maritime industry, State and Federal entities to innovate and implement such programs.

In summary, Marine terminal operators, stevedoring firms and operating port authorities remain committed to ensuring the intermodal transportation needs of the United States are met. For the record, I must let you know that the U.S. Coast Guard has been thorough and applied common sense while approaching their mission and in interactions with marine terminal operators and stevedores during the pandemic. For that we thank them.

We appreciate the dedication of this Subcommittee and your continued support for the maritime industry.

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