



December 6, 2012

Mr. Harold Daggett
President
International Longshoremen's Association
5000 West Side Ave.
North Bergen, NJ 07047

Mr. James Capo
Chairman and CEO
United States Maritime Alliance, Ltd.
485C US Highway 1 South
Iselin, NJ 08830

Dear Mr. Daggett and Mr. Capo:

On behalf of the National Retail Federation (NRF) and the millions of employees we represent and the customers we serve, I am writing to urge both parties to immediately reach agreement on a new contract during next week's negotiating session. It is critical that a new deal is reached before the current contract extension ends on December 29.

We understand and recognize that there are tough issues that need to be resolved. The issues will only be resolved, however, by agreeing to stay at the negotiating table until a final deal is reached. Failure to reach agreement will lead to supply chain disruptions which could seriously harm the U.S. economy.

Because of the uncertainty of the contract negotiations at the end of the summer, many retailers enacted contingency plans to ensure that holiday merchandise would reach stores in time for the critical holiday shopping season. These moves were taken because of the real risk of supply chain disruptions. The contingency plans carried a great expense but were necessary to avoid potential disruptions. Retailers have already begun their January shipments and many again have looked to implement costly contingency plans to ensure their spring merchandise can arrive in time.

The East and Gulf Coast ports cannot afford to have a shutdown as a result of a failure to reach a new contract. You are well aware of the economic impact that Superstorm Sandy has already had on the region, specifically on the Port of New York/New Jersey. This port cannot afford to be shut down again as a result of a labor dispute.

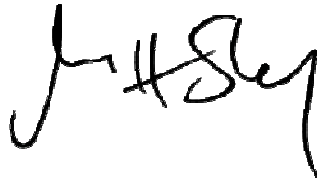
Having a secure, long-term longshore labor contract in place is critical to ensure that the East and Gulf Coast ports continue to benefit from growing freight volumes. Without such certainty, retailers and others will surely reevaluate their supply chains and their short-term and long-term reliance on these ports. The impact of the recent actions at the Ports of Los Angeles and Long Beach are currently being assessed; but like in 2002, these actions have had a considerable affect on the U.S. economy and it will take weeks, if not months, to recover from the disruptions. The East Coast and Gulf Coast ports cannot afford to go through a similar disruption.

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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.

Again, we urge both parties to remain at the negotiating table to resolve the remaining issues under the contract. These negotiations are too important not be resolved as soon as possible and without disruptions to the supply chain. We continue to believe that both parties can reach an agreement that will ensure the continued success and competitiveness of these ports for the foreseeable future. If you have any questions, please contact Jonathan Gold, NRF's Vice President, Supply Chain and Customs Policy at (202) 626-8193. Thank you for your consideration.

Sincerely,

A handwritten signature in black ink, appearing to read 'M. R. Shay', with a stylized, cursive script.

Matthew R. Shay
President and CEO