

# Retailers feel lockout pinch

A prolonged shutdown may keep goods off shelves, stick customers with high prices.

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LOS ANGELES—The dock shutdown on the West Coast tightened the squeeze on businesses across the country Tuesday, holding up Christmas toys and worrying automakers that rely on just-in-time delivery of parts.

The lockout of dockworkers at all 29 West Coast ports is also hurting freight railroads and trucking companies that haul cargo to and from the coast. Some businesses are considering sending goods by air, a more expensive option.

If the labor dispute is not settled quickly, business leaders said, shoppers could see higher prices and less selection this holiday season.

"This is the two-minute warning for the Christmas season. We got hit at the most vulnerable moment," said Charlie Woo, founder and chief executive of Megatoys in Los Angeles, which has \$750,000 worth of toys in transit. "The customer wants my stuff, but it's on the water."

The Pacific Maritime Association, which represents shipping companies and terminal operators, has locked out about 10,500 members of the International Longshore and

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Warehouse Union since Sunday.

On Tuesday, a federal mediation session fell apart before it began. Union representatives stormed out, saying their employers showed up with "gun-toting security guards."

Jim Spinosa, the union's president and chief negotiator, accused the Pacific Maritime Association of sabotaging the session.

"PMA's lockout is holding a gun to the head of the American economy and now they move to aim real guns at

us," Spinosa said.

A spokesman for the association said the guards were there to ensure the safety of the association's president and chief negotiator.

The port shutdown came at the most critical time for all kinds of retailers, from sellers of toys to electronics stores.

If the situation drags on, "things are not going to be arriving on shelves when they are supposed to be," said Erik Autor, international trade counsel at the National Retail Federation.

Many merchants have protected themselves by shipping some holiday goods in advance by aircraft. But air shipping is expensive and stores could pass the costs along to customers.

The auto industry relies almost exclusively on container ships because most parts are large.

"A day's worth of disruption is not enough to create enormous concern, but if it extends, yes, there will be some difficulties," said Xavier Dominicus, a spokesman for Toyota Motor Sales USA in Torrance.



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