



January 31, 2023

The Honorable Sam Graves
Chairman
Transportation Infrastructure Committee
U.S. House of Representatives
2167 Rayburn House Office Building
Washington D.C. 20515

The Honorable Rick Larsen
Ranking Member
Transportation Infrastructure Committee
U.S. House of Representatives
2163 Rayburn House Office Building
Washington D.C. 20515

Dear Chairman Graves and Ranking Member Larsen:

Thank you for convening today's hearing on supply chain and transportation challenges, recognizing the considerable impact of recent supply chain problems on manufacturers, shippers, and consumers across America.

But recognizing past impacts is, of course, not enough. Pandemic disruption, port congestion and an averted freight rail strike may no longer be front page news, but supply chain concerns seem likely to persist through 2023 and beyond, absent proactive action and policy intervention to strengthen competitiveness and resilience. Long lead times for manufacturing components, soaring production costs, out-of-stock products and inflation are leading indicators that we can and should be doing more to protect American consumers, including through efforts to improve supply chain fluidity.

Acting now to Improve supply chain fluidity can help reduce the chances of high-profile problems later on and provide economic and quality of life benefits today.

Supply chains are the backbone of economic growth, national security and consumers' quality of life. But even before the COVID-19 pandemic, America's food, beverage, household and personal care manufacturers expressed growing concern over the state of U.S. supply chains.

And the Members of the Consumer Brands Association have direct knowledge. Our membership includes many Fortune 500 companies and other important companies well known to the public. Collectively the annual gross revenue is in the hundreds of billions of dollars as part of the work product of millions of employees and contractors. We have to make and move and receive the products. We are taking an increasingly intense interest in improving transportation, logistics and supply chain performance. We work with carriers but they need our products to carry and we increasingly have our own views on how to improve movement of the products that make up the economy.

In recent years we have seen cracks in the system – issues as far-ranging as the truck driver shortage, truck parking, freight capacity, rail performance, maritime shipping challenges, port congestion, inadequate data sharing and the untapped opportunity of emerging technologies – imperil business operations, slow manufacturing lines, foster inefficiencies and add to



consumer costs.

These challenges and others like them offer a roadmap for steps the Congress may take to strengthen supply chains. For all of the talk about supply chains and the importance of them, there remain many avenues for members of Congress to enhance resiliency through strategic policymaking.

One of the most encouraging signs of potential progress on supply chain issues is the introduction of legislation like the *SHIP IT Act*, offered by Reps. Dusty Johnson (R-SD) and Jim Costa (D-CA). The *SHIP IT Act* serves as a template for proactive, practical legislation addressing specific supply chain challenges, like the lack of truck parking on highways across America, much-needed incentives for truck driver recruitment and training, and the assurance of regulatory flexibility during emergencies to ensure safety and business continuity. The *SHIP IT Act*, and any complementary proposals developed this year by Committee members, offer opportunities to enhance efficiency, safety, sustainability and performance --- all to the benefit of U.S. manufacturers, consumers and transportation providers.

From agriculture, to manufacturing, to the technology start-ups of tomorrow, all American industries and consumers rely on the strength of our national supply chain. It is imperative that we strengthen, protect and modernize this delivery system, which can be harmed not just by geopolitical events like the pandemic and war in Ukraine, but also by failure to invest in and improve how freight flows across America now, to reduce the chances of the problems we have seen arising again.

Government policy should help – not hinder – private sector efforts to deliver for consumers, working in parallel to ensure the availability, affordability, and accessibility of everyday essential products.

Thank you for your interest in strengthening American supply chains, and for convening today's hearing. This is a first step that must be followed by common sense actions to improve policies and approaches so that we can all deliver for America for decades to come.

Sincerely,

A handwritten signature in black ink, appearing to read 'Tom Madrecki', written in a cursive style.

Thomas Madrecki
Vice President, Supply Chain
Consumer Brands Association