## Congress of the United States

## House of Representatives

COMMITTEE ON OVERSIGHT AND REFORM 2157 RAYBURN HOUSE OFFICE BUILDING WASHINGTON, DC 20515-6143

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October 14, 2021

Mr. John D. Porcari Port Envoy Supply Chain Disruptions Task Force White House 1600 Pennsylvania Ave. N.W. Washington, DC 20500

Dear Mr. Porcari:

We write today to urge the Biden Administration to address the ongoing supply chain crisis in the United States. The COVID-19 pandemic dampened our economy, including disrupting supply chains. These disruptions were supposed to be temporary. Due to labor shortages and growing backlogs, they are now expected to last through 2022, delaying deliveries of everything from food to life-saving prescriptions. Meanwhile, the Biden Administration appears unwilling to recognize the growing supply chain crisis. Instead, the Vice President is advising parents to buy Christmas gifts early—something much easier for those workers not awaiting a Christmas bonus—and blaming climate change.<sup>2</sup>

On September 1, 2021, 40 container ships were anchored off California, waiting for a berth. Less than three weeks later, that number reached a record-breaking 73 container ships.<sup>3</sup> Some vessels sit for more than two weeks (compared to the pre-pandemic norm of 3.5 days), effectively cutting access to and availability of innumerable consumer products.<sup>4</sup> Once on land, shipping containers sit in temporary storage, sometimes for weeks, awaiting space on an outbound truck or train.<sup>5</sup> Nationwide, trains are caught in massive backups as well—at one point, trains trying to enter a Chicago railyard were backed up for 25 miles.<sup>6</sup> Each delay causes further backlog in the supply chain, driving up costs for companies and consumers. Although President Biden announced yesterday that the Port of Los Angeles will remain open 24 hours, 7 days a week to alleviate the backlog, this does little to address the root causes of the backlog, including severe labor shortages.

<sup>&</sup>lt;sup>1</sup> David J. Lynch, *Inside America's Broken Supply Chain*, THE WASH. POST (Oct. 2, 2021).

<sup>&</sup>lt;sup>2</sup> Ian Schwartz, VP Kamala Harris: If You Want To Have Christmas Gifts For Your Children Now Is The Time To Start Buying, Real Clear Politics (Aug. 24, 2021).

<sup>&</sup>lt;sup>3</sup> David J. Lynch, *Inside America's Broken Supply Chain*, THE WASH. POST (Oct. 2, 2021).

<sup>&</sup>lt;sup>4</sup> *Id.*; David J. Lynch, *From ports to rail yards, global supply lines struggle amid virus outbreaks in the developing world,* THE WASH. POST (Jul. 26, 2021).

<sup>&</sup>lt;sup>5</sup> David J. Lynch, *From ports to rail yards, global supply lines struggle amid virus outbreaks in the developing world,* THE WASH. POST (Jul. 26, 2021).

<sup>&</sup>lt;sup>6</sup> David J. Lynch, *Inside America's Broken Supply Chain*, THE WASH. POST (Oct. 2, 2021).

The delays at ports, railyards, and warehouses stem directly from extreme labor shortages, caused in large part by the Biden Administration's and congressional Democrats' misguided policy to pay people not to work. In the critical category of truck driver, the need is so acute some companies have resorted to recruiting from other countries. Further, President Biden's unilateral vaccine mandate will likely worsen the situation as employers are forced to terminate employees unwilling to be vaccinated.

Chronic shipping delays are contributing to growing inflation—inflation the Biden Administration's unnecessary spending sprees caused. This month, the median cost of shipping a standard rectangular metal container from China to the West Coast of the U.S. hit a record \$20,586, almost twice what it cost in July, which was twice what it cost in January. Goldman Sachs cut its fourth-quarter economic growth forecast from 6.5 percent to 5.5 percent citing supply chain issues. Retailers' inventories are near a 30-year low and toymakers are urging consumers to shop months early for Christmas gifts. Consumers are confronting higher prices and shortages of grocery items, gas, and cars. In fact, wholesale inflation rose 8.3% last month from August 2020, according to the U.S. Department of Labor. Meat, poultry, fish, and eggs are up 5.9% year-over-year, and up 15.7% from prices in August 2019.

Is this acceptable to the Biden Administration? Watching Americans struggle to pay more for everyday goods. Seeing ships anchored outside of our ports of entry and trains stalled in our railyards. Stores struggling to keep their shelves stocked. Help wanted signs littering every retail establishment in the country. It must be acceptable, because the Biden Administration has shown little interest in helping the American people. Rather, it appears more interested in growing the federal government's power and reach, from spending trillions in taxpayer dollars to pushing vaccine mandates. If we pass the Democrat's proposed \$3.5 trillion spending bill which raises taxes across the board, the cost of living for every American will increase. Between inflation and the new taxes in the bill, there will be no prosperity, but may be this is the intent of the Biden Administration.

To better understand the Biden Administration's approach to solving the supply chain crisis, we request a staff level briefing no later than October 26, 2021.

The Committee on Oversight and Reform is the principal oversight committee of the U.S. House of Representatives and has broad authority to investigate "any matter" at "any time" under House Rule X. Thank you in advance for your cooperation with this inquiry.

<sup>&</sup>lt;sup>7</sup> Amelia Thomson-DeVeaux, *Many Americans Are Getting More Money From Unemployment Than They Were From Their Jobs*, FIVETHIRTYEIGHT (May 15, 2021).

<sup>&</sup>lt;sup>8</sup> Amanda Mull, *Americans Have No Idea What the Supply Chain Really Is*, THE ATLANTIC (Sept. 21, 2021).

<sup>&</sup>lt;sup>10</sup> David J. Lynch, *Biden administration struggles to fix ailing supply chain as holiday season looms*, THE WASH. POST (Sept. 24, 2021).

<sup>&</sup>lt;sup>11</sup> *Id*.

<sup>&</sup>lt;sup>12</sup> Josephine Nesbit, *Grocery Shortage Costs Are Falling to US Consumers* — and 64% Are Fed Up, Survey Says, Go Banking Rates (Sept. 28, 2021).

<sup>13</sup> Id.

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Sincerely,

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Ranking Member
Committee on Oversight and Reform

Glenn S. Grothman
Ranking Member
Subcommittee on National Security

Ralph Norman
Ranking Member
Subcommittee on Environment

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Jim/Jordan Member of Congress

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Andrew S. Clyde Member of Congress

Jake LaTurner
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Member of Congress

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Member of Congress

cc: The Honorable Carolyn Maloney, Chairwoman Committee on Oversight and Reform

The Honorable Gerald E. Connolly, Chairman Subcommittee on Government Operations

The Honorable Stephen F. Lynch, Chairman Subcommittee on National Security

The Honorable Raja Krishnamoorthi, Chairman Subcommittee on Economic and Consumer Policy

The Honorable Ro Khanna, Chairman Subcommittee on Environment

The Honorable Jamie Raskin, Chairman Subcommittee on Civil Rights and Civil Liberties