

October 21, 2021

The Honorable Gina M. Raimondo
United States Department of Commerce
1401 Constitution Avenue, N.W.
Washington, D.C. 20230

Dear Secretary Raimondo:

Thank you again for your engagement with our Advisory Committee on Supply Chain Competitiveness (ACSCC), and for your continued leadership in addressing our national supply chain sourcing and congestion crisis as co-lead of the White House's Supply Chain Disruptions Task Force.

Since our August recommendation to you, our national supply chain delays and congestion crisis has intensified, with no definite short-term end in sight. The impacts of importers' move to a just-in-case ordering pattern, spurred by COVID sourcing and port problems overseas and volume-related shipping delays, have now spread beyond the West Coast. The system capacity overload caused by this import surge is rapidly congesting and delaying cargo movement at all major U.S. seaports, terminals, warehouses, distribution centers, and truck and rail services, as there are not enough container truck chassis, rail cars, truck drivers, facility laborers, and cargo storage space to rapidly unload this inbound volume and return trucks, chassis, and containers into supply chain circulation. These capacity overload problems have also now spread beyond container cargoes and are halting the movement of bulk, breakbulk, and liquid cargoes, affecting nearly all U.S. production sectors. Inbound cargo vessels of all types are now unable to enter these newly-affected ports and increasingly have to remain offshore – as they do on the West Coast – further stalling cargo flow and supply chain fluidity. The Federal Government does not have the regulatory tools or the authority to resolve this massive, multifactor private supply chain crisis without creating further stasis.

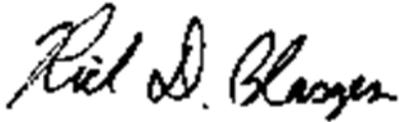
The four recommendations to you that we have adopted today, taken together with our August recommendations, represent the consensus of the national supply chain experts on the Committee on actions that must be taken immediately to add the cargo movement fluidity and the desperately-needed equipment and labor resources that our Nation needs to avoid further meltdown of our national cargo movement and supply chain system. We strongly urge you to move rapidly to work with the White House and with other Federal agencies to implement the four short-term actions listed below, in addition to the actions that we recommended in August.

Most crucially and urgently, as we face this rapidly intensifying and deepening national crisis, the Department and the Federal Government must use its convening power to help bring together stakeholders from across the full range of America's supply chains, and to incentivize all stakeholders to immediately communicate, coordinate, and collaborate to marshal all available

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Federal, State, and private sector resources to rapidly facilitate and expedite the injection of sufficient equipment, inland storage space, and workforce needed to moderate these system delays and to maximize available system efficiency until the massive volume of inland cargo flow eases. Only then will our high-volume and high-value exports and imports flow without delay again, and our retailers and manufacturers be able to put the products on shelves and the vital components into produced goods, that are crucial to keeping our industrial base, job base, and economy in operation without risking further national economic damage.

Respectfully submitted,



Rick D. Blasgen
Advisor / Former President and CEO
Council of Supply Chain Management
Professionals
Chair, Advisory Committee on Supply Chain
Competitiveness



Rick Gabrielson
President
RS Gabrielson and Associates
Vice Chair, Advisory
Committee on Supply Chain
Competitiveness
Chair, Freight Movement Policy and
Infrastructure Subcommittee

ATTACHMENT: National Supply Chain Disruption Crisis Recommendations, October 2021

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NATIONAL SUPPLY CHAIN DISRUPTION CRISIS RECOMMENDATIONS**

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1. The Department, working with the private sector and members of the White House Supply Chain Disruptions Task Force, should work with each major U.S. container port and its stakeholders to establish a short-term, public-private supply chain congestion crisis collaboration group at each port that identifies and immediately utilizes all available stakeholder and Federal Government resources to expedite the movement of container cargoes end-to-end between that port and its cargo owners and end users.
2. The Department should work with partner Federal agencies to incentivize U.S. ports, terminals, and stakeholders, including trucking providers, railroads, and shippers, to implement customized information-sharing technologies, based on an agreed-upon set of standards and cargo status and location data elements and made accessible supply chain-wide, to help each stakeholder to optimize their resource usage and to improve cargo movement fluidity and operational efficiency throughout the port's supply chains.
3. To alleviate the severe shortage of available truck drivers during the supply chain congestion crisis, the Department, working with the Department of Defense, partner Federal agencies, U.S. ports, and trucking company leaders, should immediately promote and facilitate volunteer opportunities at U.S. trucking companies, as well as compensated activities to the extent allowed by Department of Defense and State ethics rules, for trained U.S. military truck drivers, veterans, and National Guardsmen to help move cargo from seaports to end users.
 - The Department, together with the Department of Transportation, should work with the U.S. insurance industry to resolve impediments to this effort.
 - A small industry stakeholder group should be developed to work with the Secretary and other agencies to determine the action steps necessary to implement this recommendation.
4. To expand limited U.S. container truck chassis availability, the Department should work with partner Federal agencies to:
 - Establish a \$1,000-per-chassis (or more as needed) investment tax credit or rebate for U.S. truck chassis manufacturers, in order to stimulate increased U.S. truck chassis production;
 - Consideration should be given to the use of radial tires, LED lights, and tracking options in the manufacturing process
 - Provide a one-time grant to U.S. truck chassis manufacturers who establish a new U.S. production site and who commit to producing an agreed-upon minimum number of container chassis per year;
 - Suspend, for two years, U.S. countervailing duties on chassis manufactured in China.

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