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November 29, 2021

The Honorable Joseph R. Biden President of the United States The White House 1600 Pennsylvania Avenue, NW Washington, D.C. 20050

Dear President Biden:

On behalf of the Retail Industry Leaders Association and its member companies I am writing to express our appreciation for your administration's focus on addressing the disruptions facing our nation's supply chain and offer recommendations for additional actions that will further alleviate existing bottlenecks.

The COVID-19 pandemic brought unprecedented global disruption and exposed weaknesses in America's supply chain networks, which must be corrected and fortified so this and future disruptions are minimized. The administration's actions on ports are a welcomed step in easing congestion, and retailers support additional measures to reduce the continuing increasing costs incurred by U.S. businesses and families, which are hampering the economic recovery.

The Retail Industry Leaders Association (RILA) is the trade association of the world's largest, most innovative, and recognizable retail companies and brands. We convene decision-makers, advocate for the industry, and promote operational excellence and innovation. Our aim is to elevate a dynamic industry by transforming the environment in which retailers operate. RILA members include more than 200 of the largest U.S. retailers, product manufacturers, and service suppliers, which together account for more than \$1.5 trillion in annual sales, millions of American jobs, and more than 200,000 stores, manufacturing facilities, and distribution centers domestically and abroad. RILA's membership includes 9 of the 15 largest importers in the United States.

Retail supply chains remain strained and saddled with continuing unplanned costs and delays due to an extraordinary confluence of circumstances: enormous demand, soaring shipping costs, constrained capacity, equipment shortages, and scheduling and technology challenges. Large retailers have some of the most sophisticated supply chains in the world and have taken actions to ensure shelves have remained stocked. They welcome the opportunity to continue to partner with the administration to enable solutions that unlock the full potential of U.S. freight networks.

We appreciate the administration's recent actions to unfurl the existing disruptions, including the creation of the Supply Chain Disruptions Task Force and the Executive Order on Promoting Competition in the American Economy. It is our hope the administration will continue the same

forward-thinking action to facilitate a few additional short-term steps to continue to restore the semblance of fluidity especially in southern California. These include addressing restrictive appointment system requirements that disadvantage frontline truckers and contribute to chassis and container dislocation, increasing the ability for the efficient return of empty containers with unrestricted acceptance of empties, requiring ocean carriers to accelerate evacuation of the tens of thousands of empty containers clogging the ports, and finally, helping ports address the root causes of import container dwell.

While these near-term solutions will help further address the current disruption issues, to avert an ongoing cycle of congestion in the longer term and ensure that U.S ports remain globally competitive, some essential steps are clear: targeted investment is needed for infrastructure modernization; address systemic operational challenges in major U.S. ports; and enable data sharing and interoperability to facilitate end-to-end visibility. As primary users of ports and freight infrastructure, shippers should play a role in helping determine effective targeting of funds. The administration should also continue to strengthen protections for American importers and exporters, and bolster the Federal Maritime Commission's work providing oversight of foreign-owned ocean carriers, alliances, and terminal operators--sending the message that fair and open supply chains are essential to the American economy.

And finally, we applaud the administration and Congress for passing the bipartisan *Infrastructure Investment and Jobs Act*. This law provides historic and needed investment in all facets of the supply chain, from ports, rail, bridges, and roads. Retailers stand ready to provide insight and data so the law's historic funding is targeted to projects that will create a 21st century supply chain that will benefit business and consumers.

RILA members are committed to helping find and enact results to eliminate the challenges facing the nation's supply chain. We look forward to working with the Biden-Harris administration to identify problems and produce solutions that will help address these problems now and in the future.

Sincerely,

Brian Dodge President

Retail Industry Leaders Association