

Peter Friedmann's View from the Hill – December 2021

Supply Chain – Still Front and Center in 2022

Transportation and supply chain concerns were once reserved for the maritime trade press, but no longer. National media coverage is intense, and shifting from ships awaiting berths at terminals in San Pedro Bay and Savannah; to the role of this crisis as an engine of inflation. Here in Washington DC, inflation can be a paramount threat to anyone seeking reelection in the “midterms” in November (or to any President who depends upon his party retaining the Majority in the House or Senate, or both). One indicator of what we can expect in the coming year: a survey of the chiefs of staff of the 435 members of the House of Representatives revealed that fixing the supply chain will be the top legislative priority for more members of Congress than any other issue.

Apparently, this survey was accurate: in the closing weeks of the just-ended Session, the House passed the Ocean Shipping Reform Act of 2021 addressing supply chain issues, by a margin of 364 to 60. The substance of this bill aside, the politics were remarkable. First, while retailers, manufacturers, truckers, importers, agriculture all supported for this bill, key maritime stakeholders—ports, marine terminals, waterfront employers, and ocean carriers did not. In ‘normal’ times, that would have been sufficient to kill a maritime/port bill. This time, though, Congress advanced it; the President endorsed it. Second, despite toxic partisanship on Capitol Hill, this bill was an island of bipartisanship, from introduction through the final vote. And third, the House acted with unprecedented speed. The original Shipping Act of 1984 took three years to make its way through the legislative labyrinth. OSRA21 took four months. Of course, the Senate has yet to act, but as Senators represent similar constituents (consumers, farmers, retailers, manufacturers) it would be logical to expect similar results.

The Executive Branch has been engaged. The White House Supply Chain Task Force meets regularly and the Administration’s “Ports Czar” John Porcari is promoting supply chain improvements nationwide. Last week, the Secretaries of Transportation and Agriculture issued a joint missive pressing supply chain service providers to alleviate the crisis.

Will it work? It’s unclear. The benefits of the Administration’s pressure on ports to open West Coast marine terminal gates 24 hours a day (compared to the “normal” 8, and sometimes 12, hours) remain less discernable than hoped. But other initiatives are being pursued by the ports in collaboration (and funding) with the Executive Branch, or on their own: data sharing portals, container storage locations, “inland ports” or load points, etc.

The supply chain crisis and public agitation it is generating, remain a top priority here in DC. The people we elect are increasingly anxious and aggressive in pursuit of solutions. 2022 will again be a year when “supply chain” will be two words heard frequently on both ends of Pennsylvania Avenue....almost as much as “Omicron”.

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