

ONE HUNDRED SEVENTEENTH CONGRESS  
**Congress of the United States**  
**House of Representatives**  
COMMITTEE ON ENERGY AND COMMERCE  
2125 RAYBURN HOUSE OFFICE BUILDING  
WASHINGTON, DC 20515-6115

Majority (202) 225-2927  
Minority (202) 225-3641

November 2, 2021

Mr. Eric Sills  
CEO  
Standard Motor Products  
37-18 Northern Boulevard  
Long Island City, NY 11101

Dear Mr. Sills:

Thank you for appearing before the Subcommittee on Consumer Protection and Commerce on Thursday, October 14, 2021, at the hearing entitled “Investing in American Jobs: Legislation to Strengthen Manufacturing and Competitiveness.” I appreciate the time and effort you gave as a witness before the Committee on Energy and Commerce.

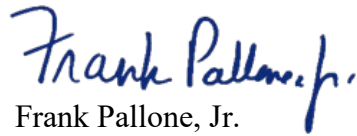
Pursuant to Rule 3 of the Committee on Energy and Commerce, members are permitted to submit additional questions to the witnesses for their responses, which will be included in the hearing record. Attached are questions directed to you from certain members of the Committee. In preparing your answers to these questions, please address your responses to the member who has submitted the question in the space provided.

To facilitate the printing of the hearing record, please submit your responses to these questions no later than the close of business on Tuesday, November 16, 2021. As previously noted, this transmittal letter and your response, as well as the responses from the other witnesses appearing at the hearing, will all be included in the hearing record. Your written responses should be transmitted by e-mail in the Word document provided to Ed Kaczmariski, Policy Analyst, at [ed.kaczmariski@mail.house.gov](mailto:ed.kaczmariski@mail.house.gov). To help in maintaining the proper format for hearing records, please use the document provided to complete your responses.

Mr. Eric Sills  
Page 2

Thank you for your prompt attention to this request. If you need additional information or have other questions, please contact Ed Kaczmariski with the Committee staff at (202) 225-2927.

Sincerely,

A handwritten signature in blue ink that reads "Frank Pallone, Jr." in a cursive style.

Frank Pallone, Jr.  
Chairman

Attachment

cc: The Honorable Cathy McMorris Rodgers  
Ranking Member  
Committee on Energy and Commerce

The Honorable Jan Schakowsky  
Chair  
Subcommittee on Consumer Protection and Commerce

The Honorable Gus Bilirakis  
Ranking Member  
Subcommittee on Consumer Protection and Commerce

**Attachment—Additional Questions for the Record**

**Subcommittee on Consumer Protection and Commerce  
Hearing on  
“Investing in American Jobs: Legislation to Strengthen Manufacturing and  
Competitiveness.”  
October 14, 2021**

Mr. Eric Sills, CEO, Standard Motor Products

**The Honorable Lisa Blunt Rochester (D-DE)**

1. As you know, the automobile industry has been severely impacted by the increased demand for new and used cars, the semiconductor and battery shortages, and other supply chain disruptions. As a result, there is a significant imbalance in the supply and demand for new and used automobiles. These supply chain challenges have resulted in a 25 percent price hike in used cars and trucks alone.
  - a. Could you share how these shortages of critical products are affecting Standard Motor Products?

**RESPONSE: Like many companies, Standard Motor Products faces shortages of key raw materials and components, including resins, silicone, steel/aluminum/copper/other metals, and semiconductor chips. For many items, lead times are increasing, compounded by significant transportation delays. And, while not specifically related to material supply, we are experiencing labor shortages, further exacerbating the situation.**

**Each of these issues is significant, but when they occur at the same time, it is historic. The result is exorbitant cost increases for materials, labor, and transportation. And, in addition to increased costs, it is harming our ability to satisfy customer demand, causing lost revenue both to SMP and to our downstream customers.**

- b. What are you doing to address the supply chain disruption?

**RESPONSE: We have sought substitute materials, often at significant additional cost. Due to prolonged port and shipping delays, we have shifted imported components away from clogged ports to other areas, including ports in Mexico, and incurred expensive solutions such as airfreight. We have addressed labor shortages through increased wages, significant overtime, and continuous training of new employees. We have chosen to absorb some of these costs, while others we pass on to our**

**customers. However, ultimately, such costs are borne by end-user consumers through higher prices for products.**

**It is important to note that we believe we have certain structural advantages that have helped us as compared to some companies who rely very heavily on China for their finished products. Standard Motor Products has developed its footprint much more based in North America, taking advantage of the benefits of the USMCA. We plan to continue to rely on this strategy of growing our North American footprint for appropriate product categories.**

- c. How have these shocks affected your ability to compete internationally?

**RESPONSE: The majority of our revenue is generated in the US. Therefore, global disruption has affected our component supply chain upstream and less so in our ability to compete internationally. As stated above, we believe that a strong regional footprint, taking advantage of the powerful combination of the US and Mexico, will allow us to be globally competitive within our markets.**

**The Honorable Cathy McMorris Rodgers (R-WA)**

1. I believe certain liability protections for participating companies are essential to incentivizing such companies to volunteer for programs like the one outlined in H.R. 5495. Without liability protections protecting your company from undue regulation or enforcement action against lawful behavior, would you be willing to voluntarily participate in the program H.R. 5495 proposes, and share sensitive information about your supply chains and suppliers? Please explain your reasoning.

**RESPONSE: H.R. 5495 does not seem to indicate that the program created by the Building Resilient Supply Chains Act would expose participating companies like SMP to additional legal enforcement or regulatory actions. If it becomes law, SMP would weigh the risks and benefits of the final version of H.R. 5495, including an evaluation of our commercial needs, and make a decision based on those factors.**

2. During the hearing, we heard Democratic members support the use of funds made available in the Building Resilient Supply Chains Act for the purposes of allowing workers to form a union and for creating union jobs.
  - a. Should the money from American taxpayers be allocated for the purpose of entities to prioritize the unionization of their workers?

**RESPONSE: We believe that unionization is not relevant to the topic of supply chain resilience. We would urge the Committee to work with our trade association, the Motor & Equipment Manufacturers Association (MEMA), on this topic.**