



Committee on Transportation and Infrastructure  
U.S. House of Representatives  
Washington, DC 20515

Sam Graves  
Chairman  
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Rick Larsen  
Ranking Member  
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Jack Ruddy, Staff Director

Katherine W. Dedrick, Democratic Staff Director

January 27, 2023

**SUMMARY OF SUBJECT MATTER**

**TO:** Members, Committee on Transportation and Infrastructure  
**FROM:** Staff, Committee on Transportation and Infrastructure  
**RE:** Full Committee Hearing on “*The State of Transportation Infrastructure and Supply Chain Challenges*”

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**I. PURPOSE**

The Committee on Transportation and Infrastructure (Committee) will meet on Wednesday, February 1, 2023, following the Committee’s Organizational Meeting, in 2167 of the Rayburn House Office Building to receive testimony at a hearing entitled “*The State of Transportation Infrastructure and Supply Chain Challenges*.” The hearing will provide an opportunity for Members of the Committee to discuss the current state of our Nation’s transportation infrastructure, the implementation of the *Infrastructure Investment and Jobs Act (IIJA, P.L. 117-58)*, and receive updates on North American supply chain challenges. Members will receive testimony from representatives from the American Trucking Associations (ATA), the Association of American Railroads (AAR), Associated General Contractors of America (AGC), Port Houston, and the Transportation Trades Department, AFL-CIO (TTD).

**II. BACKGROUND**

*State of Transportation Infrastructure*

Infrastructure is generally acknowledged as the physical facilities that support the transportation, energy, and communications sectors.<sup>1</sup> Transportation infrastructure is the underlying system of public works designed to facilitate movement.<sup>2</sup> Based on current mobility patterns and transportation modes in the United States, this infrastructure includes roads, railways, airways, transit systems, waterways, canals, pipelines, bike lanes, and sidewalks, as well as

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<sup>1</sup> U.S. DEP’T OF HOMELAND SEC., FEMA, *Infrastructure*, available at <https://www.fema.gov/glossary/infrastructure>.

<sup>2</sup> NATIONAL GEOGRAPHIC RESOURCE LIBRARY, *Transportation Infrastructure*, available at <https://education.nationalgeographic.org/resource/transportation-infrastructure>.

terminals, such as airports, ports, railway stations, bus stations, warehouses, and trucking terminals.<sup>3</sup> These systems are essential to the movement of people and goods nationwide and globally, and play an integral role in the United States' economic competitiveness and Americans' quality of life.

The United States transportation system, overseen by the United States Department of Transportation (DOT), includes 4.2 million miles of public roads, nearly 620,000 bridges as of 2020, 3.3 million miles of oil and natural gas pipelines, more than 250,000 miles of commercially navigable waterways, approximately 140,000 railroad route-miles, and more than 5,000 public-use airports.<sup>4</sup> The transportation system also includes more than 900 urban and 1,200 rural and Tribal public transit operators and more than 300 ports on the coasts, Great Lakes, and inland waterways.<sup>5</sup>

Although the state of infrastructure in the United States was once unparalleled, according to statistics from 2019, our country no longer has the best infrastructure in the world.<sup>6</sup> The World Economic Forum (WEF) ranked United States physical infrastructure as 13<sup>th</sup> in the world.<sup>7</sup> Additionally, a Council of Foreign Relations' report states that the United States' infrastructure is dangerously overstretched and lagging behind economic competitors, particularly China.<sup>8</sup>

Further, the American Society of Civil Engineers' (ASCE) *2021 Report Card for American Infrastructure* rated America's overall infrastructure as a C minus.<sup>9</sup> This report, issued prior to the enactment of *IIJA*, recommends the following: "To improve our quality of life and strengthen our international competitiveness, we need a strategic and holistic plan to renew, modernize, and invest in our infrastructure. This plan should make basic maintenance a centerpiece as we improve our legacy systems."<sup>10</sup> The report also encourages streamlining permitting processes across infrastructure sectors.<sup>11</sup>

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<sup>3</sup> See IGI GLOBAL, *What is Transportation Infrastructure?*, available at <https://www.igi-global.com/dictionary/infrastructure-and-growth/59134>; see also DOT, *Research By Mode of Transportation*, available at <https://www.transportation.gov/research-and-technology/research-mode-transportation>.

<sup>4</sup> See OST, *TRANSPORTATION STATISTICS ANNUAL REPORT (2022)* available at <https://rosap.ntl.bts.gov/view/dot/65841>; see also DOT, *DOT Overview*, available at <https://www.transportation.gov/transition/dot-overview>.

<sup>5</sup> *Id.*

<sup>6</sup> *Declining Global Ranking for U.S. Infrastructure + Looming Highway Trust Fund Insolvency = Need for New Investment*, AM. FOR TRANSP. MOBILITY (Feb. 3, 2020), available at <https://www.fasterbetersafer.org/2020/02/declining-global-ranking-for-u-s-infrastructure-looming-highway-trust-fund-insolvency-urgent-need-for-new-investment/>.

<sup>7</sup> Klaus Schwab, THE WORLD ECONOMIC FORUM, *THE GLOBAL COMPETITIVENESS REP.* (2019), available at [https://www3.weforum.org/docs/WEF\\_TheGlobalCompetitivenessReport2019.pdf](https://www3.weforum.org/docs/WEF_TheGlobalCompetitivenessReport2019.pdf).

<sup>8</sup> James McBride & Anshu Siripurapu, *The State of U.S. Infrastructure*, COUNCIL ON FOREIGN RELATIONS (Nov. 8, 2021), available at <https://www.cfr.org/backgrounder/state-us-infrastructure> [hereinafter *State of U.S. Infrastructure*].

<sup>9</sup> AM. SOC. OF CIVIL ENGINEERS, *A COMPREHENSIVE ASSESSMENT OF AMERICA'S INFRASTRUCTURE: 2021 REP. CARD FOR AMERICA'S INFRASTRUCTURE* available at [https://infrastructurereportcard.org/wp-content/uploads/2020/12/National\\_IRC\\_2021-report.pdf](https://infrastructurereportcard.org/wp-content/uploads/2020/12/National_IRC_2021-report.pdf).

<sup>10</sup> *Id.*

<sup>11</sup> *Id.*

Ensuring the United States' transportation infrastructure systems are equipped to handle future demand from freight and the traveling public is also a challenge. In 2021, DOT projected that from 2020 to 2050, freight activity would increase by 50 percent in tonnage and double in value.<sup>12</sup> This is significant, as the \$20 trillion United States economy relies on the vast network of infrastructure, and poor infrastructure can impose large costs on the economy and negatively affect economic competitiveness.<sup>13</sup> Additionally, the need to update and improve America's aging infrastructure is paramount for mobility and safety.<sup>14</sup> The Biden Administration's DOT's Strategic Plan for Fiscal Year (FY) 2022 to FY2026 identifies the following strategic goals: safety; economic strength and global competitiveness; equity; climate and sustainability; transformation; and organizational excellence.<sup>15</sup>

### III. The Infrastructure Investment and Jobs Act

On November 15, 2021, the President signed *IIJA* into law, representing the largest Federal investment in decades in the United States' infrastructure.<sup>16</sup> This legislation provided \$1.2 trillion for infrastructure programs over five years, from FY 2022 to FY 2026, of which \$660 billion will be administered by DOT.<sup>17</sup> *IIJA* included provisions to sustain and modernize the Nation's infrastructure, including roads, bridges, transit, railroads, and airports, as well as energy and broadband. Specifically, the law provides:

- \$365 billion for highway programs administered by the Federal Highway Administration (FHWA);<sup>18</sup>
- \$108 billion for transit programs administered by the Federal Transit Administration (FTA);<sup>19</sup>
- \$102 billion for rail programs administered by the Federal Railroad Administration (FRA);<sup>20</sup>
- \$43 billion for multimodal project, safety, and innovation grant programs administered by the Office of the Secretary of Transportation (OST);<sup>21</sup>

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<sup>12</sup> Press Release, BUREAU OF TRANSP. STATISTICS, *Freight Activity in the U.S. Expected to Grow Fifty Percent by 2050* (Nov. 22, 2021), available at <https://www.bts.gov/newsroom/freight-activity-us-expected-grow-fifty-percent-2050>.

<sup>13</sup> *State of U.S. Infrastructure*, supra note 8.

<sup>14</sup> *Declining Global Ranking for U.S. Infrastructure + Looming Highway Trust Fund Insolvency = Need for New Investment*, AMERICANS FOR TRANSP. MOBILITY (Feb. 3, 2020), available at <https://www.fasterbettafer.org/2020/02/declining-global-ranking-for-u-s-infrastructure-looming-highway-trust-fund-insolvency-urgent-need-for-new-investment/>.

<sup>15</sup> DOT, STRATEGIC PLAN FY 2022-2026 available at [https://www.transportation.gov/sites/dot.gov/files/2022-04/US\\_DOT\\_FY2022-26\\_Strategic\\_Plan.pdf](https://www.transportation.gov/sites/dot.gov/files/2022-04/US_DOT_FY2022-26_Strategic_Plan.pdf).

<sup>16</sup> *IIJA*, Pub. L. 117-58, (2021).

<sup>17</sup> FHWA., *Bipartisan Infrastructure Law*, available at <https://www.fhwa.dot.gov/bipartisan-infrastructure-law/>.

<sup>18</sup> See *id.* (providing further information on highway programs).

<sup>19</sup> See FTA, *Bipartisan Infrastructure Law*, available at <https://www.transit.dot.gov/BIL> (providing further information on transit programs).

<sup>20</sup> See FRA, *Bipartisan Infrastructure Law Information From FRA*, available at <https://railroads.dot.gov/BIL> (providing further information on rail programs).

<sup>21</sup> *Bipartisan Infrastructure Law Dashboard*, DOT <https://www.transportation.gov/mission/budget/bipartisan-infrastructure-law-dashboard> (last updated Dec. 28, 2021).

- \$25 billion for aviation programs administered by Federal Aviation Administration (FAA);<sup>22</sup>
- \$8 billion for safety programs administered by National Highway Traffic Safety Administration (NHTSA);<sup>23</sup>
- \$5 billion for motor carrier safety programs administered by Federal Motor Carrier Safety Administration (FMSCA);<sup>24</sup>
- \$2.3 billion for port and waterway programs administered by the Maritime Administration (MARAD);<sup>25</sup> and
- \$1 billion for modernization of natural gas distribution pipelines administered by the Pipeline and Hazardous Materials Safety Administration (PHMSA).<sup>26</sup>

While *IIJA* provided historic levels of funding to address America’s infrastructure needs, stakeholders have raised concerns that persistently high inflation is undermining those funding increases.<sup>27</sup> The majority of funding in *IIJA* (under FHWA, FTA, and OST) allows recipients up to four years to obligate funding. If high inflation levels continue to hold, *IIJA*’s funding increases in the outyears also would “erode”.<sup>28</sup> However, if the higher inflation levels experienced since early 2021 drop, *IIJA*’s buying power may not be affected in the outyears.

Inflation began rising in January 2021, reaching a 41-year record high of 9.1 percent in June 2022.<sup>29</sup> As of December 2022, the 12-month inflation rate stood at 6.5 percent, and slowed for the sixth month in a row.<sup>30</sup> However, this marks the 22<sup>nd</sup> consecutive month that the rate

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<sup>22</sup> See FAA, *What the Bipartisan Infrastructure Law Means for U.S. Aviation*, available at <https://www.faa.gov/bil> (providing further information on aviation programs).

<sup>23</sup> See NHTSA, *Bipartisan Infrastructure Law*, available at <https://www.nhtsa.gov/bipartisan-infrastructure-law> (providing further information on NHTSA programs).

<sup>24</sup> *Bipartisan Infrastructure Law: Impacts for FMCSA Grant Programs*, DOT, <https://www.fmcsa.dot.gov/Bipartisan-Infrastructure-Law-Grants> (last updated Jan. 6, 2022).

<sup>25</sup> See MARAD, *Bipartisan Infrastructure Law: Maritime Admin.*, available at <https://www.maritime.dot.gov/about-us/bipartisan-infrastructure-law-maritime-administration> (providing further information on MARAD grant programs).

<sup>26</sup> See Press Release, PHMSA, *USDOT Begins Accepting Applications for President Biden’s Bipartisan Infrastructure Law Program Designed to Improve Pipeline Safety, Reduce Gas Distribution Leak in Communities Across the Country*, (May 24, 2022), available at <https://www.phmsa.dot.gov/news/usdot-begins-accepting-applications-president-bidens-bipartisan-infrastructure-law-program> (providing further information on pipeline grants).

<sup>27</sup> Jenni Bergal, *Inflation is Cutting Into States’ Big Infrastructure Windfall*, THE PEW CHARITABLE TRUSTS, (Nov. 30, 2022), <https://www.pewtrusts.org/en/research-and-analysis/blogs/stateline/2022/11/30/inflation-is-cutting-into-states-big-infrastructure-windfall>; David A. Lieb & Michael Casey, *Inflation Taking a Bite Out of New Infrastructure Projects*, ASSOCIATED PRESS, (June 19, 2022), available at <https://apnews.com/article/inflation-us-infrastructure-projects-e89dcd5f3e623e532353f087265f9a63>.

<sup>28</sup> Jeff Davis, *How Much Could Inflation Erode IIJA Buying Power?*, ENO CTR. FOR TRANSP. (Apr. 27, 2022), available at <https://www.enotrans.org/article/how-much-could-inflation-erode-ijja-buying-power/>.

<sup>29</sup> Press Release, U.S. BUREAU OF LABOR STATISTICS, *Consumer Prices Up 9.1 Percent Over the Year ended June 2022, Largest Increase in 40 Years* (July 18, 2022), available at <https://www.bls.gov/opub/ted/2022/consumer-prices-up-9-1-percent-over-the-year-ended-june-2022-largest-increase-in-40-years.htm>.

<sup>30</sup> Press Release, U.S. BUREAU OF LABOR STATISTICS, *Consumer Price Index – Dec. 2022*, (January 12, 2023), available at <https://www.bls.gov/news.release/cpi.htm>.

remains far above the two percent the Federal Reserve targets for a stable economy.<sup>31</sup> Additionally, producer prices representing prices paid by businesses producing goods, increased 6.2 percent year-over year.<sup>32</sup>

In early 2022, the Eno Center for Transportation warned that if inflation for highway costs averaged higher than seven percent through 2027, the increased funding provided for highways under *IJJA* could be eliminated entirely.<sup>33</sup> In June 2022, the American Association of State Highway and Transportation Officials (AASHTO) also raised concerns about the ability of states to capitalize on *IJJA* funding due to inflation, saying “[t]he cost of those projects is going up by 20%, by 30%, and just wiping out that increase from the federal government that they were so excited about earlier in the year.”<sup>34</sup> Prices for construction materials remain particularly steep. In December 2022, the AGC cautioned that although inflation may be moderating in some areas, construction costs were still rising and squeezing businesses, citing an 11.2 percent increase in non-residential construction prices year-over-year.<sup>35</sup>

Fuel costs began increasing in 2021, and over the past year, gasoline and diesel prices surpassed record highs.<sup>36</sup> The rate at which these prices increased were also record-breaking.<sup>37</sup> These historically high prices contribute to increased business costs at multiple points in supply chains. After reaching a record high of \$5.81 per gallon last summer, the National average price for a gallon of diesel fuel was \$4.60 per gallon as of January 23, 2023, an increase of \$1.89 per gallon or about 70 percent, from January 2021.<sup>38</sup> The average price for a gallon of regular gasoline reached an all-time national high of \$5.00 in June 2022, but as of January has fallen to \$3.41 per gallon.<sup>39</sup>

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<sup>31</sup> U.S. BUREAU OF LABOR STATISTICS, *12-Month Percentage Change, Consumer Price Index, selected categories*, available at <https://www.bls.gov/charts/consumer-price-index/consumer-price-index-by-category-line-chart.htm>; BOARD OF GOVERNORS OF THE FED. RESERVE SYSTEM, CURRENT FAQ’S, *What is an Acceptable Level of Inflation?*, <https://www.federalreserve.gov/faqs/5D58E72F066A4DBDA80BBA659C55F774.htm> (Last updated July 25, 2011).

<sup>32</sup> Press Release, U.S. BUREAU OF LABOR STATISTICS, *Producer Price Indexes – December 2022* (January 18, 2023), available at <https://www.bls.gov/news.release/ppi.nr0.htm>.

<sup>33</sup> Jeff Davis, *How Much Could Inflation Erode IJJA Buying Power?*, ENO CTR. FOR TRANSP. (Apr. 27, 2022), available at <https://www.enotrans.org/article/how-much-could-inflation-erode-ijja-buying-power/>.

<sup>34</sup> David A. Lieb & Michael Casey, *Inflation Taking a Bite Out of New Infrastructure Projects*, ASSOCIATED PRESS, (June 19, 2022), available at <https://apnews.com/article/inflation-us-infrastructure-projects-e89dcd5f3e623e532353f087265f9a63>.

<sup>35</sup> *2022 Construction Inflation Alert*, ASSOCIATED GEN. CONTRACTORS OF AM., available at [https://www.agc.org/sites/default/files/users/user21902/Construction%20Inflation%20Alert%20Dec%202022\\_V4.pdf](https://www.agc.org/sites/default/files/users/user21902/Construction%20Inflation%20Alert%20Dec%202022_V4.pdf).

<sup>36</sup> See U.S. ENERGY INFORMATION ADMIN., *Petroleum & Other Liquids, Weekly U.S. No 2 Diesel Retail Prices*, available at [https://www.eia.gov/dnav/pet/hist/LeafHandler.ashx?n=PET&s=EMD\\_EPD2D\\_PTE\\_NUS\\_DPG&f=W](https://www.eia.gov/dnav/pet/hist/LeafHandler.ashx?n=PET&s=EMD_EPD2D_PTE_NUS_DPG&f=W).

<sup>37</sup> Data Spotlight, BUREAU OF TRANSP. STATISTICS, *Record Breaking Increases in Motor Fuel Prices in 2022*, (Aug. 18, 2022), available at <https://www.bts.gov/data-spotlight/record-breaking-increases-motor-fuel-prices-2022>.

<sup>38</sup> See U.S. ENERGY INFORMATION ADMIN., *Petroleum & Other Liquids, Weekly U.S. No 2 Diesel Retail Prices*, available at

[https://www.eia.gov/dnav/pet/hist/LeafHandler.ashx?n=PET&s=EMD\\_EPD2D\\_PTE\\_NUS\\_DPG&f=W](https://www.eia.gov/dnav/pet/hist/LeafHandler.ashx?n=PET&s=EMD_EPD2D_PTE_NUS_DPG&f=W).

<sup>39</sup> *Id.*

## IV. Supply Chain Challenges and Administrative Actions

### *The Supply Chain*

The supply chain is defined as a network of the entire process of making and selling commercial goods, from the supply of materials, manufacture of the goods, through their transportation, distribution, and sale.<sup>40</sup> Moving goods is critical to the success of this endeavor.<sup>41</sup> A well-managed supply chain results in the efficient use of resources, reduced costs, a faster production cycle, and satisfied consumers.<sup>42</sup>

The rapid spread of COVID-19 exposed fragilities in transportation networks, with a disruption in one part of the supply chain having a ripple effect across all parts of the supply chain, from manufacturers to suppliers and distributors.<sup>43</sup> Weaknesses in the global supply chain were exacerbated by supply and demand imbalances, restrictions and regulations, and workforce and infrastructure challenges.<sup>44</sup>

In response to the COVID-19 pandemic, factories in Asia closed, and shipping companies cut schedules anticipating reduced demand for consumer goods.<sup>45</sup> However, the rapid growth of e-commerce during the pandemic led to a surge in consumer demand that inundated the system, particularly for freight, shipped from Asia into West Coast ports and transported through the rest of the country via truck and rail.<sup>46</sup> The lack of available space onboard vessels, trains, and trucks; in distribution warehouses; and at ports, impacted industries, frustrated consumers across the country and increased prices for some goods and commodities.<sup>47</sup>

For example, the Ports of Los Angeles and Long Beach (San Pedro Bay ports), the Nation's two largest container ports by TEU (Twenty Foot Equivalent units) for calendar year 2022, experienced significant cargo volume increases.<sup>48</sup> The inability to process incoming shipping

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<sup>40</sup> Jason Fenando, *Supply Chain Management (SCM): How It Works and Why It Is Important*, INVESTOPEDIA, (July 7, 2022), available at <https://www.investopedia.com/terms/s/scm.asp>.

<sup>41</sup> *The Transportation Supply Chain*, SUPPLY CHAIN DRIVE, (Jan. 17, 2021) available at <https://www.supplychaindrive.com/spons/the-transportation-supply-chain/433934/>.

<sup>42</sup> Jack Grimshaw, *What is Supply Chain? A Definitive Guide*, SUPPLY CHAIN DIGITAL, (May 17, 2020), available at <https://supplychaindigital.com/supply-chain-2/what-supply-chain-definitive-guide>.

<sup>43</sup> Peter S. Goodman, *How the Supply Chain Broke, and Why it Won't Be Fixed Anytime Soon*, N.Y. TIMES (Oct. 21, 2021), available at <https://www.nytimes.com/2021/10/22/business/shortages-supply-chain.html> [hereinafter *How the Supply Chain Broke*].

<sup>44</sup> Chuin-Wei Yap, William Boston, & Alistair MacDonald, *Global Supply-Chain Problems Escalate, Threatening Economic Recovery*, WALL ST. J., (Oct. 8, 2021), available at <https://www.wsj.com/articles/supply-chain-issues-car-chip-shortage-covid-manufacturing-global-economy-11633713877>.

<sup>45</sup> See Simina Mistreanu, *China's Factories Are Reeling from Forced Coronavirus Closures*, FORBES (Feb. 23, 2020), available at <https://www.forbes.com/sites/siminamistreanu/2020/02/23/chinas-factories-are-reeling-from-forced-coronavirus-closures/?sh=21d514eb73f2>; see also *COVID-19 Cuts Global Maritime Trade, Transforms Industry*, UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT, (Nov. 12, 2020), available at <https://unctad.org/news/covid-19-cuts-global-maritime-trade-transforms-industry>.

<sup>46</sup> Jessica Young, *US E-Commerce Grows 32.4% in 2020*, DIGITAL COMMERCE 360 (Feb. 18, 2022), available at <https://www.digitalcommerce360.com/article/us-ecommerce-sales/>.

<sup>47</sup> *How the Supply Chain Broke* supra note 43.

<sup>48</sup> DOT, BUREAU OF TRANSP. STATISTICS, 2023 PORT PERFORMANCE FREIGHT STATISTICS PROGRAM: ANNUAL REP. TO CONGRESS (Jan. 2023) available at <https://rosap.ntl.bts.gov/view/dot/65990>.

containers resulted in cargo logjams off-shore and within the port complex.<sup>49</sup> First reported as a five-vessel backlog, on October 15, 2020, the number of vessels waiting to berth at the San Pedro Bay ports steadily increased during the pandemic, consistently resetting records before peaking at 109 vessels in January 2022.<sup>50</sup> The backlog at the Nation's two largest container ports ended in November 2022, in part due to a new queuing system, reduced TEU volumes, and increased investments in other ports, as shippers and cargo carriers demanded more diversity within the transportation supply network.<sup>51</sup>

### *Biden Administration Actions to Address the Supply Chain Crisis*

The Executive branch took various actions to relieve pressure on the supply chain, including issuing Executive Order (EO) 14017, "America's Supply Chain."<sup>52</sup> Signed on February 21, 2021, the EO directed Federal agencies to conduct a 100-day review of and report on the supply chain vulnerabilities associated with key imports.<sup>53</sup> A broader one-year review was also required.<sup>54</sup> The order prioritized reviews by the Departments of Commerce, Energy, Defense, and Health and Human Services, which were subsequently released on June 8, 2021.<sup>55</sup> DOT's report, *Supply Chain Assessment of the Transportation Industrial Base: Freight and Logistics*, was released on February 24, 2022.<sup>56</sup> On the same day, the Administration announced additional plans to build long-term resilience in supply chains based on findings from the reports ordered by E.O. 14017.<sup>57</sup>

Additionally, on June 8, 2021, the White House announced the establishment of a Supply Chain Disruption Task Force (Task Force), led by the Secretaries of Commerce, Transportation, and Agriculture. The Task Force is directed to focus on a whole-of-government response to address short-term supply chain bottlenecks, with an emphasis on "homebuilding and construction,

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<sup>49</sup> *Id.*

<sup>50</sup> Paul Berger, *Southern California's Notorious Container Ship Backup Ends: Slump in Imports, Cargo Diversions to Other Ports Help Shrink Quote of Dozen of Vessels*, WALL ST. J. (Oct. 21, 2022) available at <https://www.wsj.com/articles/southern-californias-notorious-container-ship-backup-ends-11666344603>.

<sup>51</sup> See Alejandra Salgado, *The 'Ship Backup Has Ended' at Los Angeles, Long Beach Ports: Lower Demand as a Result of Cargo Shifting to the East Coast has Helped Clear the 25-month Backlog*, SUPPLY CHAIN DRIVE, (Nov. 23, 2022), available at <https://www.supplychaindrive.com/news/the-ship-backup-has-ended-in-los-angeles-long-beach-ports/637250/>; see also Lori Ann LaRocco, *East Coast Ports Including New York are Winning a Domestic Trade War at the Expense of California*, CNBC (Dec. 15, 2022) available at <https://www.cnbc.com/2022/12/15/east-coast-ports-like-new-york-are-winning-trade-war-over-california.html>.

<sup>52</sup> Exec. Order No. 14,017, 86 Fed. Reg. 11,849 (Feb. 24, 2021), available at <https://www.govinfo.gov/content/pkg/FR-2021-03-01/pdf/2021-04280.pdf>.

<sup>53</sup> *Id.*

<sup>54</sup> *Id.*

<sup>55</sup> THE WHITE HOUSE, BUILDING RESILIENT SUPPLY CHAINS, REVITALIZING AMERICAN MANUFACTURING, AND FOSTERING BROAD-BASED GROWTH (June 2021) available at <https://www.whitehouse.gov/wp-content/uploads/2021/06/100-day-supply-chain-review-report.pdf>.

<sup>56</sup> DOT, SUPPLY CHAIN ASSESSMENT OF THE TRANSPORTATION INDUSTRIAL BASE: FREIGHT AND LOGISTICS (Feb. 2022), available at [https://www.transportation.gov/sites/dot.gov/files/2022-03/EO%2014017%20-%20DOT%20Sectoral%20Supply%20Chain%20Assessment%20-%20Freight%20and%20Logistics\\_FINAL\\_508.pdf](https://www.transportation.gov/sites/dot.gov/files/2022-03/EO%2014017%20-%20DOT%20Sectoral%20Supply%20Chain%20Assessment%20-%20Freight%20and%20Logistics_FINAL_508.pdf).

<sup>57</sup> Press Release, THE WHITE HOUSE, *The Biden-Harris Plan to Revitalize American Manufacturing and Secure Critical Supply Chains in 2022* (February 24, 2022) available at <https://www.whitehouse.gov/briefing-room/statements-releases/2022/02/24/the-biden-harris-plan-to-revitalize-american-manufacturing-and-secure-critical-supply-chains-in-2022/>.

semiconductors, transportation, and agriculture and food.”<sup>58</sup> Coordinated by the National Economic Council, the Task Force produced a series of blog posts highlighting the congestion at ports, in addition to coordinating inter-agency and stakeholder meetings.<sup>59</sup> This data collection function was transferred to the DOT in March of 2022.<sup>60</sup> The Administration also announced the Freight Logistics Optimization Works (FLOW) initiative on March 15, 2022, which includes a pilot effort to “develop a proof-of-concept information exchange and operationalize it to support industry decision-making.”<sup>61</sup> Participants include private companies, warehousing and logistics firms, ports, and others.<sup>62</sup> Finally, the Task Force led calls to implement a container dwell fee at the San Pedro Bay ports, as an incentive to clear long-dwelling cargo off of terminals. This fee was never implemented, and the authority to collect phased out on January 24, 2023.<sup>63</sup>

#### **IV. WITNESSES**

##### **Panel I:**

##### **Mr. Chris Spear**

President and Chief Executive Officer  
ATA

##### **Mr. Ian Jefferies**

President and Chief Executive Officer  
AAR

##### **Mr. Jeff Firth**

Vice President, Hamilton Construction,  
on behalf of AGC

##### **Mr. Roger Guenther**

Executive Director  
Port Houston

##### **Mr. Greg Regan**

President  
Transportation Trades Department, AFL-CIO (TTD)

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<sup>58</sup> Press Release, THE WHITE HOUSE, *FACT SHEET: Biden-Harris Administration Announces Supply Chain Disruptions Task Force to Address Short-Term Supply Chain Discontinuities* (June 8, 2021), available at <https://www.whitehouse.gov/briefing-room/statements-releases/2021/06/08/fact-sheet-biden-harris-administration-announces-supply-chain-disruptions-task-force-to-address-short-term-supply-chain-discontinuities/>.

<sup>59</sup> *Recent Progress at Our Ports: Robust Inventories and New Moves Toward Greater Velocity*, THE WHITE HOUSE (Nov. 29, 2021), available at <https://www.whitehouse.gov/nec/briefing-room/2021/11/29/recent-progress-at-our-ports-robust-inventories-and-new-moves-toward-greater-velocity/>.

<sup>60</sup> Press Release, DOT, *Transportation Supply Chain Indicators* (Mar. 1, 2022), available at <https://www.transportation.gov/briefing-room/transportation-supply-chain-indicators>.

<sup>61</sup> *Agency Information Collection Activities; New Information Collection: Freight Logistics Optimization Works (FLOW) Initiative*, 87 Fed. Reg. 42,796 (July 18, 2022), available at <https://www.govinfo.gov/content/pkg/FR-2022-07-18/pdf/2022-15247.pdf>.

<sup>62</sup> *Id.*

<sup>63</sup> *Ports of LA, Long Beach to End Container Dwell Fee*, SAFETY4SEA (Dec. 20, 2022), available at <https://safety4sea.com/la-long-beach-end-container-dwell-fee/>.