



By Electronic Mail

May 13, 2021

Mr. Brian Deese
National Economic Council
Eisenhower Executive Office Building
1650 Pennsylvania Ave, N.W.
Washington, D.C. 20502

Dear Mr. Deese:

America is emerging from life dictated by COVID-19, thanks in large part to the Biden-Harris administration's proactive response and effective vaccine distribution. But now our country faces a new challenge. Rising costs are hitting every link of the supply chain, evidenced by commodity prices hitting their highest levels since the Bureau of Labor Statistics began tracking them in 2010, creating an environment of unpredictability with concerns over inflation and shortages. We seek to work with you to identify executive measures that can alleviate today's pressures and provide American consumers with greater confidence and security.

The consumer packaged goods industry — the companies that make the products Americans use every day — is experiencing the perfect storm: costs associated with ingredients, materials, transportation and labor are skyrocketing at a time when consumer demand is surging to levels not seen since March 2020.

The Consumer Brands Association advocated throughout the pandemic for policy solutions that will build U.S. supply chain resiliency. The Biden-Harris administration's initial efforts have been impactful, recognizing the need to map the sourcing, manufacturing and distribution of critical supplies including food, beverage, household and personal care products. Further, strategic investments in infrastructure, the creation of a federal office of supply chain and establishment of bold new workforce training and manufacturing initiatives will lay a long-term foundation for recovery and growth.

We encourage you to take the next step by pursuing these five immediately actionable and meaningful measures:

1. Assess department and agency resources to ensure efficient clearances, inspections, safety checks and other required actions do not create avoidable supply chain delays, like understaffed ports of entry.
2. Facilitate return to work and participation in skills education programs by incentivizing states to create greater flexibility to unemployment and assistance programs.
3. Update workplace guidance and protocols to reflect the current vaccinated workforce, while continuing public campaigns to foster vaccine acceptance.

4. Fast-track modernization of truck size and weight rules and preserve current Hours of Service regulations to make better use of existing capacity and stabilize the transportation marketplace.
5. Accelerate Federal Maritime Commission efforts to address ocean carrier consolidation, declining maritime shipping performance, port delays and container shortages.

Rapidly rising costs are the worst-case outcome for supply chains already made vulnerable by the COVID-19 crisis. The Biden-Harris administration's ongoing efforts to strengthen supply chain resiliency and competitiveness will be less effective unless coupled with actions that address current cost pressures.

As a willing partner and leading consumer advocate, Consumer Brands looks forward to working together to address this challenge. Moreover, we offer our industry's leadership as a resource to you should you be interested in gaining their perspective on the current on-the-ground situation.

Please contact me (gfreeman@consumerbrandsassociation.org) with any questions or to continue this important dialogue.

Sincerely,

A handwritten signature in blue ink that reads "G. Freeman". The signature is fluid and cursive, with a long horizontal stroke at the end.

Geoff Freeman
President and CEO
Consumer Brands Association