



June 14, 2021

The Honorable Joseph R. Biden
President
The White House
1600 Pennsylvania Ave., NW
Washington, DC 20500

Dear President Biden,

On behalf of the National Retail Federation, I am writing to request a meeting with several of our retail leaders to talk about the current supply chain challenges that continue to impact prolonged economic recovery. Our nation's supply chains are stressed because of the COVID-19 global pandemic, and they continue to struggle through our economic recovery. We would like an opportunity to discuss the impact these issues are having on the nation's retailers, our workers and our customers, as well as potential solutions to address current and future disruptions.

NRF, the world's largest retail trade association, passionately advocates for the people, brands, policies and ideas that help retail thrive. From its headquarters in Washington, D.C., NRF empowers the industry that powers the economy. Retail is the nation's largest private-sector employer, contributing \$3.9 trillion to annual GDP and supporting one in four U.S. jobs — 52 million working Americans. For over a century, NRF has been a voice for every retailer and every retail job, educating, inspiring and communicating the powerful impact retail has on local communities and global economies.

The supply chain disruption issues, especially the congestion affecting our key maritime ports, are causing significant challenges for America's retailers. The congestion issues have not only added days and weeks to our supply chains but have led to inventory shortages impacting our ability to serve our customers. In addition, these delays have added significant transportation and warehousing costs for retailers. In many instances retailers will absorb these costs and not pass them along to consumers. However, many smaller retailers may have no choice but to pass along these costs, especially as they face other challenges with reopening their businesses. In a recent survey of NRF members on the congestion situation, we found the following:

- Over 97% of retailers surveyed say they have been impacted by port and shipping delays.
- The most common challenges respondents mentioned were U.S. port congestion, lack of carrier capacity and lack of available containers overseas.
- More than two-thirds (70%) of respondents say they have had to add 2-3 weeks to their supply chains.

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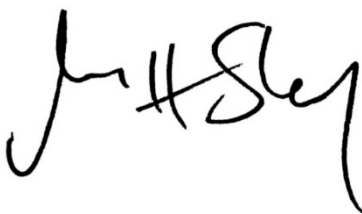
- All respondents said their costs have increased with a majority (75%) having had to pass along some of the costs to consumers.
- Nearly all (85%) of those surveyed say they are experiencing inventory shortages because of the ongoing supply chain disruptions.

NRF recently revised our annual sales forecast for 2021, anticipating that retail sales will now grow between 10.5 percent and 13.5 percent to more than \$4.44 trillion this year as the economy accelerates its pace of recovery. Several factors may dampen the full potential for achieving this growth, notably the ongoing supply chain issues impacting retail and many other sectors of the American economy. We are confident with the right attention to these ongoing supply chain challenges, however, that we can continue to drive economic growth and job creation to help the ongoing economic recovery.

We continue to work with key executives at the ports and with our transportation providers. We need strong leadership from the administration to galvanize attention to the current situation as well as work to resolve long-standing issues that limit safe and efficient port operations. As the administration undergoes supply chain reviews for critical sectors, including transportation, addressing the current state of our nation's ports and freight movement needs to be a critical component of the strategy. As trade continues to grow, we need to make sure we have truly 21st century ports and freight movement. This certainly is central to the administration's Build Back Better approach.

We welcome the opportunity to meet and discuss these critical issues that are affecting our nation's retailers, as well as many of our domestic suppliers and transportation providers.

Sincerely,

A handwritten signature in black ink, appearing to read "M. R. Shay". The signature is fluid and cursive, with a large initial "M" and "S".

Matthew R. Shay
President & CEO

CC: The Honorable Pete Buttigieg, Secretary, Department of Transportation
The Honorable Gina Raimondo, Secretary, Department of Commerce
The Honorable Dan Maffei, Chairman, Federal Maritime Commission
Mr. Brian Deese, Director, National Economic Council