



April 12, 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 you for a small group of leading retailers to discuss the supply chain challenges impacting the nation's economic recovery. Supply chains are stressed globally because of the COVID-19 pandemic, and U.S. retailers and other businesses dependent on efficient supply chains are continuing to struggle through the economic recovery. We would appreciate the opportunity to discuss the impact these issues are having on retailers, our workers and our customers and help direct the focus of your administration on potential solutions to these ongoing 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.

Supply chain disruptions, especially the extreme congestion issues affecting the ports of Los Angeles and Long Beach, are causing significant challenges for retailers. Congestion at the ports has not only added days and weeks to our supply chains but has led to acute inventory shortages impacting our members' ability to serve customers. In addition, congestion 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. Many smaller retailers, however, may have no choice but to pass along these costs, especially as they face other challenges with reopening and sustaining their businesses.

In a recent survey of NRF members on the congestion situation, we found the following:

- 98% of retailers surveyed say they have been impacted by port and shipping delays.
- The most common challenges respondents mentioned were lack of inventory or delays in receiving inventory and the added costs they are incurring in their supply chain.

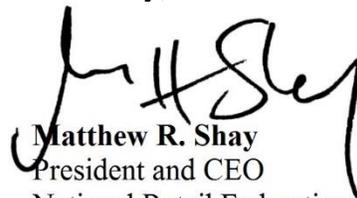
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- More than two-thirds (69%) of respondents say costs have gone up because of congestion at the ports.
- Retailers report the congestion at the ports has added at least 6 days to their supply chain. Some indicated the delays have added up to three weeks.
- Nearly all (93%) of those surveyed say they are experiencing inventory shortages specifically because of congestion at the ports.

We continue to work closely with key executives at the ports and with our transportation providers. We believe, however, that the current crisis calls for leadership from your administration to help encourage safe and efficient port operations. As the administration undergoes supply chain reviews for critical sectors, the current state of our nation's ports and freight movement must be part of the consideration. Moreover, as trade continues to grow, it is essential that we have truly 21st century ports and freight movement, in keeping with your Build Back Better approach.

We welcome the opportunity to meet and discuss these critical issues that are affecting that nation's retailers.

Sincerely,



Matthew R. Shay
President and CEO
National Retail Federation