



October 18, 2021

Mr. Michael Shapiro  
Deputy Assistant Secretary for Economic Policy  
U.S. Department of Transportation  
Washington, DC 20590

*Submitted electronically via Regulations.gov*

**RE: America's Supply Chains and the Transportation Industrial Base [Docket No. DOT-OST-2021-0106]**

Dear Mr. Shapiro:

SNAC International (SNAC) appreciates the opportunity to provide comments in response to the U.S. Department of Transportation's (DOT) request for information that will be used to prepare a report for President Biden on supply chains for the industrial base. SNAC is the leading international trade association for the snack industry representing over 400 companies worldwide, including suppliers, marketers, and manufacturers.

The COVID-19 pandemic and subsequent surge in consumer demand has resulted in major supply chain disruptions, including in the snack food supply chain. The disruptions are ongoing and unless adequately addressed by both industry and government, will continue to persist well beyond the pandemic. We support the on-going efforts to address these issues via President Biden's Supply Chain Disruptions Task Force that is co-chaired by the Secretaries of Transportation, Agriculture and Commerce. The work of the Task Force remains an important part of ensuring resilient, diverse, and secure supply chains.

Supply chains that are supported by strong transportation infrastructure and flexible policies are important in ensuring our industry can reliably deliver high-quality, cost-effective products to consumers. However, there are improvements that need to take place to ensure resiliency across the food and agricultural supply chain.

*Labor*

Presently, inadequate labor availability in the trucking, rail, and ocean freight industries, is one of the largest supply chain constraints facing the snack food industry. While our industry continues to seek creative solutions to address labor shortages, including wage increases, bonuses and training, it remains difficult to find and retain employees. This issue in turn affects the industry's ability to meet customer needs and ultimately increases the cost of products for consumers.

The largest labor threat to the snack food industry is the shortage of truck drivers. We believe one of the best ways to address this within DOT's jurisdiction, is through policies aimed at safely increasing trucking productivity, including temporary hours of service flexibilities. SNAC has long supported efforts to harmonize the federal trucking age limit through the DRIVE Safe Act and is pleased to see DOT advancing a pilot program to provide a more accessible pathway into the trucking industry for drivers aged 18-20.

The driver shortage has also placed a strain on warehousing. Longer wait times to move product off the production floor means product must be warehoused until it can be trucked. This is another supply chain complication and cost. Leasing warehouses is extremely difficult and 3PL providers prefer long term contracts which mitigates options for companies to flex with demand.

#### *Equipment*

In response to lingering transportation bottlenecks, our industry has tried to pivot towards more vertical integration, such as increasing intermodal capabilities, but still face hurdles accessing the proper equipment due to long wait times for new equipment. Finding, renting or leasing equipment such as rental trailers and forklifts also has a prohibitively long lead time or they are simply unavailable.

#### *Ports*

We are supportive of congressional efforts to better balance the needs of ocean carriers with the needs of imports and exports. Concerns over ocean carriers and terminals practices at U.S. ports include ignoring the Federal Maritime Commission's existing demurrage and detention guidelines, making containers unavailable to carry agricultural export cargo, cancelling or refusing export container bookings and a persistent lack of timely notice of changes to U.S. shippers.

The lingering effects of the COVID-19 pandemic's shock to global trade have resulted in a backlog of container ships waiting to unload and load outside critical shipping ports. Ongoing congestion and related logistical obstacles hinder our industry's ability to access materials, such as spices, flavorings and vital wheat gluten.

#### **Conclusion**

On behalf of its 400 member companies, SNAC International thanks the DOT for the opportunity to provide insights on the various issues our industry is facing with regards to the supply chain. We commend the work of the Task Force as it finds ways to support resilient, diverse, and secure supply chains. Such supply chains are needed to ensure America's food supply can reliably deliver high-quality, cost-effective products.

If you have any questions, please do not hesitate to reach out to SNAC International's Director of Government Affairs, Jessica Hixson, at [jhixson@snacintl.org](mailto:jhixson@snacintl.org).

We greatly appreciate your consideration of these comments.

Sincerely,



Elizabeth H. Avery  
President and CEO  
SNAC International