June 17, 2025

The Honorable Sean Duffy Secretary U.S. Department of Transportation 1200 New Jersey Ave, SE Washington, DC 20590 The Honorable Howard Lutnick Secretary U.S. Department of Commerce 1401 Constitution Ave NW Washington, DC 20230

The Honorable Louis Sola Chairman Federal Maritime Commission 800 North Capitol Street, N.W. Washington, D.C. 20573

Dear Secretary Duffy, Secretary Lutnick and Chairman Sola,

On behalf of the undersigned trade associations representing U.S. importers, exporters, transportation providers and other supply chain stakeholders, we are writing to urge the administration to engage with all supply chain stakeholders to address concerns about anticipated port congestion and supply chain disruption that will soon impact U.S. competitiveness. There is great concern among stakeholders that the tariff implementation changes, especially with China, will recreate the supply chain challenges we faced during the pandemic with severe port congestion, inaccessible vessel capacity and containers, higher freight rates, and shipment delays. We respectfully urge the administration to reconstitute the White House Supply Chain Disruption Task Force to address these issues proactively and as soon as possible.

While we appreciate the goal of trying to negotiate better deals for the U.S. economy, the use of tariffs is having some unintended consequences for U.S. importers, exporters and related industries, including the logistics network across the country. With the initial imposition of the 145% tariffs on China, many companies either paused or cancelled their orders for imports to the United States. The immediate impact was a sudden decline in vessel traffic to the United States from China, which caused ocean liner carriers to reduce capacity by either pulling vessels out of the market or engaging in blank sailings in the U.S. trades, and set off layoffs and turmoil throughout multi-modal logistics industry.

With the welcomed de-escalation with China and a 90-day pause on the application of reciprocal tariffs over the 10% "base" level, many companies, both large and small, are now resuming movement of those previously paused or cancelled orders while negotiations continue between the countries. This rush to move cargo is being met with a shortage of empty shipping containers at origin and limited vessel capacity as carriers rework their vessel deployment to accommodate the spike in cargo. Further, we are starting to see congestion at foreign ports and significant increases in ocean freight rates and charges, like what many companies experienced

during the pandemic a few years ago. We have already seen several press articles $(1^1, 2^2, 3^3)$ noting the increased freight rates, which are now adding additional costs for businesses.

In preparing for a potential surge of cargo from Asia, especially to our West Coast ports, the U.S. landside transportation infrastructure and service providers also must be prepared for increased activity. The administration is requested to engage our ports, terminal operators, truckers, railroads, warehouses and labor to ensure readiness to support the seamless flow of cargo through the ports as it begins to arrive. We cannot afford to see a repeat of the congestion and resulting cargo velocity issues that plagued U.S. supply chains during the pandemic.

We also encourage the administration to work with ocean carriers, ports, terminal operators, rail carriers, and trucking companies to ensure they are able to meet the demands of U.S. importers and exporters especially as congestion issues start to arise in overseas markets and freight rates are increasing as well. The organizations below respectfully ask the administration to take action to mitigate the risk of severe supply chain disruptions and minimize adverse impacts on the global competitiveness of U.S. exporters and importers.

We stand ready to assist the administration in these efforts and thank you for your attention to this important matter.

Sincerely,

Accessories Council ACT The App Association Agribusiness Council of Indiana Agricultural Retailers Association Agriculture Transportation Coalition Air-Conditioning, Heating, and Refrigeration
Institute
Airforwarders Association
Alliance for Automotive Innovation
Alliance for Chemical Distribution
American Apparel & Footwear Association
(AAFA)
American Association of Exporters and
Importers
American Automotive Policy Council
American Bakers Association
American Cement Association
American Chemistry Council
American Christmas Tree Association
American Composites Manufacturers
Association
American Cotton Shippers Association

American Down and Feather Council American Frozen Food Institute American Home Furnishings Alliance American Logistics Association American Pet Products Association American Pyrotechnics Association American Seed Trade Association (ASTA) American Soybean Association American Specialty Toy Retailing Association (ASTRA) American Spice Trade Association AmericanHort Associated Equipment Distributors Association of Equipment Manufacturers Association of Food Industries Auto Care Association Boston Custom Brokers & Freight Forwarders Association California Building Industry Association California Chamber of Commerce California Retailers Association California Walnut Commission California Wheat Commission Can Manufacturers Institute

¹ Shipping Rates Rise as U.S.-China Trade Truce Drives Import Surge, WSJ (5/15/25)

² <u>Trump China trade deal: Tariff pause means new surge in freight shipments, and higher prices</u>, CNBC (5/12/25)

³ 'Fear and uncertainty' driving up China-US container rates, American Shipper (6/4)

CAWA - Representing the Automotive Parts Industry CCBFA - Chicago Customs Broker Forwarder Association Coalition of New England Companies for Trade **Coalition of Services Industries** Color Pigments Manufacturers Association Columbia River Customs Brokers and Forwarders Association Columbia River Steamship Operators' Association **Connected Health Initiative Connecticut Retail Network** Consumer Technology Association (CTA) **Corn Refiners Association** Council of Fashion Designers of America (CFDA) Council of Supply Chain Management Professionals (CSCMP) Customs Brokers & International Freight Forwarders Association of Washington State Customs Brokers and Forwarders Association of Northern California Detroit Customs Brokers and Forwarders Association Distilled Spirits Council of the U.S. Edible Oil Producers Association Entertainment Software Association Exhibition Services & Contractors Association Exhibitions & Conferences Alliance **Experiential Designers & Producers** Association (EDPA) Fashion Accessories Shippers Association Florida Customs Brokers and Forwarders Association FMI - the Food Industry Association Footwear Distributors & Retailers of America (FDRA) Fresh Produce Association of the Americas Game Manufacturers Association Gemini Shippers Association **Georgia Retailers Global Business Alliance** Global Cold Chain Alliance

Greenabl Shippers Association Halloween & Costume Association Health Industry Distributors Association (HIDA) Home Fashion Products Association Household & Commercial Products Association Houston Customs Brokers & Freight Forwarders Association **ICSC** Idaho Grain Producers Association IL Soybean Growers Illinois Retail Merchants Association Independent Freight Forwarders & Customs Brokers Association of Savannah Institute of Makers of Explosives Intermodal Motor Carriers Conference International Association of Exhibitions and Events International Association of Movers International Association of Venue Managers International Freight Forwarders & Customs Brokers Association of New Orleans International Fresh Produce Association International Housewares Association International Housewares Shippers Association (IHSA) International Warehouse Logistics Association (IWLA) International Wood Products Association Juvenile Products Manufacturers Association Kansas Chamber Kansas Retail Federation Kansas Soybean Association Kentucky Retail Federation Kentucky Soybean Association Leather and Hide Council of America Los Angeles Customs Brokers and Freight Forwarders Association Louisiana Maritime International Chamber of Commerce Louisiana Retailers Association Maple Flooring Manufacturers Association Maryland Retailers Alliance Meat Import Council of America (MICA) MEMA, The Vehicle Suppliers Association Michigan Retailers Association Midwest Dry Bean Coalition Minnesota Soybean Growers Association Missouri Retailers Association Montana Grain Growers Association

Motorcycle Industry Council National Animal Supplement Council National Association of Beverage Importers (NABI) National Association of Chain Drug Stores (NACDS) National Association of Foreign-Trade Zones (NAFTZ) National Association of Home Builders National Association of Music Merchants National Association of Waterfront Employers (NAWE) National Association of Wheat Growers National Association of Wholesaler-Distributors National Confectioners Association National Cotton Council National Council of Chain Restaurants National Customs Brokers and Forwarders Association of America (NCBFAA) National Fisheries Institute National Foreign Trade Council National Industrial Transportation League National Lumber & Building Material Dealers Association National Milk Producer Federation National Pork Producers Council National Restaurant Association National Retail Federation National Sporting Goods Association National Turkey Federation National Wooden Pallet & Container Association NC AgriBusiness Council NCBFAA Shippers Association Nebraska Hospitality Association Nebraska Retail Federation New Hampshire Retail Association New Jersey Retail Merchants Association New York New Jersey Foreign Freight Forwarders and Brokers Association Inc. North American Association of Food Equipment Manufacturers (NAFEM) North American Formal Apparel Association North American Millers' Association North American Renderers Association

North Carolina Sweetpotato Commission North Texas Customs Brokers and Freight Forwarders Association Northarvest Bean Growers Association Northeast Agribusiness & Feed Alliance, Inc. Ohio AgriBusiness Association Ohio Soybean Association Oregon Association of Nurseries **Outdoor Power Equipment Institute** Outdoor Power Parts and Accessories Association (OPPAA) Pacific Coast Council of Customs Brokers and Freight Forwarders Association Inc. (PCC) Pacific Northwest Waterways Association Peanut and Tree Nut Processors Association (PTNPA) Penn York lumberman's Pennsylvania Retailers Association Performance Racing Industry (PRI) Personal Care Products Council Pet Advocacy Network Pet Food Institute Pet Industry Distributors Association Philadelphia Customs Brokers & Forwarders Association Plumbing Manufacturers International **PRINTING United Alliance** Promotional Products Association International (PPAI) Recreational Off-Highway Vehicle Association **Recycled Materials Association** Retail Association of Maine Retail Council of New York State Retail Industry Leaders Association Retail Merchants of Hawaii **Retailers Association of Massachusetts** San Diego Customs Brokers Association **SEMI** Snowsports Industry America Society of Independent Show Organizers, SISO South Dakota Agri-Business Association South Dakota Soybean Association Southern California Leadership Council Specialty Equipment Market Association (SEMA) Specialty Soya and Grains Alliance Specialty Vehicle Institute of America Sports & Fitness Industry Association Tag and Label Manufacturers Institute Tea Association of the U.S.A., Inc. TechNet

Technology Trade Regulation Alliance (TTRA) Texas International Produce Association The American Waterways Operators The Baltimore Customs Brokers & Forwarders Association The Fashion Jewelry and Accessories Trade Association The Fertilizer Institute The Hardwood Federation The Sulphur Institute The Toy Association Toy Shippers Association Transportation Intermediaries Association (TIA) Travel Goods Association (TGA) U S Sweet Potato Council U.S. Apple Association U.S. Chamber of Commerce U.S. Dairy Export Council U.S. Fashion Industry Association U.S. Meat Export Federation

UFI - The Global Association for the **Exhibitions Industry** United States Council for International Business Utah Food Industry Association Utah Retail Merchants Association Virginia Retail Federation Washington Association of Wheat Growers Washington Retail Association Washington State Potato Commission Washington Trucking Associations Water Quality Association West Virginia Forestry Association West Virginia Retailers Association Window and door manufacturers association Wine Institute Wisconsin Soybean Association Women in Toys, Licensing & Entertainment