

Action from Congress and Biden administration yielded progress on supply chain disruptions ahead of the holidays

Congress is making long-term investments in domestic manufacturing, infrastructure and supply chain resilience that will create jobs and power long-term economic growth

The bipartisan Infrastructure Investment and Jobs Act, which was recently signed into law, will protect and improve supply chains by repairing roads and bridges, investing in ports and airports and making infrastructure resilient to climate change and extreme weather. The act [invests](#) \$17 billion in ports and waterways, \$25 billion in repairing airports, \$110 billion in roads and bridges and \$66 billion in improving passenger and freight rail – which combined will have a significant impact on supply chains. The Economic Policy Institute [estimated](#) that the legislation will support 196,000 jobs each year for roads and bridges, over 26,000 jobs for airport upgrades and over 23,000 jobs associated with ports and waterways.

The Build Back Better Act, the bipartisan Infrastructure Investment and Jobs Act and the bipartisan U.S. Innovation and Competition Act (USICA) together would constitute the biggest investment in American supply chains, manufacturing and innovation in modern history. By strengthening domestic manufacturing, these investments will make American industries and consumers less reliant on a volatile global supply chain. For example, USICA includes significant investment in semiconductor manufacturing facilities that would reduce dependence on overseas manufacturers. These bills also invest in programs that help American manufacturers innovate and stay competitive, including technical assistance centers and apprenticeship programs.

Funding from the American Rescue Plan and bipartisan Infrastructure Investment and Jobs Act is already being used to build more resilient supply chains in critical industries

In December the Biden administration [awarded](#) \$241 million from the bipartisan Infrastructure Investment and Jobs Act to improve 25 American port facilities. The bipartisan Infrastructure Investment and Jobs Act [included](#) \$17 billion to repair ports and waterways, which is estimated to [support](#) over 23,000 jobs each year.

The Biden administration allocated [\\$1 billion](#) from the American Rescue Plan to support competition in the meat processing industry and President Biden stepped in to fight anti-competitive practices in the industry, where delays and price increases have impacted a critical food supply. A group of just four beef meatpackers [monopolize](#) the market, controlling 85% of the industry. President Biden [tasked](#) the Agricultural Department with investigating the meatpacking industry for anti-competitive practices. President Biden has also directed the USDA to [strengthen](#) “Product of the USA” rules for meat products and improve price transparency to help independent ranchers and processors.

Decades of disinvestment and outsourcing led to fragile supply chains that have been disrupted as a result of the pandemic, causing backlogs that are pushing up prices

Big corporations have put profits over resilience, leading to just-in-time supply chains that are vulnerable to disruption during the pandemic. For decades, big corporations have been using “just-in-time” supply chains to [maximize their profits](#) and ensure big payouts for their executives and shareholders, instead of investing in workers, resiliency and innovation. When the pandemic created large demand and supply shocks, these fragile supply chains, which prioritize efficiency over preparedness, were unable to keep up.

Decades of outsourcing have eroded domestic manufacturing jobs and made the U.S. reliant on imports for many manufactured goods. Manufacturing has long been a core strength of the American economy, but increasing global competition has threatened many of these high-quality jobs. Since January 2000, the United States has lost nearly a third of all domestic manufacturing jobs, a decline of about 4.8 million. Increased [competition from China](#) led to approximately 985,000 American manufacturing jobs being lost between 1991 and 2011.

The coronavirus pandemic and extreme weather events in 2021 caused supply chain disruptions and price increases worldwide, even as the U.S. experienced a robust recovery

The coronavirus pandemic caused significant disruptions to global supply chains, which resulted in delays and pushed up prices for key goods around the world. Coronavirus outbreaks outside the U.S. led to manufacturing slowdowns and shipping delays that contributed to shortages and higher costs inside the U.S. For example, coronavirus outbreaks led to factory shutdowns in countries like [Taiwan](#) and [Malaysia](#) that produce much of the world’s semiconductors, creating a shortage of a critical component for consumers electronics and cars.

Extreme weather in also 2021 [disrupted](#) supply chains around the world, causing delays and pushing up prices. Extreme weather events, like the Texas winter storms that [shut down](#) energy production in February 2021, or the [recent flooding](#) in the port of Vancouver, are examples of disruptions will become [increasingly common](#) without further action to combat global climate change.

Global supply chains had difficulty meeting strong consumer demand, even as the U.S. experienced its [strongest](#) economic growth in 40 years. As the *Wall Street Journal* [noted](#) in December, “A booming U.S. economy is rippling around the world, leaving global supply chains struggling to keep up and pushing prices up.”

President Biden took significant action to ease supply chain disruptions ahead of the holidays, which reduced shipping delays and eased logistical hurdles

While some fretted that supply chain disruptions would impact the holidays, there was not a significant delivery delay for holiday purchases. As the New York Times [noted](#), “Despite early fears, however, holiday shoppers have received their gifts mostly on time.” Ahead of the holidays, Postal Service and UPS had an on-time delivery rate of [approximately 99%](#). Package speeds were [faster](#) by some measures than in late 2019, before the coronavirus pandemic.

The Biden administration eased supply chain issues by improving port operations and addressing logistical holdups. Actions including moving some of the country’s largest ports to around-the-clock operations and utilizing off-peak hours to move more cargo have already reduced the amount of dwell time for containers at ports. A record number of shipping containers [moved](#) through the Ports of Los Angeles in 2021, as the port moved 13% more containers than during the previous peak in 2018. After the Biden administration attached monetary penalties to containers sitting the ports, the number of containers left at the docks for long periods of time [fell](#) almost 50 percent. President Biden also [asked](#) investigators to probe shipping companies for price gauging.

Business leaders have praised the Biden administration for fixing supply chain issues.

Walmart’s CEO [said](#) that the Biden administration push to ease bottlenecks was working to [ease](#) congestion at major ports. Mattel’s CEO [said](#) “we are seeing consistent improvement in supply chain and reduction of congestion in ports.”

The Biden administration [launched](#) the Trucking Action Plan to address labor force issues and create a pipeline for high-quality jobs in the trucking industry. The bipartisan Infrastructure Investment and Jobs Act puts an additional [\\$110 billion](#) into roads and bridges, which will support an estimated 196,000 jobs each year.

Progress on supply chain issues continues as critical industries added jobs and new energy supplies brought down prices

Key supply chain sectors have seen strong job gains in recent months. Transportation and warehousing are now 210,000 jobs *above* February 2020 levels. This includes particularly strong gains in trucking, which has now recovered over 96% of jobs lost during the pandemic. Manufacturing added 31,000 jobs in November and has now recovered 82% of the jobs lost since the peak of the pandemic, while construction has now recovered 90% of the jobs lost during the pandemic.

The Biden administration worked to increase energy supplies and alleviate high gas prices, which have fallen significantly since peaking in fall 2021. President Biden tapped the Strategic Petroleum Reserve, announcing the release of 50 million barrels in coordinated actions with our allies such as Japan and South Korea. President Biden also asked the Federal Trade Commission to probe whether fossil fuel companies were engaging in anti-competitive behavior. Ahead of the holidays, crude oil prices dropped about 20% and natural gas prices decreased 41% from the October peak.