

United States Senate
WASHINGTON, DC 20510

February 7, 2022

President Joseph R. Biden
The White House
1600 Pennsylvania Avenue, N.W.
Washington, D.C. 20500

Dear President Biden:

I write to request that the White House's Supply Chain Disruptions Task Force investigate the effects that business practices by international cargo carriers have had on rising costs faced by American families and small businesses.

I have worked with my colleagues in the Senate and your Administration to improve supply chain logjams and invest in our nation's infrastructure, small businesses, and jobs. The White House's Supply Chain Disruptions Task Force ("Task Force") has been vital to this work by providing a whole-of-government approach. It has been critical in providing more resources and coordination among those that make up our nation's critical supply chains. Additionally, in the long-term, implementation of the bipartisan *Infrastructure Investment and Jobs Act* will provide federal investments to make our nation's infrastructure more efficient, adaptive, and resilient. But there is more to be done, and as the Task Force continues their important work, I am requesting they investigate and issue a report on the effects that the business practices of international cargo carriers have had on American small businesses and families, including carriers increasing spot prices in shipping rates.

I applaud the work of America's supply chain workers who are dealing with record-breaking volumes. The Port of Savannah has reported 12 consecutive months of record growth, a volume increase of 25 percent from 2020 to 2021.¹ Truck drivers and train operators are working around the clock to help keep goods moving, while small businesses are reworking their own supply chains to mitigate disruptions.

While these essential workers have kept our economy running, there is evidence to suggest that large corporations and their wealthy investors, particularly those in the shipping industry, have sought to take advantage of this market volatility to pad their bottom line. As recently reported by Bloomberg,² global carriers have never been more profitable. In the second quarter of 2020, soon after the COVID-19 emergency declaration, global carriers made a profit of \$2.2 billion. In the third quarter of 2021, the most recent data available, their profit rose to \$48.1 billion – an increase of more than 2,000%. Last year, Maersk reported its most profitable quarter in the 117-year history of the company,³ and instead of cutting prices and passing saving on to consumers and small

¹ <https://gaports.com/wp-content/uploads/2022/01/Monthly-TEU-Throughput-December-2021.pdf?1643664357>

² <https://www.bloomberg.com/news/features/2022-01-18/supply-chain-crisis-helped-shipping-companies-reap-150-billion-in-2021>

³ <https://www.cnn.com/2021/11/02/business/maersk-record-profit-supply-chain-chaos/index.html>

businesses, the company is extending share buybacks to return billions of dollars in profits taken from everyday Americans to their wealthy investors.⁴

These costs are being borne most acutely by everyday Georgians and small businesses. There is no discernable increase in services provided by the global shipping providers or technological advances that justify the increase in costs. Carriers are profiting twice: first, when small businesses ship in necessary raw and intermediary goods, and again when these businesses deliver goods to customers, domestically or abroad. This behavior looks like price gouging, and it is inflicting serious harm on families and small businesses who have only just barely made it through until now.

While Congress and the Administration work to provide resources to American businesses and consumers, to fight back against the pandemic so that it is safe for Americans to return to work, and to make other investments in the American economy, the business practices of a few corporations with outsize influence over our economy cannot be ignored. Inflation and rising costs for families are persistent problems about which I hear from Georgians every day, and we must ensure that corporate greed is not unnecessarily contributing to these problems while Georgia families struggle.

Thank you again for the work you are doing on behalf of the American people. I am looking forward to your response and continuing to collaborate with you to ensure that we have an economy that works for Georgians and all Americans.

Sincerely,

A handwritten signature in blue ink, appearing to read "R. Warnock". The signature is stylized and includes a horizontal line at the end.

Reverend Raphael Warnock
United States Senator

⁴ <https://www.reuters.com/article/maersk-results-idCNL8N2RT1L8>