

[TAP GAVEL]

Good afternoon. It’s my pleasure to call today’s hearing before the Senate Finance Subcommittee on International Trade, Customs, and Global Competitiveness to order.

Thank you to our witnesses for joining us to testify today, and a special thank you to our Ranking Member, Senator Cornyn, and his team for working with our staff and with me to plan this hearing focused on supply chain challenges, an issue that continues to frustrate folks across our country and around the globe.

Today’s hearing will be a chance to examine why supply chain bottlenecks have developed since the onset of the pandemic, and to look at what kind of policies might improve the long-term resiliency and security of our supply chains to prevent these types of shortages in the future.

Now, there may be some folks out there who've heard about supply chain problems, who might know they have something to do with how we keep our economy moving — but who don't know just what we mean when we say “supply chains.”

Here's what we're talking about: supply chains include every step of the process to manufacture a product and move it from point A to point B — sometimes halfway across the globe — to get goods from your wish list to your doorstep.

One of the reasons why *I'm* eager to address these issues at today's hearing is because *Americans* are eager to address these issues. In 2022, the effects of supply chain challenges aren't some distant policy issue to folks at home. Americans are seeing it play out in empty shelves at their local grocery store that once held baby formula, in gifts delayed and delivered weeks after a birthday has passed, or in new cars and technology they've saved up for years to buy but can't find on the market.

About a month ago, the week before Mother's Day, I went to my local Rite Aid pharmacy to pick up a card for my wife Martha. And at a store where we've shopped for years – with a huge selection of anniversary cards, birthday cards, holiday cards, you name it – I walked up and found an entire Mother's Day card section empty. I found an employee and asked what was going on, and she said this year Mother's Day cards never even made it to the store.

This is just one example of the supply challenges happening all across our country. And Americans want to know how we can get back on track.

So, today, we will explore how we got to this point, and what we can do to ensure that we're better prepared in the future. I've long believed that one of the jobs of policymakers is to create a nurturing environment for job creation and economic growth – and one key to maintaining that nurturing environment is improving the dependability of our supply chains.

And while we know that the tremendous supply chain backlogs we are seeing today come largely from the economic shock of the pandemic, many systemic vulnerabilities existed long before COVID.

Fundamental weaknesses in our global logistics systems are the result of a decades-long focus on supply chain efficiencies, ‘just in time’ manufacturing, and a reliance on foreign adversaries for a wide array of goods.

The result is a system so brittle and fragile that it cracked under the pressure of the worst pandemic we’ve endured in over 100 years.

But in adversity lies opportunity, and these challenges present a great opportunity for us to re-think how we move goods across the globe and create a system that better serves the American people.

That starts with investing in our own critical infrastructure. And I'm proud — as I'm sure every member of this committee is — that we have already taken steps through the Bipartisan Infrastructure Law to improve the efficiency of our ports and make our roads and bridges safer.

However, it's clear that infrastructure investments are only one piece of the puzzle.

Another piece is expanding domestic investment in the technologies we rely on — from semiconductors to renewable energy products — so that we don't find ourselves relying on a foreign adversary or jeopardizing our national security for the sake of a supply chain.

At the same time, we can create jobs and support American manufacturing – a win-win. A good place to start is the ‘China competition’ legislation currently being reconciled between the two chambers of Congress. And I commend our friend, Senator Cornyn, for his leadership in supporting chips funding in that bill.

And while domestic investment is a key part of shoring up our supply chains for years to come, we also have to focus on a fundamental principle central to the supply chain discussion: working together with our global partners.

And as leaders of this Subcommittee, Senator Cornyn and I have repeatedly called for greater U.S. economic engagement and leadership across the globe, especially in the Asia-Pacific region.

By reaching out to our allies, bringing more nations into a shared economic framework, we can improve the security and resiliency of our supply chains—leading to a wider range of products and lower costs for American consumers.

That’s part of the reason why I was happy to see President Biden announce the start of an Indo-Pacific Economic Framework — to bring more good-faith trading partners into a stronger, fairer global economy, and create even more diverse, resilient supply chains.

Ultimately, building secure and flexible supply chains will require both economic cooperation with our allies across the globe, and, more strategic investments in critical industries and workers here at home.

So, today, we look forward to hearing from our witnesses with respect to their insight on solutions to these challenges — so that the next generation of American families won't have to worry about empty shelves and higher prices. We'll be ready for what's to come.

Once more, let me thank our Ranking Member and the witnesses appearing before us today, and with that, I'd like to turn it over to Senator Cornyn for his opening statement.