



To: House Committee on Natural Resources Republican Members
From: Natural Resources Committee Republican Staff; Aniela Butler (Aniela@mail.house.gov); Ashley Nichols (Ashley.Nichols@mail.house.gov); Kiel Weaver (Kiel.Weaver@mail.house.gov)
Date: December 6, 2021
Subject: Republican Oversight Forum on “How Joe Biden Stole Christmas: Addressing America’s Ongoing Supply Chain Crisis”

The Committee on Natural Resources Republicans will hold a forum to examine the Biden administration’s failure to address the current supply chain crisis, and the effects of supply shortages and price increases on American families ahead of the holiday season. The forum will be held on **Thursday, December 9, 2021, at 10:00 am (EST)** in Room 217 of the Capitol Visitors Center and online via Zoom.

Member offices are requested to notify Will Layden (Will.Layden@mail.house.gov) and Baylee Seeman (Baylee.Seeman@mail.house.gov) **no later than Tuesday, December 7, 2021, at 4:00 pm (EST)** if their Member intends to participate in person in the forum room or remotely from his/her laptop from another location. To continue hearing from local stakeholders and rural Americans who don’t have the resources to travel to D.C., we will still provide a virtual option for out-of-town witnesses via Zoom.

Please contact Bailey Mailloux (Bailey.Mailloux@mail.house.gov) should any technical difficulties arise.

I. KEY MESSAGES

- The Biden administration’s continued inaction on our supply chain crisis is jeopardizing the upcoming holiday season by making goods harder to get and more expensive.
- From food to fuel, natural resources play a critical role in the supply chain. Facilitating more American resource production of energy, minerals, and forest products will make our supply chain more secure and rein in rising costs.
- In contrast to the Biden administration’s reckless overregulation and inflationary overspending, Republicans are committed to addressing the national supply chain crisis by increasing American manufacturing, making the U.S. more competitive abroad, and reducing reliance on foreign imports like oil and other manufactured goods.

This document has not been officially adopted by the Committee on Natural Resources and therefore may not necessarily reflect the views of its Members.



II. WITNESSES

- **Mr. Steve Martinez**, Principal, Tradewinds General Contracting, Inc.
- **Mr. Chris Wright**, CEO, Liberty Oilfield Services
- **Mr. Marty Schuma**, President, Dick Anderson Construction
- **Mr. Darrell Conner**, Government Affairs Counselor, K&L Gates
- **Mr. James Meeks**, Owner, Triple M Farms
- *Additional Witnesses TBA*

III. BACKGROUND

The Current Supply Chain Crisis

Overview

During the past year, the supply chain faced unprecedented strain due to extreme shifts and increases in demand due to the COVID-19 pandemic, factory shutdowns abroad, a lack of manufacturing capacity and production of goods domestically, historic bottlenecks at ports and other shipping-related delays, and labor shortages – particularly for truck drivers. The crisis has resulted in supply shortages, exorbitant delays and wait times for everyday products, and skyrocketing price increases across nearly every sector of the economy from televisions and electronics, to food, to basic packaging materials. Unfortunately, this crisis shows no signs of abating as bottlenecks and disruptions continue to ripple across every aspect of the supply chain. The crisis will continue to stagnate economic growth, as confirmed by a December 1, 2021, report from the Federal Reserve Board which stated, “despite strong demand, growth was constrained by supply chain disruptions and labor shortages.”¹

These disruptions are particularly acute at our nation’s ports, which are facing unparalleled congestion along with rapidly growing shipping costs. The backlog of vessels anchored outside of the ports of Los Angeles and Long Beach reached a record-breaking 114 ships last month and as of November 28th, 81 ships were anchored waiting to unload cargo at the ports.² Prior to the pandemic, the highest recorded number of ships waiting to dock at these two Southern California ports, which receive 40 percent of the nation’s imported goods, was 17 vessels.³ Ships are “waiting an average of more than 18 days” before entering the ports.⁴ In addition to waiting time to berth, it now takes longer to ship goods from foreign countries to the United States. Currently, it takes “76 days to move a container from China to the US,” compared to 40 days before the pandemic. To put that in perspective, items would have had to have shipped to the U.S. from

¹ Federal Reserve District, “Summary of Commentary on Current Economic Conditions by Federal Reserve District,” Dec. 1, 2021, https://www.federalreserve.gov/monetarypolicy/files/BeigeBook_20211201.pdf.

² Marine Exchange of Southern California, <https://www.facebook.com/Mxsocal/photos/pcb.3061683410740686/3061676620741365/?type=3&theater>. Hanbury, Mary, “A record 111 container ships are floating off California’s busiest ports, despite Biden’s 24/7 schedule and looming fines,” Business Insider, Nov. 10, 2021, <https://www.businessinsider.com/supply-chain-crisis-record-number-of-container-ships-ca-ports-2021-11>.

³ *Id.*

⁴ Bloomberg, “Every Step of the Global Supply Chain Is Going Wrong — All at Once,” Nov. 23, 2021, <https://www.bloomberg.com/graphics/2021-congestion-at-americas-busiest-port-strains-global-supply-chain/>.

overseas before October 11th to arrive in time for Christmas.⁵ Those ships are returning with empty containers, as discussed in a recent American Farm Bureau Federation letter to U.S. Department of Agriculture Secretary Tom Vilsack:

In an effort to avoid congestion and to get containers back to Asia as quickly as possible so that they can be refilled with more import goods, there has been an increase in the shipment of empty containers out of the West Coast ports. Some consider it more efficient to ship empty containers, rather than waiting for export goods to be loaded, which has led to a significant decline in the number of containers available to agricultural exporters... Compared to the first quarter of 2020 alone, the first quarter of 2021 represents an 80% jump in empty export container units. At the Port of Los Angeles, in 2021, through July, nearly 75% of all exported containers were empty.⁶

Shipping prices have become exorbitant. Compared to a year ago, the cost of shipping freight containers from Asia to the U.S. is 276 percent higher and freight containers from Europe to the U.S. are 296 percent more expensive.⁷ Traeger Grills used to ship their products in 40-foot containers from Asia for \$1,500 per container; the cost to ship in the same container has increased to \$10,000.⁸ In fact, the cost of ocean freight is so expensive and delayed that many companies have started shipping goods by air, traditionally a far more expensive shipping option.

Overseas shipping delays are being exacerbated by more expensive and delayed shipping domestically and persistent labor shortages. For example, the American Trucking Association estimates there is currently a shortage of 80,000 truck drivers, a number that is expected to double by 2030.⁹ This is true across nearly every sector of the economy, with many employers stating there is a “robust demand for labor but persistent difficulty in hiring and retaining employees” due to retirements, the pandemic, and concerns over federal policies like President Biden’s vaccine mandate.¹⁰ This has led to 10.4 million job openings, with a record high quit level of 4.4 million employees.¹¹ Many businesses have been forced to close or scale back their operations and hours in response to this staffing shortage, which only causes further supply chain delays and bottlenecks.

Impact on the Holiday Season

Further exacerbating shortages and delays is the continued increase in demand from consumers, particularly ahead of the holiday season. Shortages, delays, and inflation will cause families to spend more this year on everything from gifts under the tree to the traditional holiday dinner.

⁵ Quartz, “Shipping lines have reached the peak of their pricing power,” Nicolas Rivero, Nov. 21, 2021, <https://qz.com/2091274/shipping-lines-have-reached-the-peak-of-their-pricing-power/>.

⁶ https://www.fb.org/files/Supply_chain_vilsack_letter.AFBFLTR.FINAL.09.03.21.pdf

⁷ Freightos, “Shipping & Freight Cost Increases, Freight Capacity, and Shipping Container Shortage [2021],” Nov. 19, 2021, <https://www.freightos.com/freight-resources/coronavirus-updates/>.

⁸ CNBC, “Cost of shipping a container from Asia jumped over 500% since last year, Traeger Grills CEO says,” Kevin Stankiewicz, Nov. 22, 2021, <https://www.cnbc.com/2021/11/22/shipping-container-cost-from-asia-jumped-500percent-since-last-year-traeger-ceo-says.html>.

⁹ American Trucking Association, “Industry Short 80,000 Drivers Today, May Be Short 160,000 by 2030,” Oct. 25, 2021, <https://www.trucking.org/news-insights/ata-chief-economist-pegs-driver-shortage-historic-high>.

¹⁰ *Id.*

¹¹ U.S. Bureau of Labor Statistics, “Job Openings and Labor Turnover Summary,” Nov. 12, 2021, <https://www.bls.gov/news.release/jolts.nr0.htm>.

Rampant inflation caused the price of all goods to rise by 6.2 percent over the past year, with energy costs rising 30 percent and the food price index rising 5.3 percent.¹² While many consumers are seeing empty shelves in their local stores, they are also having similar difficulties shopping online. For example, consumers saw more than 2 billion out-of-stock messages in October 2021, a 250 percent increase compared to October 2020 and 325 percent higher than pre-pandemic shopping in October 2019.¹³

Higher prices and shortages will affect American families in a multitude of ways during the holidays. Traveling to see family for Christmas will cost 55 percent more compared to last year, in part due to rising fuel costs for airlines.¹⁴ Toys will be harder to find, particularly those that require critical minerals as a raw material. For example, one of the season's most popular toys, the Got2Glow Fairy Finder, is struggling to meet demand due to a shortage of electronic chips and liquid crystal display (LCD) screens, which rely on the critical mineral indium.¹⁵ Finally, at a time when many purchase hunting, fishing, and other outdoors equipment as gifts, prices and availability of these items remain a top concern. Over the course of the COVID-19 pandemic, many chose to spend more time outside to pursue hunting, fishing, camping and other outdoor recreational activities. As a result, demand for outdoor equipment substantially increased while production decreased in China and elsewhere with COVID-related closures.¹⁶

The supply chain crisis has caused price spikes, rationing or outright unavailability of products.¹⁷ As an example, prices for ammunition have substantially increased and shelves for many outdoor products are empty.¹⁸ As one outdoors company official put it earlier this year: "It all has to work together. If anything breaks down or is pinched" then stores will not get the product.¹⁹

How the Biden Administration Exacerbated this Crisis

Not only has the Biden administration failed to appropriately respond to this crisis, but President Biden's policies have exacerbated challenges within the supply chain and prolonged the crisis. Trillions of dollars in new, unnecessary spending from Congressional Democrats and President Biden have pushed inflation to rise at the fastest rate in over 30 years.²⁰ This, coupled with

¹² U.S. Bureau of Labor Statistics, "Consumer Price Index Summary," Nov. 10, 2021, <https://www.bls.gov/news.release/cpi.nr0.htm>.

¹³ Adobe, "Adobe: Shoppers have seen over 2 billion out-of-stock messages online (October 2021)," Nov. 9, 2021, <https://blog.adobe.com/en/publish/2021/11/09/adobe-shoppers-have-seen-over-2-billion-out-of-stock-messages-online-october-2021#gs.i28o7z>.

¹⁴ Business Insider, "Airline ticket prices for this holiday season are skyrocketing," Taylor Rains, Nov. 20, 2021, <https://www.businessinsider.com/airfare-has-skyrocketed-55-for-the-christmas-holiday-2021-11>.

¹⁵ Washington Post, "The Cost of Delay: How your holiday shopping cart explains the damaged global supply chain," Abba Bhattarai, Nov. 20, 2021, <https://www.washingtonpost.com/business/interactive/2021/global-supply-chain-issues-holiday-shopping/>.

¹⁶ New York Upstate, "Can't find tent stakes? Fishing lures? Here's why there's a shortage of outdoors gear," David Figura, May 26, 2021, <https://www.newyorkupstate.com/outdoors/2021/05/cant-find-tent-stakes-or-a-fishing-lure-you-wanted-heres-why-theres-a-shortage-of-outdoors-items-for-sale.html>.

¹⁷ *Id.*

¹⁸ Wisconsin Public Radio, "Hunting ammunition hard to find as ammo shortage continues nationwide," Danielle Kaeding, Nov. 1, 2021, <https://www.wpr.org/hunting-ammunition-hard-find-ammo-shortage-continues-nationwide>.

¹⁹ *Supra* n. 16, quoting Mr. Dennis Jensen, director of marketing for Runnings, a Marshall, Minnesota based company that specializes in home, farm and outdoors products..

²⁰ New York Times, "Fastest Inflation in 31 Years Puts More Heat on Washington," Jeanna Smialek, Nov. 14, 2021, <https://www.nytimes.com/2021/11/10/business/economy/consumer-price-inflation-october.html>.

harmful regulations and attacks on American energy production, has made it more difficult to produce goods and resources in the U.S. to alleviate supply chain tensions. In addition, the Biden administration continually pressures industry to “step up” while promoting business-killing policies like the vaccine mandate and further incentives to not work.²¹ President Biden has shown a total disregard for the struggles that American families will face this holiday season. A letter from 160 House Republicans urging him to be proactive in addressing the supply chain crisis has not been enough to get meaningful results from this administration.²² The supply chain crisis persists as just last week, after meeting with major companies to discuss his self-made crisis, “administration officials abruptly canceled [President Biden’s] White House remarks less than a half-hour before” he was scheduled to update the American people on whether they could expect fully stocked shelves ahead of the holidays, apparently to avoid saying that shelves will likely remain empty.²³

The Role of Natural Resources in the Supply Chain

Fuel Prices and Shipping Costs

The world is facing a global energy crisis and Americans are feeling the effects at the gas pump and in their monthly electric bills. The need for reliable, inexpensive energy is clear, as gas prices in the U.S. are at a seven-year high and Americans are grappling with rising inflation.²⁴ In Europe, 80 million households are struggling to heat their homes going into a cold winter.²⁵ Unfortunately, the Biden administration squandered the achievements of the previous administration and reversed our energy independence. In his first week in office, President Biden shut down the Keystone XL pipeline and signed Executive Order 14008, imposing an indefinite moratorium on oil and gas leasing and initiating a review of the federal oil and gas leasing program.

On June 15, 2021, U.S. District Judge Terry A. Doughty placed an injunction on the Department of the Interior’s (DOI) unlawful leasing moratorium and ordered DOI to restart the leasing process.²⁶ DOI held one offshore lease sale on November 17, 2021, and has taken steps toward holding onshore lease sales, although none are scheduled for 2021. The Bureau of Land

²¹ See CNBC, “Biden Hosts CEOs to Discuss Holiday Shopping Supply Chain Issues, Inflation”, Christina Wilkie, Nov. 29, 2021, <https://www.cnbc.com/2021/11/29/biden-to-host-ceos-to-discuss-holiday-shopping-supply-chain-issues-inflation.html>; see also Politico, “Biden Team Asks Oil Industry for Help to Tame Gas Prices”, Ben Lefebvre, Oct. 13, 2021, <https://www.politico.com/news/2021/10/13/white-house-biden-gas-prices-515957>.

²² Letter to President Biden on the supply chain, Oct. 20, 2021, https://republicans-transportation.house.gov/uploadedfiles/2021-10-20_supply_chain_crisis_letter.pdf.

²³ New York Times, “The Biden administration, under fire for supply chain woes, says stores will be fully stocked for the holidays.” Jim Tankersley and Ana Swanson, Nov. 29, 2021, <https://www.nytimes.com/2021/11/29/business/biden-supply-chain-shortages.html>.

²⁴ CNBC, “Gas prices are at a seven-year high and expected to keep rising. How to save at the pump”, Sarah O’Brien, Oct. 19, 2021, <https://www.cnbc.com/2021/10/19/gas-prices-are-at-seven-year-high-how-to-save-at-the-pump.html>

²⁵ CNN, “80 million European households struggle to stay warm. Rising energy costs will make the problem worse”, Walé Azeez, Oct. 1, 2021, <https://www.cnn.com/2021/09/30/business/europe-energy-poverty/index.html>

²⁶ Washington Post, “Louisiana judge blocks Biden administration’s oil and gas leasing pause”, Joshua Partlow and Juliet Eilperin, June 15, 2021, <https://www.washingtonpost.com/climate-environment/2021/06/15/louisiana-judge-blocks-biden-administrations-oil-gas-leasing-pause/>.

Management (BLM) will likely offer less acreage than initially planned under sales deferred from earlier this year.²⁷

In April, the Biden administration urged Japan not to invest in overseas liquefied natural gas (LNG) projects that would use American LNG.²⁸ Despite supposed concerns about emissions, in May, the Biden administration decided to waive sanctions on the Nord Stream 2 pipeline delivering natural gas from Russia to Germany.²⁹ On November 26, 2021, DOI released a report on the federal oil and gas leasing programs, doubling down on their anti-energy agenda.³⁰ The DOI report recommends several reforms to the leasing program that will drive up the cost of production on federal lands and waters, further discouraging development and increasing our import reliance on nations with lower environmental standards.³¹

Proposals by the Biden administration and Committee Democrats to stop conventional energy production have outsourced energy demand and driven up prices by limiting supply. President Biden recently appealed to the Organization of the Petroleum Exporting Countries (OPEC) multiple times to increase supply in an effort to alleviate skyrocketing energy costs at home.³² After repeated rejections by OPEC, the Biden administration released 50 million barrels from the Strategic Petroleum Reserve (SPR) on November 23rd, 2021, a drastic step that may have been avoided if President Biden had not impeded domestic production.³³ Democrats in Congress have recently responded by urging the President to ban oil exports in an attempt to lower gas prices,³⁴ but such an action would further disrupt the market and make the situation worse.³⁵

These actions are all part of a larger attack by Democrats on U.S. energy production that has contributed to our current energy crisis. Rising energy prices impact nearly every aspect of the supply chain, as the costs of shipping, manufacturing and storage are all impacted by higher gas and electricity prices. According to a recent UN report, increased shipping costs could increase prices for consumer products, including electronics, furniture, and pharmaceutical products by as

²⁷ Bureau of Ocean Energy Management. Lease Sale 257. <https://www.boem.gov/Sale-257>; Reuters, “U.S. Interior to weigh greenhouse gas emissions of proposed 2022 oil lease sales”, Valerie Volcovici, Oct. 29, 2021, <https://www.reuters.com/business/energy/us-interior-unit-weigh-greenhouse-gas-emissions-proposed-2022-oil-lease-sales-2021-10-29/>.

²⁸ Bloomberg Government, “U.S. Asked Japan to Stop Funding LNG Power Plants Abroad”, Stephen Stapczynski, April 18, 2021, <https://www.bgov.com/core/news/#!/articles/QRSB6LT0G1KY>.

²⁹ BBC News, “Nord Stream 2: Biden Waives US Sanctions on Russian Pipeline”, May 20, 2021, <https://www.bbc.com/news/world-us-canada-57180674>

³⁰ U.S. Department of the Interior, “Report on the Federal Oil and Gas Leasing Program”, Nov. 26, 2021. <https://www.doi.gov/sites/doi.gov/files/report-on-the-federal-oil-and-gas-leasing-program-doi-eo-14008.pdf>

³¹ *Id.*

³² Bloomberg, “OPEC+ Heads for a Clash With Biden as Members Reject Call for More Oil”, Salma El Wardany and Javier Blas, Nov. 1, 2021, <https://www.bloomberg.com/news/articles/2021-11-01/opec-heads-for-biden-clash-as-members-reject-call-for-more-oil>

³³ Energy Wire, “Biden Announces Oil Release from Strategic Petroleum Reserve”, Lesley Clark, Nov. 23, 2021, <https://www.eenews.net/articles/biden-announces-oil-release-from-strategic-petroleum-reserve/#:~:text=Hammered%20by%20high%20gasoline%20prices,an%20effort%20to%20lower%20prices.>

³⁴ Reuters, “U.S. House Democrats urge Biden to release oil reserves, reinstate export ban”, Andrea Shalal, November 22, 2021, <https://www.reuters.com/markets/us/us-house-democrats-urge-biden-release-oil-reserves-reinstate-export-ban-2021-11-23/>

³⁵ American Petroleum Institute, “Why the U.S. Must Import and Export Oil”, Dean Foreman, June 14, 2018, <https://www.api.org/news-policy-and-issues/blog/2018/06/14/why-the-us-must-import-and-export-oil>.

much as 10 percent by next year.³⁶ Until the Biden administration reverses these harmful actions and embraces domestic energy development, American families will continue to face higher prices and tough choices this holiday season and for years to come.

Food Prices and Drought

The supply chain crisis is also impacting food availability, pricing, and the agricultural sector. At a time when much of the western United States continues to experience the impacts of this summer's severe drought, many of the region's farmers are dealing with higher input prices and an inability to export some products overseas. For example, Colorado farmers already reeling from narrow profit margins due to drought are now hit with cost increases from pesticides, fertilizer, and other necessary materials to keep a farm operational. An article in the *Ouray County Plaindealer* in Colorado showcased the plights of one agribusinessman, Dallas Vaughn with Flagler Aerial Spraying:

The cost of fertilizer for Vaughn is now \$28 a gallon, up from \$11. The cost to transport a load of the herbicide paraquat to Colorado from a coastal port was \$8,000, up from the \$4,000 he expected. It took six weeks to find truckers to take the herbicide, which is a hazardous material, when it "should have taken three days," Vaughn said. In July, he received a batch of glyphosate that he'd ordered in January. "That's how far behind the supply chain is on product," he said. To contend with its increased costs, the company has raised its prices and Vaughn said they went to their bank to ask if they could raise a working capital line "because we're literally paying double for all of our inventory." His average wheat customer who would have spent \$16 to \$18 an acre on fertilizer last fall is now spending \$29 an acre this year — a roughly \$20,000 increase for a 2,000-acre operation.³⁷

To make matters worse, some farmers are unable to export their products due to transportation issues, such as shipping container shortages. In northern California, walnut producers are struggling to find enough shipping containers or warehouses to store their walnuts, in addition to a worker shortage. Even if nut crops get to western ports for export, foreign shippers are prioritizing items that are being imported into the U.S. from Asia.³⁸ All of these supply chain factors, combined with drought, will continue to lead to substantial increases for food consumers nationwide.³⁹

³⁶CNBC, "Surging Shipping Costs will drive up prices for some consumer products by 10%, new UN report finds", Evelyn Cheng, Nov. 19, 2021, <https://www.cnn.com/2021/11/19/surging-shipping-costs-to-drive-consumer-price-inflation-unctad-says.html>

³⁷ Farmers Hit With Price Hikes, Supply Shortages, Shannon Najmabadi, Sept. 15, 2021, <https://www.ouraynews.com/news/farmers-hit-price-hikes-supply-shortages>

³⁸ Marketplace, California Farmers Say Their Crops are Caught in the Supply Chain, Carolina Champlin, Nov. 4, 2021, <https://www.marketplace.org/2021/11/04/california-farmers-say-their-crops-are-caught-supply-chain/>

³⁹ Farm Policy News, Supply-Chain Issues Persist at Supermarkets as Meat Prices Rise, Keith Good, Nov. 2, 2021, <https://farmpolicynews.illinois.edu/2021/11/supply-chain-issues-persist-at-supermarkets-as-meat-prices-rise-turkey-availability-a-concern/> (stating that "The agriculture department said in October that [extreme and exceptional drought](#) in the western U.S. had impacted 45% of the nation's alfalfa hay and would likely push prices higher for beef and dairy producers.").

Forest Products: From Wood Pallets to Your Christmas Tree

Forest products play a critical role in the supply chain, serving as raw materials, shipping supplies, and final consumer products. For example, one of the tightest pressure points on the supply chain is the shortage of and price increases on some of the most basic forest-based shipping products, such as wood pallets and cardboard boxes. More than 80 percent of consumer goods are shipped via wood pallets and prices for pallets have jumped from \$9 to \$15, a 66 percent increase.⁴⁰ According to the Bureau of Labor Statistics, the price of pulp and paper products rose by 15 percent over the past year, with wood pulp in particular jumping over 50 percent.⁴¹ The increase in price of this raw material is translating into higher costs and shortages of products like cardboard boxes, which are necessary to deliver everything from Amazon packages to food supplies to grocery stores.

Wood products are also needed for everything from everyday household essentials to Christmas gifts and wrapping paper. Although demand recovered from early pandemic levels, delivery delays are causing further shortages of paper products like toilet tissue and paper towels. In fact, big box retailers like Costco have limited purchases of these products in recent months.⁴² Slowed exports of the raw pulp material are further exacerbating these concerns, leading Costco to estimate paper products increasing in price by 4 to 8 percent last quarter.⁴³ For gifts, Christmas wish lists for literary lovers will also suffer as “a combination of both fewer mills producing book paper and greater demand for wood pulp elsewhere” have caused shortages of print books.⁴⁴ Another example of where wood products impact both gift giving and outdoor recreation is the ski industry. DPS Skis, a manufacturer and distributor of mountain sports equipment in Utah, recently experienced issues getting the wood necessary for their skis. While they were eventually able to secure the wood from North Carolina, their raw material costs are up 10 to 15 percent.⁴⁵

Unfortunately, supply chain issues are also expected to affect one of the most iconic aspects of the holiday season: the Christmas tree. A combination of drought, wildfires, and exorbitant shipping costs have limited the supply of trees and affected every aspect of the tree supply chain from growers to sellers.⁴⁶ Approximately 14 million households purchased live Christmas trees last year, and this year suppliers predicted “a lot of empty shelves” by “the time we get to

⁴⁰ Symbia Logistics, *Wooden Pallets: The Unsung Hero of the Supply Chain*, Megan Smith, July 15, 2021, <https://www.symbia.com/blog/2021/7/5/wooden-pallets-unsung-hero-supply-chain?locale=en>.

⁴¹ U.S. Bureau of Labor Statistics, “PPI Detailed Report: Data for October 2021,” Department of Labor, 25:10, https://www.bls.gov/web/ppi/ppi_dr.pdf.

⁴² NPR, “Limits On Toilet Paper And Cleaning Supplies Are Back At Costco,” Jonathan Franklin, Sept. 24, 2021, <https://www.npr.org/sections/coronavirus-live-updates/2021/09/24/1040471872/limits-toilet-paper-cleaning-supplies-costco-delta-covid>.

⁴³ MSN Money, “Your Next Costco Run Could Be More Expensive...”, Aine Cain, May 28, 2021, <https://www.msn.com/en-us/money/markets/your-next-costco-run-could-be-more-expensive-as-the-company-warns-of-expected-price-hikes-for-key-goods-including-trash-bags-cheese-plastic-plates-and-beef/ar-AAKus2F>.

⁴⁴ Vox, “The great book shortage of 2021, explained,” Constance Grady, Oct. 6, 2021,

<https://www.vox.com/culture/22687960/book-shortage-paper-ink-printing-labor-explained>.

⁴⁵ Wall Street Journal, “Made in the U.S.A., but With a Supply-Chain Reboot,” Nelson Schwartz, Nov. 29, 2021, <https://www.nytimes.com/2021/11/29/business/economy/supply-chain-inflation.html>.

⁴⁶ Washington Post, “Oh, Christmas Tree, Not You, Too: Supply Chain Problems Come to the Fir Trade”, Laura Riley, Nov. 26, 2021, <https://www.washingtonpost.com/business/2021/11/26/christmas-tree-shortage/>.

Thanksgiving.”⁴⁷ Even if consumers can secure a Christmas tree, they will likely “pay at least 20 percent more” for the tree.⁴⁸ Artificial trees are also not immune from the supply chain crunch, with shipping times for imported artificial trees increasing from three weeks to eight weeks and prices rising by 10 to 30 percent.⁴⁹ The lack of supply for live Christmas trees can be directly tied to the Biden administration’s failure to properly manage our national forests or respond appropriately to our drought crisis by investing in long-term water storage solutions.

Critical Minerals Necessary for Everyday Items and Gifts

Virtually every high-tech device requires a combination of metals and materials to function. This is true across economic sectors, affecting everything from satellites to medical devices to common consumer goods like smart phones and laptops. Supply chains for these commodities are extremely complicated in nature, involving years of exploration, extraction, processing, and manufacturing. Unfortunately, these already insecure supply chains are being set up for major disruption by domestic and international climate policies. The global push for net-zero emissions will generate a staggering surge in minerals demand in a few short years.⁵⁰ For instance, demand for the minerals needed in electric vehicle (EV) batteries and grid storage will increase by 30 times by 2040.⁵¹ Attempting to meet the goals of the Paris Agreement will cause a 40 percent demand increase for copper and rare earth elements, a 60 to 70 percent increase for nickel and cobalt, and a nearly 90 percent increase for lithium.⁵² Without a massive corresponding effort to increase supply, we can expect short-term price spikes and long-term supply shortages. Common gifts like phones and tablets will not be excepted.⁵³

Republican Solutions

Unlike the overregulation and inflationary spending policies being pursued by the Biden Administration and Congressional Democrats, Republicans are focused on addressing the supply chain by empowering American businesses and improving access to resources here in the United States. For example, the “American Critical Mineral Independence Act of 2021” would reduce barriers to mining critical minerals domestically that are essential for a variety of toys, electronics, vehicles, and other consumer goods. The “American Energy First Act” would similarly streamline leasing and permitting for onshore and offshore conventional and renewable energy development to increase domestic production and address energy supply shortages. The “Resilient Federal Forests Act” would promote better management of our overstocked national forests and reduce the risk of catastrophic wildfires, which has decimated the supply of forest products. Finally, the “Building U.S. Infrastructure through Limited Delays and Efficient Review

⁴⁷CNBC, “Get ready for a Christmas tree shortage, as supply chain issues and climate change team up,” Amanda Macias, Nov 16, 2021, <https://www.cnbc.com/2021/11/16/christmas-tree-shortage-because-of-supply-chain-issues-climate-change.html>.

⁴⁸ NPR, “Why Christmas trees may be harder to find this year (and what you can do about it),” Nov. 4, 2021, <https://www.npr.org/2021/11/04/1052248823/a-mountain-of-issues-impact-the-2021-supply-of-christmas-trees>.

⁴⁹ Washington Post, “Oh, Christmas tree, not you, too: Supply chain problems come to the fir trade,” Laura Riley, Nov. 26, 2021, <https://www.washin.gtonpost.com/business/2021/11/26/christmas-tree-shortage/>.

⁵⁰ International Energy Agency, “Clean energy demand for critical minerals set to soar as the world pursues net zero goals”, May 5, 2021, <https://www.iea.org/news/clean-energy-demand-for-critical-minerals-set-to-soar-as-the-world-pursues-net-zero-goals>.

⁵¹ *Id.*

⁵² *Id.*

⁵³ See PC Magazine, “Apple: Chip Shortage Could Mean Delayed iPhone, iPad, Mac Shipments”, Michael Kan, Oct. 29, 2021, <https://www.notebookcheck.net/Global-chip-shortage-hits-Apple-hard-as-it-reduces-iPad-production-in-favor-of-the-iPhone-13.576700.0.html>.

(BUILDER) Act” would streamline National Environmental Policy Act (NEPA) projects to create jobs, reduce project costs and support economic growth.