

Bottlenecks and Supply Constraints – U.S. DOT Comment Period Ends in One Week

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Supply chain disruption is a global pandemic era challenge that will continue to grow in impact for the near-term future. The scope of supply chain challenges extends from low supply and lack of transportation capacity to the staggering costs to actually transport, import, and eventually land product for use or sale. The White House took interest in the issue of America's supply chains and the transportation industrial base earlier this year.

On February 24, 2021, President Biden issued an Executive Order aimed at improving supply chain resilience in the face of current strains, such as the COVID-19 pandemic, and future ones, such as cyber security issues, weather events, and continuing geopolitical and economic competition. A key part of this White House review involves a report that must be delivered from the Secretary of Transportation on the role of transportation systems in supporting existing supply chains and risks associated with those transportation systems.

The Department of Transportation ("DOT") is seeking comment from domestic users and providers of transportation services as part of the agency's analysis, details of which are published in the Federal Register. (86 FR 51719). This inquiry allows a unique opportunity for industry to provide real-world visibility to the DOT on the challenges facing freight and logistics.

The DOT specifically called out thirteen areas on which it is seeking public feedback, although other meaningful comments are encouraged:

1) Bottlenecks. The identification of major infrastructure or operational bottlenecks and chokepoints across all aspects of the freight and logistics supply chain-including shipping/receiving, intermodal transfer, rail/water/truck transportation, warehousing, etc.-that slow or impede efficient cargo movement within the freight and logistics sector, and the most effective investments and management practice improvements to alleviate those bottlenecks.

2) Equipment Shortages. Current and potential future shortages and/or distribution limitations of essential cargo-handling equipment, such as chassis and shipping containers, and how these challenges can be or are likely to be addressed by the freight and logistics industry over both the medium and longer term.

3) Warehouse Constraints. Warehouse capacity and availability, and any challenges faced in operating and siting/constructing those facilities, as well as challenges faced by third-party logistics service providers and other stakeholders in the logistic system.

4) Supply Chain Resiliency. Major risks to resilience within the freight and logistics sector (including defense, intelligence, cyber, homeland security, health, climate, environmental, natural, market,

economic, geopolitical, human-rights, or labor-management risks). What factors help to mitigate, or conversely exacerbate, these risks?

5) Climate Change. The effects of climate change on transportation and logistics infrastructure and its implications for supply chain resiliency.

6) Technology Solutions. Technology issues, including information systems, cybersecurity risks, and interoperability, that affect the safe, efficient, and reliable movement of goods. Would greater standardization of those technologies help address those challenges?

7) Workforce Issues. Key opportunities and challenges with respect to the existing and future workforce to ensure a well-functioning freight and logistics supply chain and achieve the President's goal of increasing good-paying jobs with the choice of a union. Are there additional workforce or skill set opportunities and needs currently, or expected in the future?

8) Performance Barriers. Current barriers (including statutory, regulatory, technological, institutional, labor and workforce, management, existing business models/practices issues) that inhibit supply chain performance. For any barriers identified, please address the actors involved and potential outcomes should those barriers be removed.

9) Critical Assets. Critical assets the sector relies upon and their expected future availability. Would increasing domestic production of these assets be desirable or feasible as a means of ensuring greater supply chain resiliency (chassis, containers, etc.)?

10) Technology Practices. Technological practices, including data sharing, that are being implemented at various levels across the supply chain sector. What are the upsides, challenges, and drawbacks of further adoption?

11) Federal, State, and Private Industry Interaction. Actions that DOT or other agencies in the U.S. Government (USG) could take under existing authorities or in partnership with States, local governments, the private sector, or labor to address current and evolving challenges within the freight and logistics sector.

12) Policy Recommendations. Other policy recommendations or suggested executive, legislative, or regulatory changes to ensure a resilient supply chain that DOT/USG should consider, including means to collaborate more effectively across government agencies, and suggestions based on state and international models.

13) Non-Federal Actions DOT May Support. Recommended actions by non-Federal entities, including State and local governments, private firms, labor, and other participants in the freight and logistics sector that could be encouraged by DOT/USG.

Industry comments must be received by the DOT on or before **October 18, 2021** and can be submitted online, by mail, or through hand-delivery. Electronic submissions may be provided at <http://www.regulations.gov> and must identify the Docket Number DOT-OST-2021-0106.

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sourcing and delivering service, negotiating market- and risk-based contract terms, and in representation during the commercial disputes that result or government enforcement that may arise.

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