

June 4, 2015

The Honorable John Thune
Chairman
Senate Committee on Commerce, Science, & Transportation
512 Dirksen Senate Building
Washington, DC 20510

Dear Chairman Thune:

On behalf of the National Association of Chemical Distributors (NACD), I am writing to express our support of S. 1298, which strives to identify port disruptions before they inflict serious damage on businesses and the U.S. economy.

NACD and its nearly 440 member companies are vital to the chemical supply chain providing products to over 750,000 diverse companies such as aerospace, agriculture, cosmetics, detergents, electronics, automotive, plastics, paints and coatings, pharmaceuticals, food ingredients, water treatment, and more. They make a delivery every six seconds while maintaining a safety record that is more than twice as good as all manufacturing combined. NACD members, operating in all 50 states through nearly 1,800 facilities, are responsible for more than 155,000 direct and indirect jobs in the United States. NACD members are predominantly small regional businesses, many of which are multi-generational and family owned. The typical chemical distributor has 26 employees and operates under an extremely low margin.

The recent dispute at the West Coast ports had widespread effects on chemical distributors. The additional cost of diverting product as well as demurrage and increased transportation charges have seriously threatened margins for chemical distributors. One NACD member company had to divert some of their cargoes to East Coast ports and Canada. Another member had significant volumes of inventory sitting off the coast in late March with dozens of containers affected. Further, member companies were unable to schedule an accurate time frame for deliveries. Chemical distributors report too that productions at some of their customer companies were adversely affected.

Collecting certain metrics will provide transparency to what is happening at our nation's key ports and is a commonsense policy. The establishment of a port performance statistics program under the Bureau of Transportation Statistics will achieve these goals. Further, increased reports to Congress on a port's performance before and after the expiration of maritime labor agreements will help indicate whether labor discussions have impacted operations and to what extent.

I look forward to working with you and your colleagues to pass this important legislation to shine a light on what is happening at our nation's ports.

Sincerely,



Eric R. Byer
President