

## **“No quick fix” to cargo ship backlog and supply chain issues, says economist**

Elissa Salamy

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WASHINGTON (SBG) - As hundreds of thousands of shipping containers remain on idling cargo ships off the coast of California, causing major supply chain woes, the Biden administration announced the ports would operate 24/7.

“Unfortunately, there are no quick fixes. It's been caused by pandemic and policy-related issues,” said senior fellow at the Cato Institute Scott Lincicome to The National Desk’s Jan Jeffcoat. “A lot of it reflects a system that's evolved over decades that reflects union contracts that limit port automation, warehouse space issues, trucker retirements and licensing, and even NAFTA and other trade policies and these things have created a system that just can't turn on a dime.”

Lincicome says that the plan to open the ports 24/7 would only affect about 3% of total port capacity.

“We should see the ports pick up a little bit of efficiency so that that's probably going to solve the problem, but it's just not going to be anytime soon,” said Lincicome.

As for what the Biden administration should do, Lincicome says the first step should be to “level with the American people.”

“I think the White House has done a little of this saying that some of the things you want for Christmas just aren't going to be there,” said Lincicome. “But I also think the White House has a tremendous opportunity to actually fix some of the long-term issues that make the U.S. port system one of the least efficient in the world.”

This past weekend, Transportation Secretary Pete Buttigieg did warn we could see these supply chain issues extend well into next year.

“We should continue to expect occasional shortages of certain goods and other hiccups,” said Lincicome. “But there are more major issues here, and serious economic implications beyond our Christmas list.”

Lincicome says supply chain issues will lead to inflation and downward pressure on wages.

“It seems that certainly the transitory inflation that was supposed to last only a few months is going to be with us until early next year, at the very least,” said Lincicome.