

**Coburn Amendment 1873** - To strike the provision relating to the establishment of the Supply Star program.

This amendment would strike the creation of a program, known as Supply STAR, that would offer a label to companies that comply with the program as the “preferred practices, companies and products in the marketplace for maximizing supply chain efficiency.”

Given the rampant inefficiency, waste, and duplication at the Department of Energy (DOE) and the federal government, it is ironic that DOE will be charged with determining which supply chains are the most energy efficient. Furthermore, this program is a recipe for failure and cronyism.

Under Supply STAR, bureaucrats "advise" companies on supply chain management, supplanting the role of private industry and threatening the developing field of supply chain management. There is no shortage of supply chain consultants and advisers in the private sector.

Logistics vary depending on product, location, and corporate philosophy. A rubric-centric, top-down approach will reduce flexibility and stifle innovation. For instance, the “just in time” supply method – which has proven to be a very successful mechanism for many types of businesses – may have never been implemented if it was contingent on DOE approval. At the same time, the "just in time" method might not be apt for those industries susceptible to supply shocks and large supply or demand changes.

This example highlights why it would be ill-advised for the DOE to assume the role of creating and encouraging business models that it deems to be the “best practice” for the private sector. The private sector has demonstrated it is quite able to establish its own business models through the use of existing market mechanisms.

Countless businesses have sought ways to streamline their supply chains in order to save on energy cost and increase their competitiveness. Cost and energy savings promised by politicians must be weighed against the feasibility of such savings, the upfront costs of efficiency upgrades, and the payback horizon.

This amendment seeks to halt the continuing creep of the federal government into the business practices of the private sector. The amendment also prevents the creation of more federal bureaucracy that will inevitably lead to inefficiency, waste, and duplication.