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Thank you all for joining us this afternoon. So I start with the obligatory disclaimer that what I am about to say are my opinions alone and do not represent in any way the policies or position of my employer. This is particularly important to say since Chatham house rules do not apply, if they did you'd really get an earful, but they don't so this is just me talking.

When I think about the current (somewhat dismal some would say) situation on supply chains I am reminded of the motivational words of a great leader faced with similar trying circumstances : **“I think we have to go all out. I think this situation absolutely requires a really futile and stupid gesture be done on somebody's part”**. When it comes to the supply chain situation, the government has fully accepted this line of thinking, indeed they have embraced it as their strategy. Those stirring word were of course uttered by Eric “Otter” Stratton , the delta fraternity rush chairman in animal house. That pretty much describes much of what I see going on – lots of hamster wheel stuff because something needs to be done, with the primary focus of that activity being what is going on in voters heads, not what is happening in the economy.

So let me start with some observations or truisms when it comes to supply chains, at least as I see things.

1. We are not now, and can never be, totally self-sufficient in anything and still maintain the standard of living we have now.
2. You can't derisk a supply chain, all you can do is move the risk around or hide it. You can't eliminate it. I spent enough time on that last time.
3. The inflation we see today is not caused by shipping companies or oil companies no matter how much politician wish that were true or point their fingers in that direction. Excess demand and not enough stuff to satisfy it are the culprits there.
4. Both Excess demand and not enough stuff more often than not are the result of poor government policy, however much politicians might wish that was not true. Things we'll explore a little later. By the way, The US energy information administration just released its forecast for wholesale electricity prices over the summer which are expected to double. Electrons are not delivered in a container so that's not the shipping industry's fault. But it will affect you in both what you pay directly and also indirectly since electricity is an input cost for everything you buy (yes – it's part of the supply chain) which in turn needs to be covered by prices going up. If there is any consolation, the energy grid, suffering from years of underinvestment, is not expected to handle the summer load well leading to lots of grid failures and power outages in many parts of the country. Since you don't pay for electrons the power company can't deliver, that will be a break in your energy bill so there's a silver lining, although I have no doubt power companies are working feverishly to close that loophole. As a note, if we want to begin to address the sad state of the electrical grid, we can't do it without buying stuff from china, – a lot of it, who is the major, or in some cases only, source of supply for critical components needed to do so.

5. An as extension of muddled policy – principals have a cost. High minded ideals and making the world a better place by sticking to them will be expensive. Morals on the cheap don't work. the range of examples there is wide, and apply to oil and climate change, human rights in china and saudia arabia, and sanctions on Russia, to name but a few, all examples of where we want to stand on principals but then are shocked when prices here go up as a predictable result - More on all this in a minute
6. Lastly – global trade systems, which are what supply chains are, are enormously complex self organizing adaptive systems. Treating them as if they are independent stove pipes where you can act in one area without seeing results in totally different and seemingly unrelated areas is a fundamental failure to understand what it is we're dealing with. Nothing Is unrelated to anything else. As a corollary, and something you have heard before, nothing is made somewhere, everything is made everywhere – the “made in” label is meaningless. Another thing I'll mention off the top is the term supply chain, which implies a liner process where a break in any link causes a failure in the chain. A really resilient supply architecture is a non-linear supply web with multiple supply nodes at every step with the ability to move around the web seamlessly to bypass congestion or disruption.

Now to start, there is no doubt that the world is a little messy right now. But lets be clear, this has happened before, and nothing here is unprecedented. From an overall system level look in fact, returning to a theme I and others have mentioned before, day by day the current situation looks increasingly like that in the run up to and early parts of world war one. The eminent historian Nick Lambert's excellent book “the war lords and the Gallipoli disaster” is a really good study on this. I recommend that book to anyone who thinks today's breakdown in the mechanics of globalization is in anyway unique, unprecedented, or unpredictable as it is an excellent primer on the state of globalization then and how very much it mirrors where we are now. As a brief example, Back then – the British had a critical wheat problem (black sea blockaded – sound familiar?) which was a cost problem, not an availability problem and heading towards causing social unrest, just like today in oil. They dealt with it by manipulating the market thru expectations on future wheat prices. This is really what spr releases do. A classic example of a useless action designed only to work in the heads of voters. There is no shortage of crude here and spr releases will either be exported or simply displace other crude we would have imported – we have a robust 2 way trade in crude, both exporting and importing it. Refineries here are running flat out so more crude but no place to cook it will not help. Last time I looked a week or 2 ago gasoline stocks were down to a 2 day supply nationally. In other words, a supply constriction. COVID is over and we're hitting the road! In other words high demand – the classic formula for increased prices. Refining capacity is down significantly from it's peak in 2020 and government policy that discouraged investment in the oil and gas industry in general has a lot to do with that. Add to that the global impacts of boycotting Russian oil – we don't use much here but it is a global market. China at the same time is cutting their export quota's for refined product causing Asian buyers to look to the middle east which is struggling to supply Europe and the ripple effects of a global fungible market come home to roost. In fact here in the US, where we are screaming about high gas prices (but bargain basement by comparison to Europe) diesel and gasoline exports to Latin America – Brazil and Mexico the leaders, are up 27% over last year by this month's API data. And no slowdown in sight. Why?

The US pressured everyone to boycott Russian oil. That does not mean the demand goes away, it just gets satisfied some other way. Latin America formally got a lot of oil from Europe, now not available due to sanctions, so they are on the hunt for other supplies, including the US. Oil goes to the highest bidder hence the exports. A perfectly predictable result of sanctions – standing on principal. So either export restrictions need to go in – a remarkably bad idea, likely at best to backfire here, cause even worse havoc in international energy markets, actually make things worse here and abroad and is one way globalization breaks – more on that in a minute – or prices have to rise more to tamp down demand – in all markets, not just here. One other thing on export restrictions – that means the US is telling everyone to stand on principals and boycott Russian oil – just don't let it cause any pain here. Hypocrisy is not a good foreign relations strategy it seems to me. The news here is all about oil, but the same thing is happening in the coal market – Europe used to source about 70% of their imports of thermal coal from Russia, now sanctioned, so the same issues are now happening in the global coal market. Russia is offering bargain basement prices for coal, China is happily buying it all up, displacing imports they used to get from South Africa and on we go

As a quick note, invoking the Defense Production Act, something worthy of Otters quote for sure, will not help, and in general I think we are way past where invoking the DPA for non-defense issues is a good thing and is heading towards dangerous territory in the governments propensity to interfere in markets. Remember – if everything is national security then nothing is national security – it's just the government thinking they know better than anyone else. This all also brings up another point often missed in the “it's russia's fault” rhetoric - At the risk of pissing some people off – not the first time I've done that for sure, when pointing fingers at where the chaos in the oil market is coming from, I would point out Russia is not refusing to sell oil to anyone, no constraint on supply there– at least not when this started, the west is refusing to buy it. Just under a third of Russia's refining capacity has been idled due to Western sanctions, and in April, Rosneft announced it would no longer export diesel as a result. Consequently, market experts estimate that 1.3 million bpd from Russia will remain offline for the rest of the year, and Russian production is likely to stay down given its dependence on technology it no longer has access to so long as sanctions - choices the west made - remain in place. In other words, we did this to ourselves, Russia did not do it to us when it comes to energy. And we are likely to feel the consequences for some time to come. Don't get me wrong – I am not opposed to Russian sanctions and in fact strongly believe a robust international response it essential. I just have serious doubts about the effectiveness of the sanctions as currently implemented, and the west's stomach for enduring the pain they are causing here. I'm already seeing cracks, especially in the US. The aforementioned potential for export restriction a big one.

The market for oil, as it is for many things, complex, and global. Hard to believe that anyone in the US thought pressing Europeans to boycott Russian oil would not find it's its way to prices here. Couple that with underinvestment in traditional energy as we look to renewables without a clear transition strategy and our principles are hitting us squarely in the pocketbook and we do not like it one bit. As an example of the whipsaw, the EU is moving to ban **insuring** Russian oil cargos, which the US opposes - another crack - since it will exacerbate the fuel cost problem. Maybe our principals have a limit and it seems \$5/gallon approaches it. And if we think we're sending a message to China with all this, I might be in the minority on this, but I'm thinking China is not getting the same message we think we're sending. Back to export restrictions – This

tells China we're willing to throw our allies under the bus – not be willing to share resources to get through a common struggle to limit pain domestically – in other words, a place to divide us.

We have been through this all before and got it seriously wrong then with dire consequences, which is why we need to pay attention to history. Globalization is not inevitable, it is not some immutable force of nature. Globalization is also not reversible, and the very notion of “deglobalization” being a thing is dangerous. Globalization is however breakable. The last time globalization broke it was a violent affair that took generations to recover from, remembering that at the demise of the last age of globalization the world was every bit as integrated with all the same types of supply chain related dependencies and vulnerabilities as we have now. What kinds of things can break globalization? Tariffs, calls to bring supply chains back home, friend shoring (which edges dangerously close to protectionism and discriminates against developing economies), export restrictions, a fancy name for protectionist hoarding, and currency wars (or in today's environment, reverse currency wars) to name a few, all of which are happening now.

In Surveying the types of things that are being done in the name of addressing the problem a good example is the recent EO's on solar panels and other renewables technology. First – there is no question that the US solar panel industry is in total disarray. There is also no doubt that the root of that disarray are actions taken by the US government back in the beginning of the year in an effort to “protect” the infant solar panel industry and stand on principals regarding human rights in china, but in practice totally fouled it up. How to destroy an industry in 1 easy step. In reality the EO attempts to undue the damage the government did earlier, although it remains to be seen how effective it will be as central parts of the problem were just kicked down the road with no clear, no kidding you can count on this road map to guide investment. The other aspects of the EO all require congress to authorize an appropriate money. Maybe I'll have a beer with Otter while I wait and see how this works out. I'm not holding my breath. By the way, much like semi-conductors, we're still talking about assembly in the US, not true manufacturing. Most of the stuff, including 100% of the critical stuff it takes to make a solar panel will still be imported, mostly from China. We spent some time on this last time. The recent emergency flights to import baby food from Europe does the same thing, addressing a failure in government policy that is in large measure responsible for the problem to begin with. They don't tell you that part in the press release tho.

As another example, it does not do any good at all to “partner” with ports to increase gate operating hours if truckers don't show up to pick up cargo because there are not enough of them and what truckers there are are burning up all their allowable hours of work during regular hours – so a 24 hour gate - a government led solution trumpeted with great fanfare by the administration – except the part about no one showing up, did not do any good. Something ports knew would happen because they had already tried it. In fact currently even during the day LA is running at only about 53% gate utilization – about half of the available gates are unused. A real problem is in warehouse space to take the cargo to where essentially there is no spare capacity at all. To demonstrate the system nature of the overall problem and how addressing it in a stove pipe manner will fail, during the pandemic roughly 1000 mariners disappeared from the US maritime industry. A lot of them switching to driving trucks. With the pandemic – or the worse aspects of it for seafarers, over, maybe 1% of them came back to going to sea. Turns out driving a truck is pretty good by comparison. This is leaving a gaping labor shortage in an industry that was already critically short – the same labor that will man the strategic sealift fleet

in a contingency. I read recently China is now following the same legal gymnastics Russia did in the run up to the Ukraine invasion. Leaving many wondering if the time is nigh for a Taiwan “special military operation”. The ability of the US to resupply that fight - a particular type of supply chain the government is responsible for— dry cargo and fuel oil, is pretty low. If Chatham house rules applied today I’d say it was non-existent – perhaps the most critical supply chain overall for US national security and one the government is 100% responsible for, is totally broken with labor just one of several issues— but Chatham house doesn’t apply, so I’m not saying that.

One of the many things that all of a sudden has caught politician’s heads (and maybe a few in DoD) is the US dependency on foreign sources of critical minerals like rare earths. This stuff is critically important to us, and every other advanced economy for everything from the magnet that is in every single cellphone to guidance systems in smart munitions to advanced radar systems to the electronics in your car. Basically all aspects of our daily lives and what we now consider essential and are a fundamental part of all supply chains. Hence we have the

### **American Critical Mineral Independence Act of 2021**

We are dependent on China, and to a lesser extent Russia for a lot of that stuff, and in some cases all of it. In June 2021 the administration released a *quote* first of a kind supply chain assessment *unquote* and found that our over-reliance on foreign sources and adversarial nations for critical minerals and materials posed national and economic security threats. I can just hear the GASPs of surprise!! A great commentary I like on this topic is quote “The US is dependent at the 100% level for 17 critical strategic minerals, including graphite and rare earths such as lanthanide (NVG’s, lasers, range finders, radars) where our largest supplier is China, which is also our largest supplier for a total of 6 of those 17 critical strategic materials upon which we are totally dependent on imports. In terms of supply chain integrity, I’m not sure if military planning includes alternate sources for those critical materials should the conflict with China that much military planning anticipates actually occur.” The author goes on to ask the question “at what point will China stop selling us the stuff we are using to build the bombs we are dropping on them?” Antimony comes to mind here, highlighted in the most recent report, where we are almost totally reliant on China for that critical input to munitions. I like that comment because first the author was me. I said it at a presentation on (shocking I know) supply chains and national security. The best part is I gave that talk at the USNI/AFCEA Joint War Fighting Conference in Virginia Beach, VA. 14 May, 2008. – 14 years ago. First of it’s kind supply chain assessment? I don’t think so. Both the Eisenhower school at NDU and the US Geological Survey have been doing this for years. Startling finding on the US over reliance on foreign sources of critical minerals that impact national security? No, not at all, we’ve known this for a very long time. Level of faith anything will actually come of the results in the latest study or the related act of congress? ZERO. Although it did, I believe create another congressional subcommittee, which is always helpful. Maybe we’ll get another study in a few years, that’s about it. Something we need to remember as we finger wage at Germany for letting themselves get so over reliant on Russia for energy. We live in a really big glass house there as we have done, and continue to do, the same thing just, different commodities. In fact, as I re read those remarks from a decade and a half ago, I am struck by just how applicable what I said then is still 100% relevant now, only maybe worse if you update the statistics on things like critical mineral vulnerability – those numbers I just gave were for 2008 – things are not better. I could just give that same talk today and you would likely not realize I wrote it that long ago. Lots of similarities

between now and then too – we were just emerging from the financial crisis, trade was a mess, swine flu was the pandemic of the day, and gas was painfully expensive – and – this is great – then energy secretary Samuel Bodman said that insufficient oil production was driving rising crude prices going on to say that oil production had not kept pace with growing demand – those oil guys are slacking! where have we heard that lately! Crude collapsed later in the year, peaking in July at \$147 a barrel (or adjusted for inflation, about \$200 a bbl as compared to around \$113 a bbl as of Friday so much worse then than now) and finished the year at 32. I can't remember if this was because the president wrote letters to the oil companies telling them to do something, but somehow, apparently, we think that is going to work this time rather than letting the market take care of things. The only thing I might change from my comments then is the conclusion. Then is said I was optimistic we'd get through it in good shape. I am a little less sanguine now. Honestly, I feel like Phil Conner (bill Murrey) in groundhog day sitting in a car about to go over a cliff with an oversized rodent at the wheel. Kind of says it all in terms of supply chain policy. Lots of hamster wheel stuff that does not really fix anything

By the way, one difference between then and now is of course the war in the Ukraine. China is always the boogy man – or country – when it comes to dependency, but the same applies to Russia where we are extraordinarily dependent on Russia for a lot of stuff that makes our life possible – and not talking oil here. A government focus on the supply chain mess is semiconductor chips. The “Chips for America act” as I have said, only really addresses bringing the assembly part of semiconductor chip manufacturing back to the US, and a very small part of it at that. We're still using imported material as inputs to imported machines to produce “made in America” chips. In truth this is optics and there is nothing significant in terms of removing US import reliance for semiconductor chips. That brings us to the Russia / Ukraine situation. The Ukraine makes more than 90% of the high-grade neon used in gas-phase lasers used to make chips produced by U.S. semiconductor companies. The gas is a byproduct of Russian steel manufacturing which is purified in Ukraine, according to Techcet – a market research company. Russia provides a third of the palladium metal used in sensors and memory products produced by U.S. companies (plus the less glamorous catalytic converters in your car). Russia is also a “crucial” source of C<sub>4</sub>F<sub>6</sub> (hexafluorocyclobutene), which U.S. suppliers buy and purify for advanced node logic device etching and advanced lithography processes for chip production. In the chips for America act I don't see anything addressing this or the hundreds of other inputs that goes into the very complex process of making a semiconductor. and that's because the people that wrote it don't understand what a complex global supply chain really is, instead just following Otters advice.

So how did we get to where we are – this breaks down to some key areas in my mind –

Simply the structure of the world and the nature of markets. Marshall's scissors – supply and demand – are still fundamentally operative and prices remain the equilibrating mechanism. When demand and supply are out of balance relative prices change to restore the market. But that means, when demand outstrips supply, prices are high for a time. As has been said before, sometimes the best cure for high prices is high prices, which tamps down demand, increases incentives to suppliers, and moves the market back toward equilibrium. As a report by the government found 2 years ago “*Our markets are competitive and the high ocean freight rates have been determined by unprecedented consumer demand, primarily in the United States, that overwhelmed the supply of vessel capacity. Congestion further constrained available capacity.*”

Indeed one of the most important functions prices play in a market economy is information. Interfering directly with market mechanism's, including something that plays such a critical role as prices, should be undertaken with extreme care, and governments history of getting that right is pretty sketchy. Markets are also undergoing some pretty fundamental shifts right now. Labor touched on a moment ago is a big one. This problem is everywhere as anyone who has tried to get on a plane lately can attest. The airline industry, like the shipping industry is critically short of labor to the point where airline schedules are pretty much a crap shoot in terms of happening as published. And like maritime labor, these are high skill jobs with lots of training – in some cases years, behind them. This will not be fixed overnight. So There are labor issues all up and down the supply chain which is one reason shortages are somewhat uneven and in the end what is also what going wrong in the tampon market. While there are import issues for materials such as cotton, it is fundamentally a labor problem, from manufacturing plants in the US and Canada, to warehousing to trucking. But we also have to be a little realistic here too. The WSJ addressed the issue the other day headlining:

“About 7% of tampons are out of stock nationwide, data show, yet consumers in some parts of the country say their preferred brands are tough to find”. The term “preferred brand shows up everywhere in looking at this issue, not the term “nothing on the shelves”. At serious risk to my personal safety let me opine this does not sound like a national crisis – major inconvenience, yes, but not a national crisis. It was also noted hoarding might be a factor here in response to the favorite brand not being available. But, in the “something has to be done” category, politicians write letters to CEO's (making a big public splash in doing so) demanding the supply of favorite brands of tampons gets fixed. So they, the political types, did something. I'm sure it was helpful as it probably never occurred to those CEO's to ramp up supply before they got that letter. I wonder if those CEO's are comparing notes with the CEO's of the oil companies and the letters they got to see if they were form letters.

We met the consumer side of what is going on here in my last talk as the bullwhip effect and it is operative and in full vigor all over the place. Radical sudden changes in consumer behavior at the end of the whip reverberate back thru the supply chain. Take Peanut butter – So there is an outbreak of salmonella at peanut suppliers for some Jiff plants. This causes Jiff to be in short supply for a time. Consumers, seeing less peanut butter on the shelves than they are used to think there must be a shortage of peanut butter, even though it is initially only in one brand, and panic buy all the peanut butter they can carry, creating a shortage where none existed.

Archeologists 200 years from now will be unearthing basements stocked to the rafters with peanut butter wondering “what the hell were these people thinking”. But lets return to the labor market for a second. My view these are not simply labor shortages. Way more to it. The relationship – the contract between society and the concept of work is being re-written. The rules are still being worked out on the fly. The consequences will alter much about how society organizes itself and the fault lines in this tectonic shift are many, including a generational one. We will continue to see real impacts until that process settles down and there is a general reset of expectations. Contrary to pundits in the government, simply offering more money is not going to fix it. There also friction as individual consumers want to re-write their own individual contracts with the nature of work, but don't have much tolerance when everyone else is also doing the same thing causing disruptions.

Next - The world, and countries that make it up are differently endowed with resources. Those resources can be anything from airable and fertile land, to critical minerals, to energy, to labor,

both skilled and unskilled. The way we deal with that is trade. All these places are going through the same internal dislocations as are happening in the US with global impacts. This after all a global system, not a pile of stove pipes. Governments fool with this system at all of our peril. This by the way is where I find fault with the friend-shoring notion. This means trading with economies that look a lot like us, with similar outlooks and objectives. But a lot of what we need does not come from places like that so we either forgo things that can not be so sourced, at a massive loss in productivity or outright supply constriction ( if you think prices an availability are bad now...). Or we find a place high enough up the supply chain where we can get the mostly or completely finished product from an economy similar to ours and call it a day, ignoring what happens below that level. Trying to mandate or legislate around this fundamental structure of the environment will fail.

- And lastly Government policy. Much of what is going wrong in the world of supply is the result of government action. The afore mentioned mess in the solar panel industry and oil are cases in point. Baby formula is another – a totally government created mess.

What can be done about it? First in some respects things are looking a little better. Freight rates are coming down, demand growth is slowing, congestion is easing, big box inventories are rising, all things indicating the pressure is starting to ease, none related to anything the government did. That said, there will be bumps. Every time china locks down in it's zero covid regime it is a massive disruption that will ripple around the world, growing in amplitude as it does. Black swans continue to feast on this environment, so a recently reopened baby food plant will flood and have to be closed again prolonging the pain in that market. And peanut butter plants will have salmonella outbreaks. Another truism – the planet and mother nature cut stupidity very little slack. So it's going to be an uneven ride out of this.

Next we need to dispense with the protectionist rhetoric – bringing supply chains home, friend shoring, export restrictions, and the like. first it will accomplish nothing in terms of security and will in fact make things worse, both in the immediate term and in the longer term trajectory of the international political economy. Again – pay attention to history. Global manufacturing can not be made 100 % domestic unless we want to turn our standard of living, including access to the types of things we now find necessary to our daily lives, back about 200 years. What we need are broad webs of suppliers globally in a resilient system and if we really want to get there, we have to recognize that such a system fully operationalized will be more expensive that what existed previously, and the transition will have some uneven effects on prices for a while.

But most importantly, and related to how I concluded the last time, we have to suck it up. The primary way this will get resolved is changes in consumer behavior and expectations. And its going to hurt. There are times your favorite brand, from peanut butter to tampons is not available and its not the end of the world or a national security crisis. Economists call what needs to happen demand destruction but the more simple way to look at it is high prices have to tamp down how much stuff we want to buy (which includes by the way, maybe a redefinition of what we consider essential or the range of choices we have). Interfering with that process will only make things worse. One of the key things that has to get more expensive is money itself, policy the government is responsible for and I must say I think they could have handled this a little more elegantly and certainly earlier to avoid what will now surely be exceptionally painful. And lastly, we have to stop expecting that riding on a high horse and chasing noble goals will be costless. It won't. prices are only high if they differ markedly from what we expect them to be.

If, when policies are put in place to achieve some lofty goal, consumers were provided an honest assessment of the cost, they would know what to expect and not be so dismayed at “high prices”. Trying to deter Russia by boycotting oil will hurt. The transition to a clean energy future is not going to be cheap. Period. Telling consumers otherwise does a dis-service to both consumers and the goal of a cleaner energy future. Having a clear transition strategy – where government can help, would go along way to both mitigating the impact on prices and setting clear expectations of what those impacts will be, but I’m not hopeful there. A mostly meaningless strategy for clean energy supply chains is most certainly not a transition strategy. Saving the planet is worth the time to put together a plan tho, but that’s just my opinion.

Lastly let me return to my somewhat harsh “suck it up” comment. It is evident we as a consumer society have grown accustomed to having exactly what we want (preferred brand and lots of choices) when we want it. We talk a lot about resilience in supply chains, but we never talk about resilience in consumer expectations, like the mentality that existed here 80 years ago. I wonder – or worry, if we can suck it up and adjust as they did then when faced with an existential threat – a global war. Lets be clear, what we are experiencing now does not remotely scratch the surface of the dislocation in our economy and the catastrophic pain it will cause from an actual shooting conflict with china of any severity. And it will last a long time. Society’s ability to suck it up and get through it is, in my mind and based on what I see now, a real national security threat no one is talking about. I doubt anyone is gaming out the real impacts of a collapse of trade with china, and the inevitable collapse of the global trading order that will follow – what will wal mart shelves look like, what will be the impacts on availability of medicine and medical care be, what will un-employment be, and what will your 401k look like among hundreds of other variables ? What will be societies reaction to it all? Can the government afford the massive assistance programs that will be necessary in addition to funding a war? Of course if we don’t get that supply chain fixed the war will likely be short. Still - US citizens are owed a blunt and realistic assessment of what that world will look like before we get there. and the government should have a plan because writing letters won’t cut it.

I could go on here forever but I’m way over my time limit I’m sure. Thanks again for listening and I look forward to being invited back 14 years from now to deliver these exact same remarks.