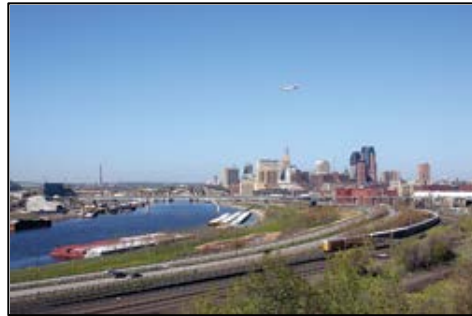


October MFAC meeting focuses on freight infrastructure

As part of an ambitious national initiative to double exports within five years, Minnesota could benefit significantly as the result of the growth needed to support the plan, according to Mark Toth, administrator of the Greater Metropolitan Area Federal Trade Zone Commission. Toth was one of several speakers at the quarterly Minnesota Freight Advisory Committee (MFAC) meeting in October, which focused mainly on the development of freight infrastructure in the region.



“In the next 20 years, 87 percent of the growth of the world economy is actually going to be outside of the United States,” he said. “Infrastructure is definitely a key to part of this national export plan.”

Toth, moderating a panel on import and export initiatives, described some possible changes ahead in the Twin Cities, including more intermodals to handle increased need, expanded rail yards, more airfreight, more jobs, and more warehouse space. “Every international shipment touches the domestic system,” Toth explained. “If you have an international shipment, it’s not going to get to its final destination unless it goes on our networks.”

Two thriving Minnesota industries—agriculture and medical device manufacturing—have been identified as key pieces of the national export initiative in the state.

Christina Connelly, international trade program manager with the Minnesota Department of Agriculture, and Bruce Abbe, executive director of the Midwest Shippers Association, also participated in the import/export panel.

Connelly, who works with food and ag companies to export their products, noted that 95 percent of the purchasing power in the world is outside of the United States. “Only 1 percent of U.S. companies export,” she said. “There’s a huge opportunity out there.”

Minnesota is the sixth largest state exporting agriculture goods, Connelly added. “Quite a lot of what our farmers produce goes outside of our borders, and you can see that’s really ramped up over the years.”

Abbe emphasized the importance of understanding the global trade infrastructure and developing a diverse multimodal system for Minnesota to be competitive. “We really are in a global economy,” he said, “and Minnesota needs to look at all of these components and have a true multimodal [system], all forms of components, and devote ourselves to having that.”

Richard Murphy Jr., president and CEO of Murphy Companies, moderated a second panel on the role of warehousing in transportation. “The average legislator has absolutely no idea what this segment of the industry does,” Murphy said. “For every dollar that is spent in the U.S., \$3.80 is spent moving it.”

Drew Greenberg, president of Newport Cold Storage; Sharon Daniels, owner of G.R. Daniels Trucking, Inc.; and Steve Yockey, vice president of client relations for Distribution Alternatives, participated in the panel discussion about the role of warehousing.

The meeting concluded with a presentation about a recently completed pilot study aimed at improving communication between transportation organizations and manufacturers in District 8 of the Minnesota Department of Transportation (MnDOT). Frank Douma, research fellow and associate director at the University of Minnesota Humphrey School of Public Affairs, and Donna Koren, market research director at MnDOT, discussed the study findings.

The pilot project, conducted jointly by MnDOT, the Humphrey School, and the University of Minnesota Extension, focused on 12 counties in southwest Minnesota that make up MnDOT District 8. The research team began by identifying key industry clusters within the region; industry clusters have been shown to be driving economic forces because they sell outside the local, state, and national market—bringing money into the region and creating jobs in other economically dependent industries such as retail and food service. Ultimately, more than 172 regional businesses were contacted for participation in this project, and 75 in-person interviews were completed with manufacturers, shippers, and carriers.

The [Minnesota Freight Advisory Committee \(MFAC\)](#) is a partnership between government and business to exchange ideas and recommend policy and actions that promote safe, productive, and sustainable freight transportation in Minnesota. MFAC consists of representatives from Minnesota’s shipper and carrier communities as well as a variety of other interested organizations, and provides advice to the Minnesota Department of Transportation (MnDOT) and the Metropolitan Council regarding freight issues and investments.