Minnesota Statewide Freight System Plan
Advisory Committee Meeting
December 4, 2014

Public- Private Dialogue on
Supply Chains and a Freight Action Plan for Minnesota

Our ability to compete in the global marketplace depends on our ability to move freight through supply chains reliably and cost-effectively. But highway interchanges serving critical supply chains are major bottlenecks; ports, border crossings and intermodal terminals are operating over capacity; and, access roads to terminals and distribution centers are deteriorating. These bottlenecks and the delays they cause slow down freight movement, raise the cost of moving goods through our supply chains, and reduce our ability to deliver goods reliably, quickly and on schedule to global and domestic customers. The result is less competitive industries and lost economic opportunity.

U.S. business and industry look at the U.S. freight transportation system and think about its performance in terms of shipments along their supply chains. However, the public sector is accustomed to looking at the freight transportation system and thinking about its performance in terms of network and corridor capacity, infrastructure condition, and safety. As a result, we are often not as effective as we should be as a Nation in making strategic investments in our freight transportation system that directly improve our supply chains. We believe that a more systematic effort to look at the performance of supply chains can complement and inform federal, state and local freight transportation policy and investment decisions and result in more effective and competitive supply chains.

Accordingly, we should routinely monitor and evaluate the general performance of representative supply chains serving our major industries, especially those driving our global export earnings. We should look at performance trends over time as an indicator of supply chain competitiveness. Where we see deterioration in service, we should look at the performance of the major links and nodes in a supply chain to identify critical bottlenecks and economic impacts and then work with the affected shippers, receivers and carriers to fashion corrective policies and target improvements.

From recommendations for "Improving U.S. Supply Chain Competitiveness through Freight Policy," U.S. Department of Commerce Advisory Committee on Supply Chain Competitiveness, September, 2014.

Discussion Topics

- What criteria (volume, value, location, growth potential, etc.) should be used to identify industry supply chains with the highest priority in Minnesota's Freight Action Plan, a product of the Minnesota Freight System Plan?
- Should the segments of supply chains important for Minnesota business that lie outside the borders of Minnesota be taken into account in the Freight Action Plan? If so, how? (Currently, what factors outside the borders of Minnesota have the greatest impact on Minnesota supply chains?)
- How heavily do freight and logistics concerns (i.e., cost, travel time, reliability) factor into decision-making by Minnesota companies in areas such as location, expansion, pricing, and supply chain structure?
- What arrangements should be put in place to incorporate supply chain information and analysis that companies produce and use into public infrastructure planning and investment?
- How can performance measures for supply chains be integrated/reconciled with performance measures for freight on modal infrastructures (i.e., highway, waterway, rail, air)?
- Currently, what freight and logistics, factors or conditions have the greatest impact (negative or positive) on major Minnesota industries?