2014 Minnesota Statewide Freight Summit

Small Group Discussion #1: Public-Private and Public-Public Partnerships

Issue

Freight transportation is a team sport. Within the private sector, carriers, shippers, suppliers, producers, receivers, distributors, and 3PLs collaborate on very complicated processes that involve long supply chains and result in production and distribution of products and services as economically and efficiently as possible. The private sector processes are carried out in a context created by the public sector, including physical infrastructure, operations of that infrastructure, and regulation. Within the public sector multiple agencies within state government, central and field, as well as local governments are responsible for pieces of the public responsibility.

Business benefits from public decisions based on good information and analysis concerning business operations and problems. Public agencies will make better decisions if businesses provide such information and offer support for proposals that will strengthen the freight system. Public agencies can be more effective if consistency and coordination is maintained within and between various agencies and levels.

Challenge (Group will report back on this question)

What steps should be taken to strengthen the working relationships between public agencies and business and between (and within) agencies at the state, federal, regional, and local levels?

Building Block Questions

- How can business be effectively engaged to provide to public agencies the information needed to make sound decisions related to infrastructure, operations, and regulation that support the efficient operation of the Minnesota freight system (and to provide support for those decisions)?
- Are there examples of problems concerning the Minnesota freight system that have resulted from disconnects between public agencies and business?
- Are there examples of coordination between public agencies and business (within or outside transportation) that offer lessons for strengthening public-private collaboration in the future?
- Where, within Minnesota's state government and the DOT are there opportunities for stronger coordination that will lead to effective actions to strengthen the freight system?
- How important is coordination between Minnesota and its neighboring states?

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Small Group Discussion #2: Minnesota's Strategic Freight Network

Issue

Making decisions to improve freight movement requires focusing on important freight, moving on specific routes, by particular modes or combinations of modes, between key origins and destinations. Minnesota's competitive advantage for business investment will be strengthened by the development of a freight network that achieves efficiency within the state and seamless connectivity with the region, the nation and the global economy.

Challenge (Group will report back on this question)

What criteria will the designated Strategic Freight Network have to meet in order to be judged successful?

Building Block Questions

- What matters most in the designation of Minnesota Strategic Freight Network: Volume of freight or value of freight?
- What are the challenges to blending statewide, sub-state and local factors into the Strategic Freight Network?
- What criteria should be used to incorporate non-highway and multi-modal freight elements into the Strategic Freight Network?
- How should "traditional" and "emerging" industries be balanced in the development of the "Strategic" Freight Network?
- What private sector data is needed for the development of the Strategic Freight Network and how can it be obtained?
- There are freight routes, and facilities outside of Minnesota that are important for Minnesota companies, e.g. locks and dams on the Mississippi and rail in Chicago and North Dakota. Should these be incorporated in the Strategic Freight Network and, if so, how?

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Small Group Discussion #3: Supply Chains in the Freight Action Plan for Minnesota

Issue

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.

- 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.

Challenge (Group will report back on this question)

What are the key steps to integrating the realities, challenges, and perspective of business supply chains into public sector planning and investment through Minnesota's Freight Action Plan?

Building Block Questions?

- 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 into decisions such as location, expansion, pricing, and supply chain structure?
- What arrangements should be put in place to incorporate supply chain information and analysis that businesses produce and use into public infrastructure planning and investment?

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Small Group Discussion #4: Chokepoints on Minnesota's Freight system

Issue

Like blockages in coronary arteries, chokepoints or bottlenecks on the freight system can produce severe local problems and significantly reduce the efficiency of the entire system. Chokepoints can result from inadequate or insufficient infrastructure (e.g. highway capacity, or highway geometrics), operations issues (e.g. timing of traffic lights, signage), or regulatory measures (e.g. regulations governing oversize/overweight truck movements).

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.

- 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.

Challenge (Group will report back on this question)

Where are the most significant chokepoints or bottlenecks on Minnesota's multimodal freight system (discuss both locations and modes affected)?

Building Block Questions

- What criteria should be used to identify and prioritize choke points on Minnesota's freight system? (volume of freight, value of freight, cost of delay, impact on significant industry, etc.)
- Are there chokepoints outside the borders of Minnesota that significantly impact the Minnesota freight system?
- How have chokepoints/bottlenecks affected the decision-making by Minnesota companies in areas such as location, expansion, pricing, and supply chain structure?
- Should Minnesota have an expedited process for dealing with significant chokepoints?
- What are the most significant chokepoints for intermodal transfers in Minnesota, or for Minnesota's companies?

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Small Group Discussion #5: Strengthening Minnesota's Economic Competitiveness

Issue

Whether or not a state's freight system supports its economy is a judgment that cannot be made in the abstract. Every state is different. No freight system fits all. The strength of Minnesota's economy lies in the diversity of its industries and the mix of these industries, which has historically supported prosperity and will lead to growth in the future.

The continued strength of the traditional industries and the growth potential of the emerging industries will be affected by the efficiency of the freight transportation system. Although almost every business relies on the transportation system in some capacity, "freight-related" industries in particular are heavily dependent on the transportation system to conduct their business. In general, freight related industries include agriculture and forestry, mining, utilities, construction, manufacturing, wholesale and retail trade, and transportation and warehousing.

A more granular view of Minnesota's economy may be seen at the district level where the essential geographic connection between industries and transportation needs is made clear with concentrations in some districts of industries such as forestry and logging, crop production, and animal production and in others, industries such as machinery manufacturing, plastics and rubber manufacturing, electrical equipment manufacturing and medical equipment manufacturing. Energy—wind power, hydraulic fracturing and the transport of crude—represents a particularly challenging area for freight transportation. Minnesota's freight transportation system should be responsive to the needs of all of the above.

Challenge (Group will report back on this question)

What can be done to make sure that decisions concerning Minnesota's freight transportation system result in the highest possible economic return for the state?

Building Block Questions

- What industry developments and trends, both within Minnesota and beyond, are most important for decisions related to the freight transportation system?
- How can long-range infrastructure decisions be reconciled with unexpected events and opportunities in the economy?
- Different industries will have different modal needs (truck, rail, water, air). Currently, what are the strengths and weaknesses in these modal systems in Minnesota?
- Looking to the future, what one element or combination of elements of the freight transportation system (can be specific or general) require the most attention to support the growth of the Minnesota economy?