

## Conference Planning Workshop Summary: Linkages Between Transportation Improvements And Economic Competitiveness

On February 11, 2009, supply chain stakeholders met at the Department of Commerce's Linkages Between Transportation Improvements And Economic Competitiveness planning workshop. The workshop was held to discuss private sector perspectives on how America's freight infrastructure must be improved in order to improve the competitiveness of our supply chains and our national economy. Workshop participants, expressing their individual viewpoints, came from a wide range of industries and associations. The event was the first in a series of stakeholder workshops intended to explore topics and content for the Department's May 11, 2009 conference, "Game Changers in the Supply Chain Infrastructure: Are We Ready To Play?"

Workshop participants raised varied U.S. freight infrastructure issues that, they felt, affect the competitiveness of America's supply chains, both domestically and internationally. The stakeholders' various concerns underscore the need for these issues to be considered in the development of national transportation infrastructure policy.

### Key Issues

Many participants expressed concern over policies, funding, and financing processes that result in constraints on infrastructure development and competitiveness. An international shipping specialist noted that Congressional earmarking skews Federal spending towards projects with high political visibility, instead of projects that promote commerce and trade or improve the regional or national transportation system. He added that projects are designed to address present capacity needs and trends, but may take 10-20 years to be completed due to the lengthy project approval and environmental assessment process, resulting in infrastructure improvements that are often over budget and inadequate. Various stakeholders added that the current economic downturn is making it difficult to pursue needed national infrastructure improvement, as demand for new capacity is reduced as shipments drop, and as bond issue troubles are delaying construction. Once the economy rebounds, the U.S. is likely to find commerce more constrained by its current freight capacity.

One participant commented that justifications for U.S. freight transportation improvements focus too heavily on international trade; the vast majority of products are moved internally. As such, he said, U.S. freight infrastructure and competitiveness planning should be based on a systemic

strategy that improves all domestic transportation modes, rather than being mode-specific, with a particular focus on intermodal transfer points. It was also pointed out that many areas in U.S. cities are only accessible by trucks. A rail transportation specialist suggested that U.S. planning should focus on developing integrated networks for regional cohesion in anticipation of the growth of megapolitan areas.

Individual stakeholders also noted out the effects of various non-infrastructure constraints on commerce and trade, and suggested constraint-related issues for consideration at the May 11 conference. Among these issues are fluctuations in the price of fuel; land use issues; the regulation of emissions; hours of operations; homeland security regulations; and the efficient utilization of current infrastructure. One specialist pointed out, as an example of inefficient infrastructure, a project that yielded "more toll booths with no people." The participants also noted several non-infrastructure improvements that they believe can help improve capacity, including private industry efforts to reduce excess waste in packaging; revamping and standardizing current transportation restrictions such as truck size and weight regulations; and reviewing work and labor rules issues.

One maritime specialist suggested that the issue of "greener" U.S. ports should be discussed on May 11. A shipping industry specialist expressed interest in learning about available Federal programs, grants and funds that can support environmental improvements at the ports, and which programs have worked for ports and which programs have not.

A transport specialist felt that the Ports of Los Angeles/Long Beach effort to reduce truck emissions has been a "disaster", and thought that a representative from the ports who could speak to these issues would make a good addition to the conference. Several other participants suggested state and local governments as sources for potential panelists, as well as representatives from labor, agriculture, shipping, small businesses, and international companies.

For More Information Contact 202. 482.3575  
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