

June 24, 2021

The Honorable Gina M. Raimondo
United States Department of Commerce
1401 Constitution Avenue, N.W.
Washington, D.C. 20230

Dear Secretary Raimondo:

Thank you for speaking to our Advisory Committee on Supply Chain Competitiveness (ACSCC) on April 22, and for your leadership in furthering the Administration's infrastructure investment proposal, the American Jobs Plan. If enacted, the levels of freight movement and supply chain infrastructure investment proposed would increase our nation's economic competitiveness, support job growth, and yield benefits for generations to come.

On behalf of the Committee, we are writing to share our perspectives on how freight infrastructure investment pursuant to the Plan, or other infrastructure legislation, should best be structured and implemented to achieve supply chain efficiency and resilience, as well as improved freight system performance and sustained national economic prosperity.

As illustrated during the COVID-19 pandemic, a highly functioning, seamless and efficient freight movement system is crucial to every aspect of our supply chains and our economic growth, and to the jobs and businesses that depend on freight movement. One study has estimated that an investment in freight transportation infrastructure that reduces direct transportation costs by 10 percent will result in supply chain improvements that will help companies reduce their operating costs by 1 percent.¹ The major Federal investments envisioned by the Plan are vital to achieve these supply chain benefits, and to ensure that America's strong industrial growth, changes in consumer trends, technology advancement, and new delivery methods (such as e-commerce) become an economic opportunity, rather than a challenge.

As you work with the White House to advance the American Jobs Plan, we urge you to engage with Administration agencies and Congress to ensure that the following principles guide freight infrastructure programs and investment under the Plan, in order to promote and facilitate America's supply chains. In particular, we urge you to reach out to other federal departments to ensure that the Administration takes a coordinated, comprehensive, strategic, and multimodal approach to freight infrastructure investment policy development and implementation under the Plan, once Congress approves its funding package.

¹ [Infrastructure Investment: The Supply Chain Connection](https://www.supplychainquarterly.com/articles/210-infrastructure-investment-the-supply-chain-connection), David Jacoby and Daniel Hodge, CSCMP Supply Chain Quarterly, Council of Supply Chain Management Professionals, December 1, 2008, <https://www.supplychainquarterly.com/articles/210-infrastructure-investment-the-supply-chain-connection>

**APPROVED BY ADVISORY COMMITTEE ON SUPPLY CHAIN COMPETITIVENESS
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1. A national, supply chain-oriented strategic approach is needed to guide long term freight infrastructure investment

A national “vision” and dedicated investment strategy is needed to shape and guide necessary investments in our country’s goods movement infrastructure system through active coordination among federal departments and modal agencies, as well as states, regions, and urban and rural areas. A holistic and comprehensive freight mobility program would prioritize the economic needs of our country in the near term and for generations to come by making investment decisions that optimize freight movement, particularly at locations of national significance, unconstrained by mode or geographic jurisdiction.

The ACSCC recommends approaching infrastructure investments in terms of multimodal gateways and corridors, and a robust expansion into digital infrastructure. These investments will reduce and eliminate bottlenecks in major freight hubs that have significant impacts that go beyond individual regions and modes. The delays and congestion caused by these bottlenecks can disrupt entire supply chains.

2. Funding must be dedicated, sustainable and flexible

The American Jobs Plan proposes historic funding levels for investments in highways, bridges, rail, inland waterways, and ports. The ACSCC appreciates the Administration’s recognition of the need for large, transformative projects that facilitate nationwide freight and supply chain movement. Supply chains need to move goods fluidly across all regions and freight modes, but often our national investment approaches are constrained by modal and jurisdictional stovepipes. To overcome this, and to ensure these vital projects are completed, freight project investment under the Plan must be dedicated, sustainable, and flexible. In particular, Federal assistance is needed where various transport modes connect, to close funding and infrastructure gaps, and to correct capacity inefficiencies and bottlenecks.

3. Merit-based criteria are needed for strategic funding allocation

As emphasized in the American Jobs Plan, competitive grants are critical to funding large-scale, cross-region freight infrastructure projects. Such projects are crucial to ensure smooth, end-to-end nationwide freight movement through our supply chains, but are difficult to fund through traditional allocation methods such as formula programs.

As part of a national, supply chain-oriented strategic approach to project investment, we recommend that the additional funding provided through the Plan for large, complex projects needs to be distributed through a fully multimodal freight competitive grant program that selects projects through merit-based criteria, i.e. by identifying and prioritizing investments that make a demonstrable contribution to national supply chain and freight efficiency while mitigating safety and environmental impacts. This funding should support multi-jurisdictional and multi-state projects, regardless of mode, selected based on transparent, objective criteria intended to maximize and enhance system performance, while advancing other national policy priorities such as environmental improvement.

4. Partnership with the private sector is needed to maximize Federal investment efforts

Encouraging private participation in the nation’s freight infrastructure is vital to system expansion and system preservation, given Federal funding limits. First, Federal funding

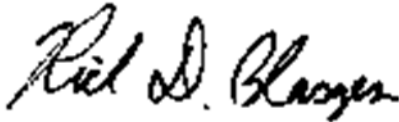
should leverage private participation and provide transportation planners with the largest toolbox of financing options possible to move comprehensive, cross-regional freight infrastructure projects forward quickly and efficiently. Second, emerging technologies are improving supply chain and freight movement productivity, and improving national competitiveness and job growth, by making real-time, daily optimization of supply chain functions possible. Federal, state, and local government partnerships with industry must be promoted to ensure that the data needed for supply chain optimization is shared across our crucial transportation, telecommunication, and power networks.

5. A world-class supply chain requires a world-class goods clearance process

The border is the only part of the supply chain at which the U.S. Government maintains complete control of freight movement. Together with trade rules, efficient and safe border clearance should minimize any delays in the international supply chain.

Thank you for your time and consideration. Our Committee looks forward to working closely with you as the infrastructure investment package advances.

Respectfully submitted,



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