



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
GOVERNOR

PAUL C. AJEGBA
DIRECTOR

Commission for Logistics & Supply Chain Collaboration

**Meeting Minutes
November 5, 2020**

LSC Members Present

Laura Mester *for Paul Ajegba*
Peter Anastor *for Gary McDowell*
Janice Walsh
Beth Colosimo *for Mark Burton*
Dr. David Closs
Roger Huff
Dr. Pasi Lautala
Fred Schlemmer
Les Brand

Speakers Present

Zachary Rable—MDOT
Mark Polsdofer—MDOT
Mike Kapp—MDOT
Joe Gurskis—WSP
Joe Bryan—WSP
Nikkie Johnson—MDOT
Michelle Cordano—MEDC

The meeting was called to order at 9:02 a.m.

Laura Mester, Chief Administrative Officer, Michigan Department of Transportation (MDOT) welcomed members of Commission for Logistics & Supply Chain Collaboration (LSC), MDOT support staff and the public. A quorum was established.

Motion to approve draft minutes from August 13, 2020 was brought forth by Fred Schlemmer, 2nd by Roger Huff and approved by all present members of LSC.

State Legislative Update—Mark Polsdofer

Since the meeting in August, there has been sporadic movement dealing with the budget. The House will begin conducting leadership elections that will begin in January 2021 with the installment of the new legislature. There are a lot of bills going into lame duck that are dealing with transportation reform that have not been addressed. It is anticipated that there will be a lot of activity in lame duck to clear up some of the backlog.

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LH-LAN-0 (01/19)

Federal Policy Update—Zachary Rable

FY 2020 Federal Grant Awards:

- INFRA-Blue Water Bridge (BWB) Plaza Expansion (\$25M)
- BUILD-Michigan Statewide Central Signal Control System Expansion (\$8.3M)
- CRISI-Trespass Prevention and Pedestrian Safety Enhancements on the Michigan Line (\$15.6M)
- SOGR-Ypsilanti-Jackson Curve Modification Project (\$15.57M)

Pandemic Relief Legislation, the next round of stimulus programs has stalled out. Lobbyists are actively advocating for new transportation initiatives to be passed. Under HR8337, the Continuing Appropriations Act, 2021, fully funds the federal government at FY20 levels until December 11th. The FAST Act has been extended one year as well under HR8337. As of the meeting today there seems to be a split Congress as election results are currently still being tallied.

MM2045 Update—Joe Bryan & Joe Gurskis

The National Supply Chain Survey results indicate that national trends are showing more automation, usage of more distribution centers and fulfillment centers, global diversification and consumer sales. The top five supply chain groups in Michigan account for 80 percent of the tonnage, with construction at the top. Other top industry groups in terms of tonnage and value include automotive, food and agriculture, metals and machinery, energy and chemicals and plastics. The four major railroads in Michigan include Canadian National, Canadian Pacific, CSX and Norfolk Southern. There are 22 short line railroads; MDOT owns five lines in the State, of which four are leased to short line operators. Michigan's outbound freight tonnage by rail is primarily transportation equipment, while inbound tonnage is coal. Wayne County is handling half of all Michigan originated freight rail traffic while iron ore in Marquette County is a heavy originator. Southwestern Michigan-Port Huron corridor is heavily used to

transport chemicals and forest products while the Detroit-Toledo corridor handles chemicals and transportation equipment.

Transportation Economic Development Fund Program & Projects—Mike Kapp

The purpose of the TEDF is to provide road improvements that attract industry and create or retain jobs in Michigan as well as meet demands placed on roads as a result of economic development. TEDF has six funding Categories A-F: Target Industries, Small Cities and Villages, Congestion Relief in 5 Urban Counties, All-season Roads in 78 Rural Counties, Forest Roads and All-season Roads in Urban Areas of Rural Counties. Category C, D and E are allocated by formula to the county road commissions while Category B and F are administered by grants.

Category A was created to help road agencies with road expansions. The target industries include office centers greater than 50,000 sq. ft., medical research or tourism greater than 50,000 sq. ft., agriculture or food processing operations, manufacturing and forestry and mining. The program typically supports road improvement projects such as reconstructing roadways to all-season roads. Projects are scored by the Relative Transportation Need Team (RTN), a group of MDOT planners. The development evaluation is based on the impact and growth potential as well as cost of the project versus the amount of grant funds requested..

Office of Economic Development has a variety of transportation related programs that it supports such as the Transportation Alternatives Program, Safe Routes to School Program and State Infrastructure Bank.

Freight Economic Development Program-Nikkie Johnson

MDOT is a smaller program that has a great impact on rail customers. It is a grant program that can assist with up to 50 percent of the cost to connect to the rail system. Some of the projects that have received help are: PRM Trucking, Port of Monroe, USG and others. The program is intended to help ensure the viability of the overall rail system.

COVID Labor Perspective-Michelle Cordano

The Michigan Department of Labor and Economic Opportunity's Office of Employment and Training (LEO-E&T) has launched a virtual job fair platform and will use this medium for at least one year. For the events that have been hosted there have been an average of 23 employers participating and 157 job seekers. The job fairs can be specific to one type of industry or multiple industries. There are several Michigan Works agencies using the platform to help keep job seekers in touch with available opportunities. There is also a back to Michigan event that is focused on individuals who are looking to come back to Michigan for work.

MEDC has also put out MIOSHA COVID-19 response and resources to help employers navigate through the rules and safety guidelines in response to the pandemic.

Employers are provided sample COVID-19 preparedness and response plans as well as reopening checklist. These items are updated on a regular basis.

Michigan's Work Share program has also been a vital part of assisting employers restart their businesses. Employers can bring employees back with reduced hours - while employees collect partial unemployment benefits to make up a portion of the lost wages. Employers can also retain their current workforce and are given the flexibility to choose which of their employees are part of a Work Share plan. This program helps protect both the employer and employee.

LEO has developed a digital hub to connect residents with online learning opportunities and other training resources. The digital hub, "Skills to Work" features a range of online learning and career exploration options – including free opportunities for Michigan residents to consider while navigating the COVID-19 economy in the coming weeks and months, when in-person learning opportunities may be limited. The "Futures for Frontliners" program will provide a tuition-free pathway to college or a technical certificate to essential workers who do not have a college degree. This includes workers like the ones staffing our hospitals and nursing homes, stocking the shelves at grocery stores, providing childcare to critical infrastructure workers, manufacturing Personal Protective Equipment, protecting public safety, picking up trash, or delivering supplies.

MEDC is currently accepting applications for the Going PRO Talent Fund until November 30, 2020.

Commissioner Updates

R. Huff – TRB is celebrating its 100th year anniversary on Nov. 11. TRB is going to be hosting a webinar Thursday, Nov. 12th on Celebrating TRB centennial by exploring future of transportation and research. Every year, TRB has an annual meeting in Washington, D.C. with over 10,000 attendees, which covers all transportation modes and topics. This year it is going to be done virtually. Instead of one week, it will cover the whole month of January. Sessions are around the theme of launching a new century of mobility and quality of life. Dozens of sessions will cover how COVID-19 has impacted transportation and how we are responding to it.

An MM2045 presentation takeaway boils down to a focus on infrastructure. The state should be looking at all infrastructure and opportunities that are created by addressing the issues, how to creatively finance opportunities, how to proactively assess risk and what areas can create the greatest opportunity for growth.

[TRB Centennial Webinar](#)

[TRB Annual Meeting](#)

P. Lautala – Adding to MM2045 discussion question – In looking at university wide and beyond regarding issues related to mobility, mobility is much more than transportation, including economic, social and other aspects. Mobility is related to infrastructure, transportation and all other types of infrastructure (internet, etc.). The concentration should be on infrastructure; transportation is a big element, but other types of infrastructure are also critical in rural areas.

F. Schlemmer – Impact of pandemic on trucking – Have seen significant drops, but it has come back up. Industries that rely on steel and aluminum have started back up and returned to 85-88 percent of activity. During the pandemic, the company had to release drivers to owner operators, but some drivers did not come back; lost 5 -10 percent of

driver fleet. This has happened with other carriers as well. Trucking companies are going through insurance renewal right now and facing increases in rates. Experiencing a 25-30 percent increase in cover levels. Pushing to explore other opportunities, because it is forcing carriers to take on more responsibility. There is a concern with trucking companies regarding rising insurance costs.

J. Walsh – Healthcare is bracing for third wave of COVID-19. From a supply chain perspective, the challenge is that not enough PPE is being produced to replenish what industry is consuming. Trinity Health has over 90 hospitals and has been able to use market leverage to get supplies, but it does not mean they have not resorted to other means like using stockpiles, donations, and brokers with limited success. Challenges procuring N95 masks will continue. Issue of supply manufacturing in only a few plants and countries and trying to get manufacturing back in the country. Companies have had to compete with state, federal and foreign government to get production in shipping lanes for their products, while also facing shortages of raw materials. Undergoing internal planning processes to make sure hospitals do not shut down and get their health care needs supported, including elective procedures.

B. Colosimo – Still taking in funding requests from companies. Two years ago, MEDC started a program called Build Ready Sites, and small amount of grants have been given out to communities. Grants focused on rural communities that have a site that they may own or have access to develop, but lack the knowledge of what is needed for a company to come in and expand, or locate on the site. The program looks at what is needed infrastructure wide for the development to occur. This year, the program has \$750,000 available to do a variety of projects. Continuing to use community development block grant funding as well.

2021 Meeting Schedule

- February 4
- May 6
- August 12

- November 4

Public Comment

No public comment

Wrap Up

Meeting was adjourned at 11:12 a.m.