



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
GOVERNOR

PAUL C. AJEGBA
DIRECTOR

Commission for Logistics & Supply Collaboration

Meeting Minutes

February 6, 2020

LSC Members Present:

Peter Anastor *for Gary McDowell*

Robert Boehm

Les Brand (via phone)

Beth Colosimo *for Jeff Mason*

Roger Huff (via phone)

Dr. Pasi Lautala

Fred Schlemmer

Janice Walsh (via phone)

Members Absent:

Dr. David Closs

Craig Newell *for Paul Ajegba*

The meeting was called to order at 9:00 a.m.

Peter Anastor, Director of the Agriculture Development Division at Michigan Department of Agriculture and Rural Development filled in for Craig Newell, Administrator of Asset Management and Policy Division, Michigan Department of Transportation (MDOT).

Peter mentioned that Tim Hoeffner recently retired and that going forward Craig will be facilitating LSC meetings, but he had a conflict today. Peter asked commission members and MDOT support staff to introduced themselves.

The minutes from November 7, 2019 meeting were amended by Dr. Pasi Lautala and approved.

Workforce Development Agency Update

James Fults has recently left the Department of Labor and Economic Opportunity (LEO) and now works at MDOT as the new Workforce Programs and Recruitment Unit Manager within the Office of Organizational Development. Michelle Cordano, Talent Development Liaison for State of Michigan Workforce Development provided the workforce update. In this role, Michelle is responsible for engaging employers and educators to comprehensively address talent needs to focus on mid and long-term development skill gaps in key industries in each region statewide. She also serves as Workforce Development's point of contact in the Information Technology (I.T.) sector and is the representative for Regions 5 and 6.

Michelle mentioned the industry cluster reports (Energy, Manufacturing and I.T.) that can be found at <https://milmi.org/Research/michigan-industry-cluster-workforce-analysis-reports>. James said that he had advocated for having a Mobility cluster report and there was not one done yet and that there have been features in Labor Market news.

<https://milmi.org/publications/category/labor-market-news>

Beth suggested that the state should have a mobility report that should focus on mobility and clearly defining what the state is going to be good at.

James mentioned that Jessica Robinson of the Michigan Mobility Institute is working with Wayne State to develop. <https://www.michiganmobilityinstitute.org/about-us>

Michelle mentioned that LEO has disbursed \$2.5 million worth of MICA grants supporting 16 grantees around the state, that are developing consortiums of employers to address industry or region talent needs.

State Legislative Update

Mark Polsdofer, Deputy State Transportation Commission and Policy Adviser for MDOT presented to the committee an update on the Governor's bonding program, called Rebuilding Michigan, which is focused on full reconstruction projects in some of the most highly traveled areas of the state. Of note, was the fact that this financing mechanism allows MDOT to move up a number of rehabilitation projects for roads and bridges throughout the state. Questions were fielded as well.

In addition, a high-level review of the numerous "reform" bills moving through the legislature was provided, including Senate Bill 515, which establishes a cost index to measure changes in cost within the construction industry on an annual basis, and SB 517, which will direct the State to study the feasibility of tolls on Michigan roads and bridges.

The Fiscal Year (FY) 2021 Executive budget recommendation for the state, including MDOT, was being presented concurrently to this meeting and will be reported on at the next scheduled meeting.

Federal Legislative Update

Zach Rable, Transportation Planner, MDOT Asset Management and Policy Division, reported that FY 2020 appropriations were signed into law in late December and fully fund the federal government until September 30. U.S DOT received \$87.2 billion in gross discretionary budget resources, a slight decrease from FY 2019. However, these appropriations honor the full FAST Act and FAA reauthorization of 2018 funding levels and provide \$1 billion for BUILD grants. Importantly, they also provide the full \$75.33 million budget request from the President for construction of a new lock at the Soo.

The current surface transportation authorization bill, the FAST Act, expires at the end of this fiscal year. Currently, Congress has yet to take up reauthorization in earnest. There

are several committees in both the Senate and the House that have jurisdiction over separate portions of a reauthorization bill – these are called titles. The Senate’s Environment and Public Works Committee has passed out of committee its title, but no other titles have been released or passed out of committee in the Senate. Similarly, the House has not passed any reauthorization-related bills out of committee. However, the House Democrats released their legislative framework for infrastructure investment, including surface transportation reauthorization, on January 29th.

Finally, FHWA released a notice of funding opportunity for its Infrastructure for Rebuilding America (INFRA) grant program recently, and MDOT will be submitting three project proposals for funding.

1. Blue Water Bridge Plaza Expansion – requesting \$50 million
2. Conner Avenue/I-94 Diverging Diamond Interchange Project – requesting \$24 million
3. I-96 @ Fruit Ridge Avenue – requesting \$10.8 million

MM2045 Update

Elisha Wulff, Transportation Planner, MDOT Asset Management and Policy Division, updated the Commission on the State Long-Range Transportation Plan, known as Michigan Mobility 2045 (MM2045). MDOT kicked off phase 2 of the plan in January with the consultant team, WSP, which will include the development of the integrated plan. In the coming months, the team will be developing specific freight and rail objectives as well as identifying trends that are affecting Michigan’s freight transportation system. Public and stakeholder participation will occur in Spring and Summer of 2020. When scheduled, MDOT will share opportunities for LSC members to get involved in stakeholder outreach events. Michigan will be the only state to have an integrated long-range transportation plan including all modes of transportation into a single report.

Commissioner Updates

Peter Anastor mentioned that each commissioner will be invited to provide a roundtable update and given up to five minutes to share information for the benefit of the group.

The following handouts were provided to the commissioners:

- Business Issues for Logistics and Supply Chain Commission
- Michigan Industry Cluster Workforce Analysis Reports - <https://milmi.org/Research/michigan-industry-cluster-workforce-analysis-reports>.
- Mobility Cluster Report - <https://www.michiganmobilityinstitute.org/about-us>
- Commercial Carrier Journal, January 2020 – The Cost of Coverage (*Trucking insurance rates expected to skyrocket buy why?*)
- Annual Increase in Liability Insurance, Cost per Truck
- TRB Forum Top 10 Research Issues

Strategic Planning Discussion

Peter Anastor continued the discussion from the November 7th meeting, focusing on a strategic direction for the LSC. He explained that the Strategic Plan was designed to be a 7-year plan in 2003 and now it is 2020. It was developed in collaboration with business economic development, university, non-profit and government leaders. The plan provided a blueprint to build a logistics & supply chain system to create new opportunities for Michigan. He also mentioned that Dr. Closs had worked on the plan.

The following questions were asked about the LSC commission going forward:

- Do you think that the priorities, objectives and actions of the plan are still relevant? What has changed since 2013?
- Do you think these priorities, objectives and actions could become part of an action plan for LSC?

Next Meeting

The next LSC meeting will be held on May 7th at MDOT Construction & Technology building in Dimondale and will include a tour of the CN Autoport operation at the General Motors Delta Assembly Plant.

August 13th will be a joint with Port Advisory Committee in the Saginaw/Bay City area with a tour of the Fishers Terminals.

The meeting was adjourned at approximately 11:45 a.m.