

SUPPLY CHAIN INFRASTRUCTURE COMPETITIVENESS INITIATIVE

Office of Service Industries, Distribution and Supply Chain Team

The Department of Commerce's International Trade Administration is leading a comprehensive, multiagency initiative to restore jobs, facilitate the flow of goods, and benefit U.S. firms and consumers through improving the quality of America's supply chain infrastructure.

U.S. economic competitiveness is linked to the condition of our national supply chain infrastructure (ports, rail, highways, and airports). As a senior manager of a major supply chain carrier recently said, "Do our policy makers really think we can substantively expand our manufacturing base with the existing supply chain infrastructure?"

Supply chain problems affect the lives of everyone – whether end user, seller, buyer, importer or exporter. Infrastructure capacity constraints lead to delays, congestion, and disruptions. U.S. manufacturers face serious challenges in getting inputs from all around the world in time to ship finished products to market. Sales and jobs may be lost. Trade and commerce may stop. Consumers may lose the most.

U.S. executives have long expressed concern that our supply chains, on which our jobs and industries depend, are being delayed and that high costs are being imposed on U.S. firms and consumers by inefficient, poorly connected infrastructure, and by our lack of a coordinated, holistic national freight policy. These factors make U.S. firms less competitive both at home and in the global marketplace.

As a nation, we must move forward the policy debate on the development of a competitive national supply chain infrastructure in the United States, and focus on the importance – from a national economic and competitiveness perspective - of comprehensively and holistically addressing the key infrastructure challenges that inhibit the smooth, efficient, and cost-effective flow of domestic commerce and international trade.

Department of Commerce Response:

- In May 2009, Commerce Secretary Gary Locke and Transportation Secretary Ray LaHood co-led a national conference with top U.S. supply chain executives and government leaders to understand how our domestic infrastructure and policies must be improved to promote national economic competitiveness and growth.
 - Stakeholders emphasized the need to consider transportation and infrastructure investments and enhancements on both a federal and regional basis to maximize America's competitiveness in the global economy. They also pointed out that a high-level, comprehensive supply chain advisory committee is needed to coordinate the individual elements of freight and transportation issues into a broad, cross-modal approach that promotes supply chain infrastructure development from a national economic and competitiveness standpoint.
- A series of regional outreach forums will be held in 2010 to gather user opinions on local freight transportation problems and how they affect (and are affected by) the national freight system and national freight policy. All stakeholders are invited to participate in these events.
- Commerce is also working to establish a national advisory committee structure on supply chain competitiveness issues, both at the public level and at the Administration level, to ensure that stakeholder and interagency concerns are reflected in national freight policy.

The information gathered through this initiative will be used to help shape Administration transportation policy and legislation, and to promote the development of a holistic, user-focused, competitiveness-oriented national freight system that meets America's needs for the 21st Century.