

June 23, 2016

The Honorable Penny Pritzker
United States Department of Commerce
1410 Constitution Avenue, NW
Washington, DC 20230

Dear Secretary Pritzker:

The unmet and growing demand for workers to operate and support our Nation's supply chains and expanding trade continues to impact the competitiveness of US businesses. To sustain and enhance our position in global trade, we recommend that **the US Department of Commerce take a leadership role in convening Federal agencies to accelerate effective supply chain workforce development and accessibility.**

Types of Supply Chain Workforce Needs

Four types of workforce needs have been identified:

- Jobs that build and maintain our transportation and trade infrastructure, such as welders, machinists, pipe fitters and other specialties.
- Jobs that keep the goods moving, such as truck drivers, equipment maintenance, railroad personnel, maritime labor and air cargo specialists.
- Jobs that keep trade efficient and effective, such as supply chain planners, freight forwarders, logisticians, technology developers, and modelers.
- Jobs that support emerging supply chain technologies.

The demand for such workers in the US far exceeds the available supply.

Background

Workforce shortages in the supply chain are widely recognized as potentially limiting effective operations and expansion of services. The US Departments of Education and Transportation have studied and continue to study the issues. The US Department of Labor has provided and continues to provide hundreds of millions of dollars in grant funds to expand educational programs. At the state and local levels, educational and economic development initiatives have also been undertaken. Many more academic institutions are offering supply chain and specialized skills programs. Stackable credential initiatives have been advanced.

Yet, industry continues to voice workforce concerns.

The concerns, as expressed in presentations to and in discussions within the Advisory Committee on Supply Chain Competitiveness as well as in the press, include:

- Potential mismatches in the skills taught in academic institutions with the skills needed for companies to utilize workers on their first day of employment.
- The need to connect with, leverage, and expand private training programs, including apprenticeship programs within companies.
- Obtaining and retaining sufficient workers at job sites, including workforce accessibility.
- The need to develop equipment maintenance and freight visibility.

The recommendations, therefore, focus on increasing effectiveness, encouraging best practices, and accelerating actions.

Examples of the Federal Initiatives

Individually and in collaboration, several federal agencies have and continue to pursue workforce initiatives. Examples include:

- The US Departments of Education, Health and Human Services, and Labor jointly issued a letter in April 2012 indicating their commitment to defining career pathways. Such pathways were defined as, “series of connected education and training strategies and support services that enable individuals to secure industry relevant certification and obtain employment within an occupational area and to advance to higher levels of future education and employment in that area.”¹ The components highlighted in this letter included:
 - Alignment of secondary and postsecondary education with workforce development systems.
 - Services that have among their goals a focus on secondary and postsecondary industry recognized credentials, sector specific employment, and advancement over time in education and employment within a sector.
- The US Departments of Education, Transportation and Labor jointly issued a report in August 2015 entitled, *Strengthening Skills Training and Career Pathways Across the Transportation Industry*. Identified as a data report, the document articulated future transportation Workforce Needs.
- The US Departments of Education, Transportation and Labor jointly also issued a Fact Sheet in September 2015 that identified four career path models:²
 - Career and Technical Education programs of study, beginning in high school and continuing into postsecondary education or apprenticeship can provide the foundational and early occupational skills training needed in skilled occupations.
 - Pre-apprenticeship programs for disadvantaged youth and adults can prepare low-skilled and underrepresented populations for entry into these skilled positions.
 - Career Pathways systems that are aligned with Registered Apprenticeship programs can expand the number of people who can access these high-demand jobs.
 - Significant training at the workplace helps people move from novice to skilled practitioner in their craft.

This fact sheet also articulated six key elements in career pathways:

- Build Cross-Agency Partnerships and Clarify Roles.
- Identify Sector or Industry and Engage Employers.
- Design Education and Training Programs.
- Identify Funding Needs and Sources.
- Align Policies and Programs.
- Measure System Change and Performance.

¹ April 4, 2012 letter issued by the US Departments of Education, Health and Human Services, and Labor, p. 1.

² The US Departments of Education, Transportation and Labor, *Strengthening Skills Training and Career Pathways across the Transportation Industry Fact Sheet*, September 11, 2015.

- The US Department of Labor (USDOL) has provided more than \$300 million in grants through the Trade Adjustment Assistance Community College and Career Training Grant Program (TAACCCT).³
- Congestion Mitigation and Air Quality (CMAQ) in the Federal Surface Transportation Program funding through the US Department of Transportation Federal Highway Administration has been used to partially finance local Transportation Management Associations (TMAs). TMAs provide last-mile connectivity between workers' residences and places of employment.

Recommendations

Given the criticality of workforce needs in trade and commerce, the Committee recommends that the **US Department of Commerce take a convening role to address supply chain workforce needs. Accordingly, as a first step, the Committee recommends that the Department of Commerce convene a supply chain workforce summit with the objective of establishing an ongoing and sustainable dialogue among stakeholders.** The summit would bring together the federal agencies that have been working on and/or have a role in workforce development and accessibility. In addition, private sector practices, knowledge, and priorities would be represented through the inclusion of representatives from the US Department of Commerce Advisory Committee on Supply Chain Competitiveness (ACSCC) at the summit.

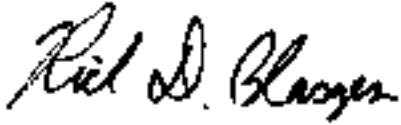
Building on the existing collaborations among federal agencies, academia, labor, and industry the summit would seek to:

- Develop a shared vision, priorities, and action plan for addressing workforce shortages in the Nation's supply chain industries. The extensive work undertaken by federal agencies can be used to develop a clear, concise and collective action plan that connects findings, priorities, approaches (such as the six-step process noted previously) and the issuing of federal grants.
- Include workforce access as a critical element in addressing workforce needs. Workforce availability is one of the leading criteria in industrial site selection. Supply chain facilities, such as distribution centers, ports, rail terminals, and air cargo operations often operate in work shifts that do not match normal transit schedules. Entry level and lower paid personnel often need options other than the use of personal vehicles. A workforce accessibility program could include federal grant programs to facilitate such efforts as TMAs, carpooling/ridesharing apps, transit links, etc. to ensure that the developed workforce can access the business locations.
- Enhance awareness that job opportunities of all types are available, and workers for trade and commerce are needed.
- Showcase best practices, ongoing challenges and means for evaluating the effectiveness of programs in meeting workforce needs.
- Set the stage for developing a searchable database of best practices and programs that can be used by public, private and academic institutions in their workforce development and access programs. The collaboration of federal agencies, along with the input of the ACSCC, can be used to define the elements to be included in the database. Private sector business, industrial associations, and academic institutions can be encouraged to provide best practice and program examples for this database on an ongoing basis.

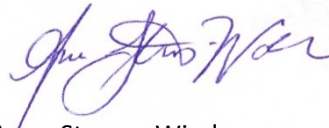
³ Benjamin Siegel, US Department of Labor, presentation to the US Department of Commerce Committee on Supply Chain Competitiveness, June 24, 2015.

The Committee anticipates that a series of next steps will emerge from the summit that will shape the direction and content of future workforce-related recommendations.

Respectfully submitted,



Rick D. Blasgen
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Council of Supply Chain Management
Professionals
Chair, Advisory Committee on Supply
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Anne Strauss-Wieder
Director, Freight Planning
North Jersey Transportation Planning
Authority
Chair, Workforce Development Subcommittee

Attachment

Attachment:

Supply Chain Workforce Facts

- The US spent \$1.4 trillion dollars on business logistics in 2015.
- 3.1 million Americans are employed in operating and supporting freight vehicles, as well as in logistics.
- 44 million jobs directly depend on freight transportation.
- Transportation industry employers will need to hire approximately 4.6 million workers, an equivalent of 1.2 times the current transportation employment between 2012 and 2022.

Sources: 2016 CSCMP State of Logistics Report, National Freight Strategic Plan, Strengthening Skills Training and Career Pathways across the Transportation Industry Fact Sheet