

# Advisory Committee on Supply Chain Competitiveness

4 June Meeting



## Initial DRAFT Recommendations and Issue Development Ideas for Discussion



INTERNATIONAL  
**TRADE**  
ADMINISTRATION

All materials in this summary reflect only preliminary analysis and tentative potential recommendations from the ACSCC subcommittees – All is subject to further change and revision on the basis of deliberations of the ACSCC and its subcommittees.



## Freight Policy and Movement Recommendations

- MAP-21 Conditions and Performance Report: should be based on a series of currently available metrics, used by many supply chains to measure system performance at chokepoints and transfer nodes, that are correlated with five supply chain competitiveness factors: cost, transit speed, reliability, safety, and risk.
- MAP-21 National Freight Strategic Plan: DOT should target operational and policy initiatives, and infrastructure investment, towards projects that improve the flow of freight and supply chain performance through system chokepoints and freight transfer nodes.

## Freight Policy and Movement Recommendations

- MAP-21 Conditions and Performance Report and National Freight Strategic Plan: DOT, working with industry, should conduct a pilot series of value stream mapping exercises of typical supply chains in different geographic lanes, to gain a better understanding of national freight circulation and supply chain performance. Optimal supply chains for this exercise include retail; energy; food; agriculture exports; and automotive.

# Trade & Competitiveness Recommendations (1of2)

- Remove Trade Barriers to Exports
  - Complete TPP & TTIP agreements to liberalize trade and improve enforcement
- Simplify adherence to FTAs
  - Recommend Supply Chain template for FTAs
- Eliminate Certain Customs Duties
  - Reduced costs on imported manufacturing inputs increases U.S. manufacturing competitiveness
- Streamline and Modernize Border Processes
  - Establish Single Service Center bringing together all import and export government agencies
  - Apply risk-based approach to customs enforcement to clear goods more quickly
  - Enhance Trusted Trader programs through new procedures
- Modernize US Export Credit Support
  - Change US Eximbank policies for financing shipping costs, increase transparency for users, to increase competitiveness of Supply Chain
- Further Streamline Foreign Trade Zone Process
  - Increase awareness of FTZ opportunities for US manufacturers and service providers

# Trade & Competitiveness Recommendations (2of2)

- Correct policies impeding Domestic Surface Transportation of Outsized Cargoes
  - Create national integrated system with defined transportation corridors to expedite approval process for and movement of oversized cargoes
  - Improve Rail and Waterway connectivity: local to national networks
- Simplify MARAD US Flag Waiver Requirements
  - Simplify, clarify waiver procedures including online application processing

## IT & Data Recommendations

- Create an Information Architecture/Design Template for National Supply Chain Executive Dashboard
  - Survey 3PLs to capture data on national and intl. origination/destination flows and consolidate with DOT trade flow data to develop a National Supply Chain Network Map
  - Develop Risk Center functionality that is capable of streaming real-time and customized supply chain threat data to key user groups such as ports/airports
- Create a White House sponsored “SWAT Team” to work with CBP to fund and complete the ITDS/Single Window electronic filing system by December, 2015
  - Conduct rapid review of national/regional Single Window requirements stemming from FTA mandates
  - Utilize well proven best practices in cross-governmental information exchange, such as Singapore’s TradeNet system
  - Streamline and de-risk the OMB process for agency info sharing approvals

# Finance and Infrastructure Recommendations (1 of 2)

## Current Funding Revenue Mechanisms:

- Highway Trust Fund and Gas/Diesel Tax: Raise tax by (?) % or \$0.xx, and/or index gas tax to inflation.
- Harbor Maintenance tax: 1) Allow full use of future revenue. 2) To allow for expanded use of HMTF intended funds (currently only includes federal channel dredging) to allow for all ports to compete equitably (suggestions include: berth dredging, environmental sediment cleanup).
- Inland Waterways Trust Fund: (at the very least) To index the commercial tax to match current diesel fuel tax rate (at 24.4 cents per gallon).

## Current Funding Distribution Mechanisms:

- TIGER Grant: Authorize TIGER for small-starts and PRNS for mega-projects on a permanent basis with guaranteed funding at current rates or better.
- Transportation Infrastructure Finance and Innovation Act (TIFIA): Continue to support.
- Private Activity Bonds (PABs): Support lifting the cap on PABs.
- Railroad Rehabilitation and Improvement Financing (RRIF): TBD
- Shortline Railroad (45G) Tax Credit: Extend permanently, or for term of Bill.

# Finance and Infrastructure Recommendations (2 of 2)

## New Proposed Funding/Financing/Distribution Mechanisms:

### Funding Generators:

- Way-bill fee (Freight system-wide): TBD
- Infrastructure Fund, capitalized w/repatriated offshore profits(infrastructure): TBD
- Cargo Facility Charge (CFC) (Ports): TBD
- Lock Usage Fees: TBD
- Increased Tolling (State DOT): TBD
- Oil Barrel Tax (all transportation): TBD
- Carbon Tax/Cap and Trade: TBD
- Vehicle Mileage Tax (VMT): TBD
- National Infrastructure Bank: TBD
- Increased Opportunities for Public-Private-Partnership (P3' s) (all transportation): TBD
- National Sales Tax (all transportation): TBD

### Funding Distributors:

- Federal Freight Trust Fund: TBD
- Projects of Regional and National Significance: TBD
- National Infrastructure Bank: TBD

# Regulatory Recommendations (1 of 2)

## Transportation

### *Short term Issues/Recommendations/Impact:*

#### •Air

- *Revamping Our Nation's Air Traffic Control System (Adequately Fund NextGen)*
- *Harmonizing Air Cargo Security Regulations with Other Nations (Directly and through int'l org.)*
- *Trade Modernization (Providing a single window for trade data, adequate port and CBP staffing)*

#### •Highway

- *Hours Of Service Rules (Keep at current levels, do not decrease)*
- *Gross weight Limits (Adjust to weight limits based on safety studies, and major freight corridors)*

### *Long Term Issues/Recommendations/Impact:*

#### •Highway

- *Longer Combination Vehicle (Create list of requirements to "qualify" companies to move freight)*

#### •Import/Export

- *Ocean (Incentives to ocean terminals related to container output & reasonable port labor levels)*

#### •Rail

- *Capacity (Rail expansion projects are commonly hindered by permits and land acquisition)*

## Manufacturing (all TBD)

## Energy (all TBD)

# Regulatory Recommendations (2of 2)

## Workforce Development

### *Short term Issues/Recommendations/Impact:*

#### •Skill Development

- TBD

#### •Productivity Standards

-Measures against other supply chains

-Potential Union Issues

#### •Other Category

- TBD

### *Long Term Issues/Recommendations/Impact:*

#### •Skill Development

- Create consortium of schools, guest worker programs, WH - Educate to Innovate

#### •Productivity Standards

-Measures against other supply chains

-Potential Union Issues

#### •Other Category

- TBD

# OSI Contact Information

David Long, Director, Office of Service Industries

T: 202.482.0344; [David.Long@trade.gov](mailto:David.Long@trade.gov)

Russell Adise, Freight Policy and Movement; [Russell.Adise@trade.gov](mailto:Russell.Adise@trade.gov)

Eugene Alford, Trade & Competitiveness; [Eugene.Alford@trade.gov](mailto:Eugene.Alford@trade.gov)

Bruce Harsh, IT&Data; [Bruce.Harsh@trade.gov](mailto:Bruce.Harsh@trade.gov)

Rich Boll, Finance & Infrastructure; [Richard.Boll@trade.gov](mailto:Richard.Boll@trade.gov)

Rich Boll (for John Miller), Regulatory; [Richard.Boll@trade.gov](mailto:Richard.Boll@trade.gov)