



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
GOVERNOR

PAUL C. AJEGBA
DIRECTOR

Commission for Logistics & Supply Chain Collaboration

**Meeting Minutes
May 6, 2021**

LSC Members Present

Peter Anastor for *Paul Ajegba*

Jamie Zmitko-Somers for *Gary McDowell*

Les Brand

Beth Colosimo for *Mark Burton*

Dr. David Closs

Roger Huff-**absent**

Dr. Pasi Lautala

Fred Schlemmer-**absent**

Janice Walsh

The meeting was called to order at 9:05 a.m.

Peter Anastor, Office of Rail Director, Michigan Department of Transportation (MDOT), welcomed members of the Commission for Logistics & Supply Chain Collaboration (LSC), MDOT support staff and the public. Jamie Zmitko-Somers will be the designee for the Michigan Department of Agriculture and Rural Development (MDARD).

A quorum was established. Motion to approve draft minutes from February 4, 2021 was brought forth by Fred Schlemmer, seconded by Dr. David Closs, and approved by all present members of LSC.

State Legislative Update

Mark Polsdofer, Deputy State Transportation Commission and Policy Adviser for MDOT, updated the Commission on the progress of the Transportation budget in the legislature, including a Senate modification that would direct \$261 million in State Trunkline Funds (STF) to local road agencies.

He also addressed the growing interest in electric vehicles, legislation to place electric vehicle charging stations at state owned facilities, discussions that are beginning relating and indicated discussions have begun on how to fund of our roads as more people opt for electric vehicles.

The Commission was also updated on the push for the Governor's \$300 million local bridge bundling supplemental proposal.

Federal Policy Update

Zach Rable, AICP, Federal Transportation Policy Specialist, MDOT-Asset Management and Policy Division, provided an update on the following federal initiatives: American Rescue Plan, American Jobs Plan, and the fiscal year (FY) 2022 President's Budget.

- President Biden signed the American Rescue Plan into law on March 11.
- The legislation includes \$30 billion for transit operations and safety protections for workers, more than \$1 billion for Amtrak to recall previously furloughed employees, and \$8 billion for airports to make changes to facilities or personnel to prevent the spread of COVID-19.
- In addition, the bill provides \$350 billion to help states, counties, cities, and tribal governments cover increased expenditures, replenish lost revenue, and mitigate economic harm from the COVID-19 pandemic. Of this total, Michigan received roughly \$10 billion in direct aid, including \$5.6 billion for the state government.
 - These funds can notably be used, among other things, to:
 - Make investments in water, sewer, and broadband infrastructure; and
 - State and local governments can transfer funds to private nonprofit groups, public benefit corporations involved in passenger or cargo transportation, and special-purpose units of state or local governments

American Jobs Plan:

Since the American Rescue Plan was signed into law, the American Jobs Plan has been proposed for Jobs and Infrastructure.

- It is an 8-year, \$2.3 trillion proposal paid for primarily through changes to corporate tax code.
- The proposal includes \$571 billion in transportation spending and another \$50 billion for resiliency upgrades.

- The proposal does not specify how funding from these programs would be distributed or who would be eligible to receive funding. Based on White House press conferences, it sounds like they anticipate Congress developing funding with a mix of formulas and competitive grants.
- It is also important to note that the American Jobs plan is supposed to be in addition to any plan to reauthorize the federal surface transportation programs.
- Congressional Democrats still have not sorted out how they would like to pass this plan. They have been given the green light to use Budget Reconciliation for additional times in FY 2021, but there is some chatter of splitting the plan into traditional and non-traditional infrastructure packages in hopes of garnering bipartisan support for the former.
 - Both the Senate Environment and Public Works and House Transportation and Infrastructure Committees have indicated they would like to begin marking up their reauthorization bills this month; how this timeline interplays and connects with the American Jobs Plan is still unknown.

FY 2022 President's Budget:

- The FY 2022 Presidential Budget was released recently and was less a “budget” and more of a list of top-line priorities (more detail is expected in upcoming months). Congress is unlikely to introduce FY 2022 Appropriations bills exactly in line with this, but the White House is clearly signaling it would like to prioritize rail and transit.
- Provides \$625 million for a new passenger rail competitive grant program.
- Increases Amtrak discretionary funding by 35 percent.
- Increases the Capital Investment Grant Program for transit by 23 percent.
- Increases civil rights enforcement funding.

Labor & Economic Opportunity Update

Steve Gillotte, Talent Development Liaison, Workforce Development, Michigan Department of Labor & Economic Opportunity (LEO), shared some of the initiatives LEO is working on. The Michigan Learning & Education Advancement Program (MiLeap) will assist job seekers in transitioning into high-skill, high wage employment and career pathways. The focus will be on individuals that are underemployed, essential workers, and living in rural or distressed areas. The program has over \$16 million in grant funds broken down into two \$8 million grants.

The Apprenticeship Expansion Grant is currently in the second round for awarding grant recipients. Over \$6 million was awarded during the first round and currently there is over \$5 million available. The focus for this program is to increase diversity of participants in new industry sectors. The target population for this program is women, people of color, veterans and their spouses, ex-offenders, and people with disabilities. Applications are due May 24, 2021.. The Michigan Industry Cluster Approach Grant Program, funded by LEO, has approximately \$2 million in funding available. Funds will be awarded to industries committed to launching, sustaining, or revitalizing employer lead collaboratives that work toward bringing together employers, training institutions, and education. The program will officially kickoff in August.

MM2045 Update

Joe Bryan, WSP, Service Area Manager, Freight and Logistics, provided an update on Michigan Mobility 2045 as it relates to the freight and rail components and current conditions throughout Michigan. Bottleneck clusters cost \$2M per day in user cost (the cost around Metro Detroit area). The top 5 percent of bottlenecks cost approximately \$4M per day around the U.S. and represent roughly 150 locations. The top 4 clusters in Michigan currently have active projects. Freight clusters and connecting routes are experiencing truck delay and unreliability. Currently, Metro Detroit is generating the most freight throughout the state.

The Marine System needs are a blend of federal, state, and local issues. Some of the outstanding items include completion of the new Soo Lock, maintenance channels through the Harbor Maintenance Trust Fund, and reliable state funding for consistent investment. In the next few years we will be able to provide collaborative optimization. Technology implementation will play a large role in optimizing Smart Corridor development and expansion.

Alex King, WSP, addressed Michigan's location in the U.S. Rail network with the mainlines and peninsulas. Michigan has several low-density rail lines. Most of these are not able to cover long-term capital expenses. A lot of the rural areas are supported by the raw materials transported on these lines. There are intermodal improvement opportunities through the Detroit Intermodal Freight Terminal (DIFT). Amtrak is working with MDOT on alternatives to the NS track between NW Indiana and Chicago.

Office of Future Mobility & Electrification Update

Trevor Pawl, MEDC, Chief Mobility Officer, provided an update on the future of mobility options. In 2020, Governor Gretchen Whitmer signed an executive order creating the Office of Future Mobility & Electrification. The goal is to position Michigan as a leader in the industry. There are six core partnership objectives:

1. Grow mobility industry in Michigan
2. Engage more mobility startups
3. Expand Michigan's Smart Infrastructure
4. Accelerate electric vehicle adoption in Michigan
5. Enable Michigan's mobility workforce
6. Bolster Michigan's mobility manufacturing core

Electric vehicles are expected to surpass combustion engine vehicles over the next ten years. By 2030 software will represent more than 50 percent of the value of a vehicle. Michigan is expected to produce over half of the country's electric vehicles between 2019-2027. There are two types of partnerships the Office of Future Mobility & Electrification are looking to build on: Dynamic Programming and Responsive Policy.

Dynamic programming partnerships include drones and autonomous shuttles. By 2030 a large percentage of deliveries will be made by drones. Several industries have adopted methods of using autonomous vehicles such as hospitals and airports. The 40-mile self-driving lane from Ann Arbor to Detroit will contain smart infrastructure such as smart curbs and lanes. Michigan's position as a global leader will be impacted by cross-departmental collaboration efforts.

As a part of a multi-state agency effort, Michigan will invest \$25 million in workforce projects related to the future of mobility in FY 2022. The funding has been organized into five outcomes:

1. Coordinated Future: Necessary funds to coordinate a cross-departmental strategy.
2. Sustainable Future: Accomplish environmental sustainability by encouraging electric vehicle adoption.
3. Industry Future: Drive consistent flows of private investment into Michigan from mobility companies.
4. Multimodal Future: Keep Michigan at the forefront of connected and auto deployment.
5. Equitable Future: Alleviate mobility barriers at a community level.

U.P. Propane Study

Nikkie Johnson, MDOT Office of Rail, and Dr. Pasi Lautala, Michigan Technological University Assistant Professor and Director of Rail Transportation, reported that the Enbridge Line 5 pipeline that delivers crude and natural gas liquids to parts of Michigan and Canada. In 2010 there were some concerns raised about the effects of the pipeline due to an oil spill in Marshall that has sparked interest on the pipeline traveling through the Mackinac Straits. The state is seeking to avoid easement for existing operations. The state is also working with Enbridge on building a utility tunnel under the Strait. MDOT selected WSP to complete an analysis of potential increase movement of propane by rail. WSP and Dr. Pasi Lautala are working together on the study.

Some of the preliminary findings of the study are:

- Propane currently moves by rail in the U.P.
- The rail system in the U.P. can handle additional capacity.
- Additional/expanded transload and storage capacity is likely warranted, particularly to efficiently serve the western U.P.

The Mi Propane Security Plan Workgroup has been established by the Governor's Office to coordinate responses to potential disruptions throughout the state.

Commissioner Updates

Dr. David Closs, Michigan State University, indicated the Gordie Howe Bridge has been approved by the Michigan Supreme Court. The bridge will move forward after the purchase of the land is settled.

Janice Walsh, Director, Supply Chain Management Finance, Trinity Health, provided an update on Trinity Health's challenges with getting personal protective equipment into the facilities. They are struggling with vendors being able to fill orders in large quantities that could last 60 to 90 days or more.

Beth Colosimo, Michigan Department of Economic Development, provided an update on workforce development in advanced manufacturing. Current initiatives involve getting industries to partner up with MEDC on awareness and education to utilize some of the grants authorized by the Michigan Strategic Fund. MEDC awarded \$2 million in grant money to 10 applicants out a total of 14.

Jeffrey Nowell, Whirlpool, is stepping in as the interim MEDC CEO while candidates are sought to replace Mark Burton.

Jamie Zmitko-Somers, MDARD Agriculture Development Division Director, reported that the Propane Commission met on May 5, 2021 to elect their members. The commission will be assessing a fee on retail propane. The overall goal is to promote clean energy sources. MDARD is working on several grant programs that will become available in the near future.

Peter Anastor, Office of Rail Director, Michigan Department of Transportation (MDOT), reported that in an attempt to mitigate the spread of COVID-19, MDHHS, in partnership with MDOT and select Michigan airports, are piloting a Travel Points Testing program this spring - bringing antigen COVID-19 testing to locations with high volumes of travel. Quick and cost-free testing will be offered at several Michigan Welcome Centers and airports throughout the state, with results available in as little as 15 minutes. Walk-ups are taken as space allows, and an option to register online via a mobile device will also be available. The 2021 road construction season has begun. In understanding that these projects can cause delays in the State's supply chains, we encourage the use of MiDrive, MDOT's construction and traffic information website that allows users to view traffic cameras, speeds, locate incidents, and construction. The Governor's Office announced that the mandatory work from home order for state employees is being extended until July 12. This date will be dependent upon the current COVID-19 numbers as we get closer to that timeframe. MDOT is establishing a new major business area focused on our culture, to be led by a new position: the chief culture, equity and inclusion officer (CCEIO). This position will be a member of the director's executive team (DET), an equal peer of the chief administrative officer and chief operations officer in guiding the direction of the department. This is part of MDOT's commitment to making equity and inclusion a core part of our organization's culture both internally as well as externally through our project and program planning,

No Public Comment.

The next LSC Meeting will be held on August 13 in conjunction with the Port Authority Commission.

Meeting was adjourned at 11:09 a.m.