



International Commerce & Mobility Forum

3 April 2024

International Commerce & Mobility Forum #5

Format: Hybrid (SRF Consulting Group offices and via Zoom)

Attendees: Approximately 50 attendees both in-person and virtual

Purpose of the Meeting: To explore enhancements mobility and transportation that will positively influence trade for Minnesota industry and commerce from Minnesota within U.S. and to international markets, explore service enhancements for upper-deck air cargo between Minnesota and Europe, and discuss the exploration of Environmental Health and Equity in intermodal transportation within the region.

Key Discussion Points:

- Introduction of the forum's goals and an overview of global supply chain impacts due to a bridge collapse in Baltimore.
- Discussion on challenges in exporting and importing, emphasizing the differences in regulations and the need for further education in these areas.
- Presentation on equity and environmental health in transportation, with a focus on the Justice 40 concept and recommendations for improving equity in shipping goods.
- Overview of Metropolitan Airport Commission's efforts to understand the market demand for international air cargo services.
- Update on the Minnesota Freight Optimization Tool and its progress in the RFP process.
- Emphasis on the importance of understanding environmental impacts in strategic aviation and transportation planning.
- Discussion on the potential for increased international air cargo demand and the importance of considering this in regional supply chain planning.
- Mention of an upcoming trade delegation and the potential for new supply chain networks through maritime routes.

Notable Contributions:

- **Andy Mielke (SRF Consulting):** Welcomed attendees and highlighted the impact of the Baltimore bridge collapse on global supply chains.
- **Bill Goins (Global Wellness Connections):** Facilitated introductions and emphasized the historical context of logistics planning.
- **Cathy Peterson (CJ Peterson and Associates):** Discussed the challenges in export and import sectors.
- **Dr. John Pournoor (Government Analytica):** Presented on the significance of equity and environmental health in transportation.
- **Brian Peters (Metropolitan Airport Commission):** Updated on air service development and the focus on air cargo.



- **Andrew Andrusko (MnDOT):** Provided an update on the Minnesota Freight Optimization Tool.
- **Charles Edwards (Strategic Aviation Solutions):** Highlighted the environmental considerations in strategic aviation decisions.
- **Mike Loney (Abbott Medical Distribution Center):** Discussed the potential for increased air cargo demand.
- **Jan Bauer (UK Government Office - Minnesota):** Provided an update on potential new maritime trade routes.

Next Steps:

- Continue exploring the challenges and opportunities in export and import sectors.
- Further investigate the demand and potential for international air cargo services at MSP.
- Engage with the Medical Alley Association to discuss their involvement in improving supply chain options.
- Plan for the upcoming shipping and trade delegation visit to the U.S. from UK.
- Encourage broader participation in ICM Forums from the public, private, academic, and non-profit sectors.

Next Meeting Details: Scheduled for Thursday, June 6, with further details to be confirmed.

Closing Notes: The forum concluded with a reinforcement of the importance of collaborative efforts in addressing the complex challenges and opportunities in international commerce and mobility, emphasizing inclusivity and the need for continued dialogue and action.

Detailed minutes attached.



International Commerce & Mobility Forum
ICM Forum #5, April 3, 2024
SRF Consulting Group offices and via Zoom

Attendees: Approximately 50 were in attendance, both in-person and virtual.

Purpose of the Meeting: Laying out the scope of services needed to support changes to our supply chain options, specifically the enhancement of upper-deck, air cargo service between Minnesota and Europe, with eventual paths to other key locations around the world. In addition, we are beginning to understand the Environmental Health and Equity subjects that are important to intermodal transportation in and out of Minnesota and this Region.

Introduction by Andy Mielke on behalf of SRF Consulting - Welcomed people to the Forum; Andy mentioned the bridge collapse in Baltimore, which will have an impact on supply chains throughout the USA and around the globe. He made sure all participants felt welcomed and familiar with the conference room and its facilities.

Introduction by Bill Goins - Global Wellness Connections - Goins reiterated the central question that the ICM Forum concept began with: "how much freight is going by truck to Chicago and what are the options or the alternatives?" He started by having everyone introduce themselves, so we could all know who's in the room and with us virtually, relating this to the breadth of organizations represented. He also said that Thursday, June 6, would be the date of the next ICM meeting (the anniversary of D-Day, the largest logistical operation in history).

Cathy Peterson - CJ Peterson and Associates - Import and Export — What are our Challenges? Exporter's challenges include intentional versus accidental exporting. Both are strictly regulated by several departments of the US government. The Commerce department, for example, supports and promotes exporting, along with certain logistics partners that include international freight forwarders. The import side is completely different. There is still both intentional and accidental importing with a focus on a myriad of regulations, known principally as "customs regulations." There are more than 50 agencies involved with product related controls.

Several questions were asked about specific challenges that are peculiar to this market, plus, how are companies interested in expanding their export and import business educated on these international challenges? Several people in attendance provided input, and it was decided that this important subject needs to be visited further in upcoming ICM Forums, maybe even devoting a Forum to this key subject matter.



Dr. John Pournoor, CEO of Government Analytica: Bridging Minnesota's Supply Chain challenges through inclusion and equity. (Also, the presentation of the latest Strategic White Paper, named "Importance of Understanding Equity and Environmental Health in Transportation Studies").

Dr. Pournoor referred to an Executive Order that essentially requires a minimum of 40 percent of the benefits of any program going to marginalized communities particularly those that bear the brunt of pollution caused by the program. The shorthand for this concept is Justice 40.

During Dr. Pournoor's presentation, he showed a chart describing USDOT's equitable transportation. The next chart showed how much the "environmental burden" of programs falls on the disadvantaged. A low income and minority demographic shows the burden is distributed along key corridors, especially from diesel particulates. Marginalized communities are prevalent in these corridors. He showed five recommendations for improving the equity of programming that relates to shipping goods. Those recommendations should become standard practice. Over time, they should reduce disparities that too often characterize today's practices.

Bill Goins asked him to touch a bit on the Los Angeles study regarding heavy truck emissions, comparing weekdays to weekends, that is on the ICM webpage. Dr. Pournoor responded by saying that on the weekdays you saw a significant increase in pollution (compared with the weekend, where the emissions are 60% lower). It should be noted, that most of this impact falls on populations that we would classify as marginalized.

Goins emphasized that equity should be a standard part of transportation and supply chain analysis. He commended Dr. Pournoor for this new white paper, along with others that played a role in the development of this important information.

Mark Berndt added some key thoughts on this subject and the importance of this type of study for our Region, which Goins said was "going deeper" and that these types of efforts are all part of "peeling back the layers" of key transportation and supply chain questions.

Brian Peters - Director of Air Service Development, Metropolitan Airport Commission (MAC):
Moving Forward - the MAC effort to research our basic question.

Goins introduced Brian and thanked him for the study that MAC is doing now. Peters referred to the first study that MAC did prior to the pandemic. Now the focus is on learning more or "going deeper". Brian introduced the MAC partners, selected through a competitive bid for this work, Doug Banez and Rex Edwards. The focus will be on air cargo, reflecting their 30 years of experience in doing this type of work with a variety of airports. Through the ICM Forum efforts we are helping them understand this specific market. There is a business reason for any decisions that get made and they are interested in learning from regional stakeholders. They want to understand the level of demand for inbound to MSP and outbound from MSP activity that could result in international, upper-deck wide-body activity. Doug Banez turned to Rex Edwards who added some of his thoughts at this time.

Brian Peters added that we hope to understand better what demand there may be for air freight internationally that the MSP airport could handle.

Andrew Andrusko - Director of Freight Planning - Minnesota Department of Transportation (MnDOT): provided an update on the Minnesota Freight Optimization Tool (FNOT).

Andrew highlighted that the RFP process is in the interviewing stage and that he hopes that this work is going to be completed soon. Andrew is optimistic that he will be able to report more at ICM Forum #6



in June. Bill Goins mentioned that the Minnesota Chamber helped to make the development of this tool possible in the funding that was provided by our Minnesota Legislature.

Charles Edwards - VP, Strategic Aviation Solutions (SAS) - Why is an understanding of environmental impacts important to these strategic efforts?

An airport like MSP should take the environmental (and equity) steps now and not wait until they are regularized. A big issue he has seen, is that some airlines have been accused of “greenwashing” and have seen fines as a result. How much environmental pollution there really is, has become a major issue. This is an opportunity for MSP to “pivot” and to become a key leader in these environmental and equity concerns. More will be presented and discussed on this subject in the June 6th ICM Forum.

Mike Loney - Senior Distribution Manager - Abbott Medical Distribution Center - A Follow-Up Plan

Goins and Loney both said that we may have more international upper-deck, wide-body demand than we think in and out of this Market, thus, the need for this valuable study effort. Discussions followed on how weather occasions have impacted time-sensitive, high-value products that do not make the trip to Chicago by truck, where they could have been flown into and out of MSP.

Mike Loney provided more background on volume activity in and out of the Abbott Roseville distribution center. Bill Goins asked the participants if another tour of the Abbott Distribution center might be helpful before the June 6 meeting, if possible, and the interest by those in the room and virtually joining this ICM Forum was very high. Mike agreed to hosting another tour for up to 10 people, and more details with a specific date/time will be provided soon for registering for this educational tour.

Follow-up question: Michael Wright (Global Wellness Connections) asked what stands in the way of doing more with air cargo in and out of MSP? Is it time that’s the critical factor or reducing total supply chain costs? Because even if we have the international air freight data on volume, there is still the market share challenge. (Further conversation revolved around the shippers and receivers of international high value and medical device products and raw material in this Region. Question came up, if Medical Alley is involved is this effort to improve supply chain options to be ready for the future? The answer seemed to be that the Medical Alley Association is not engaged at this time, but would be beneficial if they were.

Jan Bauer - Consul of the UK Government Office - Minnesota - An update on another trade route and potential new supply chain network/option.

Jan Bauer was tied up in a meeting, but, sent a recap to Bill Goins in advance of the meeting. Bill provided the highlights of this information from Jan Bauer: In late February, a shipping and trade delegation had an international meeting with counterparts from the Port of London, Thames Estuary, Minister Ghani, MPs and the Port of Liverpool in the UK of which the Duluth Port Authority, the Great Lakes Seaway Corp, MN Trade Office, the international Great Lakes carrier Spliethoff and a 3rd party logistics company were a part of this delegation and meetings.

Next steps include bringing a shipping and trade delegation to the US this summer, starting in Cleveland, then Duluth, ending in Minneapolis. Roundtable discussions and receptions will be



planned for all locations. Spliethoff is working together with the UK and US ports to build on to the existing trade route from Antwerp.

The importance of this transportation/supply chain opportunity, is similar to the on-going air freight efforts, in that this effort could produce additional transportation/supply chain options for this Region and State. In addition, through this understanding of analyzing multimodal activity, determining the impact on our environment from the present methods of trucking and utilizing rail to move containers and shipments to/from east coast ports for this Region, versus moving via container ship through the Port of Duluth to/from Europe.

Bill Goins - a wrap up and discussion. Goins emphasized the web page of Government Analytica that is devoted to our ICM Forum efforts. The International Commerce & Mobility Forums webpage is a record of everything from agendas to minutes of past ICM Forums. Goins asked for anyone to join these efforts that is from our public, private, academic, consultant and non-profit community, saying that ICM Forums are not an exclusive club, but inclusive to any and all that can make a contribution to this examination of critical issues for the expansion of Minnesota transportation and supply chain options.