

GLITTH

Great Lakes International Trade and Transport Hub Initiative

December 1, 2011

Governor Rick Snyder
P.O. 30013
Lansing, MI 48909

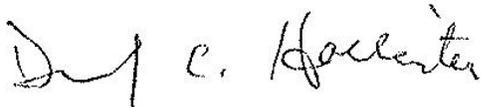
Dear Governor Snyder:

Thank you for your October 18 remarks during the Great Lakes International Trade and Transport Hub Summit and for your commitment to make supply chain initiatives a key component of your administration. The attached Executive Summary reviews the major recommendations that were discussed and prioritized by attendees. We ask for your support of these key items to help drive job creation efforts:

- Operationalize the Michigan State Supply Chain Development Commission (established by Public Act 398 of 2008) to provide state and regional guidance on public and private sector policies and practices that support regional supply chain activity and related infrastructure projects.
- Connect with Canada and Ohio to designate parallel organizations that will conduct similar, collaborative activities now being performed by the GLITTH organization, thereby moving forward on a regional, bi-national vision and strategy.
- Develop a collaborative and consistent fact-based marketing program that educates businesses and communities on: 1) the region's many supply chain assets; 2) how supply chain activity relates to economic development, and; 3) how they can participate in the global logistics hub.
- Work with Michigan Economic Development Corporation (MEDC) and other agencies to develop a value-added proposal for the broader business sector to bring more trade to the region.

We look forward to more dialogue to "make this happen".

Sincerely,



David Hollister, Senior Vice President for Special Projects, Prima Civitas Foundation and Chair, Great Lakes International Trade and Transport Hub (GLITTH) Steering Committee



David Closs, Professor and Chair, Supply Chain Management, Broad School of Business, Michigan State University and GLITTH Business Research Chair



AnnMarie Schneider, Director, Canadian Studies Center, Michigan State University and GLITTH Summit Chair



Daniel Lynch, Professor and Director, Centre for International Trade and Transportation, Dalhousie University in Nova Scotia and GLITTH Vice Chair

GREAT LAKES INTERNATIONAL TRADE AND TRANSPORTATION HUB SUMMIT

October 16-18, 2011 East Lansing, Michigan

Michigan State University, Prima Civitas Foundation, Dalhousie University

EXECUTIVE SUMMARY

The Summit discussion was organized around five agenda topics and we have added two additional topics as a result of the Summit. They include Business and industry collaboration; Asset and infrastructure integration; Workforce, talent, and education alignment; Policy transformation; Marketing and public education, and added topics; Capital access, and Organization. The recommended action items relating to each topic are presented here.

Business and Industry Collaboration



- Think and act collaboratively as an integrated regional global supply chain hub by investing comprehensively in the region's infrastructure, develop a clear and consistent message, and helping regional stakeholders, including policy makers, to understand and recite the value proposition for the region's global supply chain operations;
- Reduce the duplicity of organizations and repetitious procedures required of business and industry. Streamline what is really needed on a regional level.
- Collaborate with the Business Leaders of Michigan to create a visible private sector voice to promote the concept of a regional trade and transportation hub.
- Work with Michigan Economic Development Corporation and Michigan Department of Transportation to equip leaders with tools to promote economic development through supply chain innovation;
- Act as a team with industry (small and large) to identify the infrastructure improvements and policy issues that make it difficult to import, export, and complete SCM value added activities within the region.

Assets and Infrastructure Integration



- Identify a state-wide organization to take a broad view of the public and private sector initiatives to enhance supply chain assets and infrastructure. The goal of this organization will be to provide independent expertise to help inform and guide public sector supply chain investment and policy decisions. The Summit participants recommend that the Michigan State Supply Chain Development Commission (established by Public Act 398 of 2008) be institutionalized to provide such guidance;
- Drive development of the identified state-connected critical infrastructure initiatives to support trade and transportation activities. These include: 1) The Detroit River International Crossing; 2) Detroit Intermodal Freight Terminal; 3) Freight Aerotropolis; and 4) the CP Rail Tunnel;

- Develop a unified plan to prioritize infrastructure needs. Summit consensus is that there must be a regional plan that is familiar to all regional economic development leaders. Within the plan, prioritize critical infrastructure investments that benefit the entire region;
- Continue to partner with Canadian officials, other state and federal agencies, including the Army Corps of Engineers, and economic development agencies to secure funding for essential freight projects. There is a call for an evaluation or analysis of joint asset investments;
- Team up with major providers and users of infrastructure (carriers, border crossings, terminals) to identify collaborative opportunities for new services or operational integration;
- Engage the security industry to introduce electronic processing and new technology at border crossings to reduce wait times and increase security confidence;
- Create a funding program for cross-border projects that will help synergize individual strengths and align innovative supply chain solutions.

Workforce, Talent, and Education



- Help employers succeed by advising new and ongoing businesses regarding cross-border and global operations. This includes providing access to talent for developing global value propositions as well as talent to support ongoing operations;
- Collaborate with universities, community colleges, and training centers to organize and promote programs that align talent with key target areas of need in alternative energy, advanced manufacturing, defense and homeland security, and supply chain/logistics;
- Work proactively to promote supply chain talent base in the region.
- Acknowledge existing talent in the region and formalize job creation efforts with key employment sectors and workforce boards. There is a need for aggregate information regarding required job skills that already exist in the region to attract business to the region.

Policy Transformation



- Organize regional policy-related priorities and dedicate resources to fully participate in a global supply chain that will be transformational. Develop a one-stop information portal for business and industry to obtain updates regarding policy and regulatory changes. There are 5,000 regulatory changes in the region annually that impact trade and security standards.
- Provide “tool kits” that walk small and medium business owners through the export process and related policies.
- Review and reform policies that inhibit economic development through supply chain innovations.
- Work with political leaders in both countries to support “trusted trader programs” and “pre-clearance measures” for smaller firms; improve benefits for participating in these programs, and; provide full recognition for participating at both U. S. and Canadian customs agencies.
- Call on federal governments to move toward one set of security standards that can reduce confusion, border inefficiency, industry non-compliance, and wait time.

Marketing and Public Education



- Support the research to identify niche markets and businesses that would most benefit from the regions assets;

- Develop a collaborative and consistent marketing message and information program, possibly building on the “Pure Michigan” campaign to promote the Great Lakes region as a global logistics hub among industry leaders as well as regional residents. Columbus, Ohio; Indianapolis, Indiana; , and the State of Georgia are successfully enhancing their economic development by using supply chain initiatives as a key driver A major component of each of their strategies is an integrated, regional and global marketing message that emphasizes the region’s potential as a trade and transportation hub;
- Assist firms in the development of their value propositions so that use of the regional supply chain is clearly recognized to reduce costs while adding reliability to the transport process.

Capital Access



- Focus funding on critical infrastructure projects, particularly those involved in border crossing;
- Build on the Canadian “Gateway Strategy” to share financial risk of critical infrastructure through suitable funding mechanisms;
- Pursue Public-private partnership (P3) legislation as a finance strategy for infrastructure upgrades and new construction needs that requires regional collaboration and cooperation on every front – among businesses, financial institutions, government, and academia.

Organization



- Formalize the GLITTH collaborative organization to extend the overall vision, facilitate collaboration with local and regional economic development initiatives, formulate and review policy and infrastructure priorities, guide the regional business strategy and marketing initiatives, and provide a unified voice when communicating with global SCM decision makers;
- Promote the GLITTH binational, regional vision, execute an action agenda that identifies specific deliverables, timelines and measures to assure continued evolution of this SCM sector, and demonstrate a unified effort as a follow-up to the Summit event on October 16-18, 2011 at Kellogg Center;
- Involve major providers and users of infrastructure (carriers, border crossings, terminals) to identify collaborative opportunities for new services or operational integration;
- Provide expertise to regional, state/provincial, and local economic development personnel to help position and quantify the value added benefits of locating SCM activities within the region;
- Sponsor GLITTH meetings and conferences to share best practices, provide a forum for cutting edge research, network and monitor the Action Agenda, and continue to formulate recommendations for regional policy makers.

More information including the full report is enclosed and available at www.GLITTH.msu.edu