

U.S. Supply Chain Policy Priorities



The Case for a Federal Office of Supply Chain

EXECUTIVE SUMMARY

The COVID-19 pandemic has drawn considerable attention to the importance and vulnerability of the nation's private sector supply chains.

The pandemic revealed supply chain challenges that manifested for consumers in the form of shortages and delays. From the nation's reliance on foreign production of critical components to the extreme challenges of developing and distributing vaccines to contending with the significant increase in online and direct-to-consumer shopping, the supply chain is forever changed.

Congress and the Biden White House recognize the need to act with urgency and have articulated plans to enhance the nation's private sector supply chains. The focus of their efforts thus far has been on critical supply chains — those directly affecting the health, safety and security of the nation — and recently observed vulnerabilities. The long-term approach for strengthening the nation's private sector supply chains, however, will need to take a holistic view and pursue fundamental change in how government works with industry.

To support policymakers, the Consumer Brands Association and the Council for Supply Chain Management Professionals, along with researchers from Iowa State University, worked together to determine long-term approaches the public sector should take to facilitate stronger private sector supply chains. Input from 25 supply chain thought leaders, published supply chain research and government and NGO documents informed the recommendations in this report.

Primary Recommendation: Establish a Federal Office of Supply Chain

The most critical conclusion of the study is the need for a federal Office of Supply Chain, responsible for the oversight and coordination of public policy affecting private sector supply chains. At present, policies, investments and regulations affecting supply chains emanate from multiple departments and agencies, creating conflict, inefficiency and invisibility into challenges of consequence to Americans. A dedicated office focused on improving supply chain security, efficiency and resiliency, with key performance indicators to monitor the success or progress of its initiatives, would have been an asset throughout COVID-19 response and still can be in the future.

Additional Recommendations

1. Develop new funding mechanisms that enable the Department of Transportation (DOT) to maintain, expand and modernize the national highway system to meet the long-term needs of freight transportation.
2. Target public funding toward the most impactful transportation projects, prioritizing interstate and federal highways and other transportation infrastructure supporting critical supply chains.
3. Establish a framework to accommodate transformative technologies, such as connected vehicle technologies and automated vehicles, that are rapidly approaching viability.
4. Harmonize and standardize state and federal regulations pertaining to the environment, transportation and labor.
5. Accelerate state and federal government efforts in digitization and cybersecurity, shifting from government-individual transactions to government-business transactions to enhance and streamline reporting, data collection and dissemination.
6. Collaborate with businesses to develop strategies to protect critical supply chains, drawing upon the expertise of the private sector and sharing information that will contribute to more efficient and secure supply chains.
7. Reduce the minimum age for a Class A commercial driver's license from 21 to 18 to address the truck driver shortage, ensuring safety through emerging vehicle technology and required driver apprenticeship programs.
8. Develop public-private partnerships to avoid critical labor shortages by creating programs to train for the skills required in the future and recruit new supply chain employees.
9. Reform immigration policies to build a supply chain talent pipeline, in harmony with workforce development and education programs.
10. Encourage research, experimentation and field testing of new supply chain technologies, processes and services through policymaking.
11. Study why manufacturers of critical products, components and ingredients do not choose to locate in the U.S. and take corrective or proactive measures to encourage domestic location.
12. Increase financial support for urban freight logistics research and for urban freight pilot programs and initiatives designed to alleviate congestion and environmental problems and improve freight delivery efficiency.