



# The Bottom Line

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## WHITE HOUSE INITIATIVE TO IMPROVE SUPPLY CHAIN DATA FLOW

### Summary

The Biden-Harris Administration is announcing the launch of Freight Logistics Optimization Works (FLOW), an information-sharing initiative to pilot key freight information exchange between parts of the goods movement supply chain.

### Background

For the past two years, supply chains have drastically evolved from a fringe topic into a part of the everyday political discourse. In Washington, D.C., the attention on port congestion on the West Coast has been sustained and intense, especially when compared with the limited prominence seaports had two years ago. Starting by establishing a Supply Chain Disruptions Task Force and appointing a port envoy, the White House is seemingly in overdrive to fix container shipping. In addition, the 2022 U.S. Economic Report by the Council of Economic Advisers (CEA) – released in April—featured a whole chapter on the supply chain, a topic given a wide berth in previous reports. The central argument in the report revolves around successive events that have caused supply chains to break. Indeed, modern supply chains have driven down consumer prices for many goods, but they have become more prone to disruption. This fragility has been exacerbated as firms have removed excess capacity – for example, extra inventory or reserves of people with the time and skills to solve problems.

Recent supply chain disruptions have raised national awareness of needed improvements to information exchange. The lack of digital infrastructure and transparency makes our supply chains brittle and unable to adapt when faced with a shock. Transportation infrastructure is almost entirely privately operated and spans shipping lines, ports, terminal operators, truckers, railroads, warehouses, and cargo owners such as retailers. These different actors have made great strides in digitizing their internal operations. However, they do not always exchange information with each other. This lack of information exchange can cause delays as cargo moves from one part of the supply chain to another, driving up costs and increasing goods movement fragility.

### Current Status

FLOW includes eighteen initial participants representing diverse perspectives across the supply chain, including private businesses, warehousing, logistics companies, ports, and more. These key stakeholders will work together with the Administration to develop a system for information exchange. The ultimate goal is to ease supply chain congestion, speed up the movement of goods, and

ultimately cut costs for American consumers. The Department of Transportation (DOT) will lead this effort, playing the role of an honest broker and convenor to bring supply chain stakeholders together to problem solve and overcome coordination challenges. This initial phase aims to produce a proof-of-concept freight information exchange by the end of the summer. These first partners are committed to working with the Biden-Harris Administration to identify and operationalize a first information exchange to support a more resilient and fluid supply chain. They represent stakeholders throughout the supply chain, including large BCOs (beneficial cargo owners) like Target, small and medium-size businesses represented by True Value and Gemini Shippers, and agricultural producers such as Land O'Lakes. FLOW will be able to address issues such as ensuring early return dates are consistent across partners, measuring more accurate chassis availability, and understanding aggregate container dwell time throughout the supply chain. The principles of the pilot include the following:

- It is a voluntary, secure national exchange for freight information.
- It is available to participants who share data.
- It is sustained by supply chain operational improvement.

### Impact

While starting with a limited pilot, DOT wants to hear from others interested in engaging as part of FLOW as a participant as the initiative grows. Therefore, DOT will launch a web page to gauge industry interest in participation and data sharing for a potential long-term FLOW effort within one month of the FLOW launch.

The DOT still sees challenges on the horizon and continues to monitor potential disruptions. For example, covid-19 outbreaks across Asia and Russia's war of aggression could impact supply chains in the U.S. DOT continues to work with partner agencies and stakeholders from industry and labor to help speed up the movement of goods and ultimately make goods more affordable for U.S. people.

### RESOURCES

[Biden-Harris Administration Announces New Initiative to Improve Supply Chain Data Flow](#) (White House)

[A Radical New Way to Think About Supply Chain Management](#) (Logistics Viewpoints)

[What is the Government's Role in Stabilizing Supply Chains?](#) (Maritime Executive)

[DOT Supply Chain Tracker Shows Progress](#) (WorkBoat)