What the Public Sector Needs to Know about Logistics and Freight Management

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ABSTRACT

Transportation agencies have long considered traffic volumes, crash statistics, and safety concerns in the project development process. Economic development and the concept of return on investment has now begun to find consideration in project selection as well. In many cases, however, public sector transportation planners fail to understand the business practices of the customers—the shipper, the carrier, and most importantly the transportation supply chain manager or logistics provider—to develop the necessary projects to maintain our nation’s competitive economic advantage.

Researchers at the University of Wisconsin, Madison, through the Mississippi Valley Freight Coalition are currently exploring a set of guiding principles and an initial training course for public sector officials to address this concern. The research team will also provide examples of how to successfully integrate these principles into the decision making process.

Implementing sound transportation policy requires a sophisticated understanding of the marketplace and especially the changing nature of globalization and logistics management. Traditional engineering and planning courses do not incorporate these business trends, and, as such, decision makers fail to account for the transportation infrastructure needs of particular facilities. The growth of managed supply chains and the use of third (and fourth) party logistics providers have minimized transportation costs for products. At the same time, this new means for doing business has often changed the demands for transportation infrastructure.
The focus for this research remains on transportation agencies (both state departments of transportation and representatives from metropolitan planning organizations) in the upper Midwest region, although the components and strategies identified will be applicable outside of this upper Midwest region and readily transferable to other transportation agencies.

Key words: freight management—logistics—public sector