COVID-19 and the Supply Chain

MAP Forum Spring Meeting

June 19, 2020
COVID-19 as a Supply Chain Disruption

• Geography: Global health emergency

• Freight Facilities Affected: Not physically
  - *COVID-19 is not an infrastructure disruption*

• Commodities and Shipments Affected:
  - Immediate increase in demand for personal protection equipment (PPEs), medical and health care supplies
  - Surge buying by consumers
  - Significant decline in demand/cancellations from store, office and production line closures
  - Significant increase in ecommerce/home deliveries
  - *COVID-19 is an “abrupt demand shifts” event*
The Mandate

Ensure key supplies continue to flow for health care, area residents and critical businesses.
Immediate Production/Supplier Issues

• Pivot production to meet abrupt changes in demand – medical, PPE, consumer
• Cancel orders – Stores, restaurants, businesses closed
• Find alternative suppliers – Suppliers closed
Immediate Freight Provider Issues

• Keep the trucks moving
• Pivot to more e-commerce and home delivery
• Adjust port operations for
  – “Blank Sailings”
  – “Unwanted” containers
• Use passenger aircraft to move cargo
• Adjust workplaces to ensure workforce safety
• Find the needed workers

Source: Forbes
Government Response and Collaborations

- Build on existing relationships, collaborations and knowledge
- Identify resident and business needs
- Proactively and immediately address freight movement issues
- Understand and address the multi-state considerations and issues
- Communicate frequently and concisely
Freight Operational Initiatives

- Enable continuous operations
  - Suspend HOS and weight restrictions
  - Provide truck rest areas
  - Survey drivers

- Identify and address current & potential bottlenecks
  - Can businesses receive shipments?
  - Where can unneeded containers be stored off-port?

- Address workforce needs and concerns
Emerging Longer-Term Trends

Context Shifting: Economic, business and trade trends

Demand Reshaping:
• Accelerating the growth of ecommerce and retail reshaping
• Accelerating the diversification of production locations
• Reviewing suppliers and supplier connectivity

Supply Reshaping:
• Accelerating the financial condition of certain transportation providers/sectors
• Accelerating the deployment of certain technologies

Workplace Reshaping: Keeping the workforce healthy
Thank You