



Planning/Policy  
&  
Programming

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**Project Title:**  
Implementation of Action 6 of  
CSFAP Phase 3: Tracking  
Economic Competitiveness

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## Economic Competitiveness, Definitions and Metrics (Metrans)

Convene industry stakeholder working groups to identify a target or targets, and deploy strategies that consider commercial viability, and promote the competitiveness of California's statewide and local freight transport system.

### WHAT WAS THE NEED?

As per Executive Order B-32-15 by Governor Brown, the California Sustainable Freight Action Plan (CSFAP) was initiated in July 2016. The plan provides the vision for California's freight sector to be more efficient, more economically competitive and less polluting. Within the CSFAP, are several State agency actions mandated to be completed with five years.

These actions are the result of a new integrated approach, in which California agencies and partners implemented a comprehensive look across the State's sustainable freight policies, programs, and investments. These public and private partners collaborated to identify opportunities to help achieve Action Plan Targets and incorporate actions that would simultaneously advance multiple State goals and objectives. One of the actions of the CSFAP, Action 6, is defined as: convene industry stakeholder working groups to identify a target or targets and deploy strategies that consider commercial viability and promote the competitiveness of California's statewide and local freight transport system.

Further, to develop economic growth and competitiveness metrics, models, and other tools and data to analyze benefits and impacts of actions, including costs, and develop and implement a suite of quantitative metrics to track progress in order to ensure that the impacts of actions on economic growth and competitiveness are considered throughout the development and implementation process. The Governor's Office of Business and Economic Development (Go-Biz) is tasked with this action item and contracted with Metrans (University of Southern California and California State University, Long Beach) via DRISI to complete this study.



DRISI provides solutions and  
knowledge that improves  
California's transportation system

## WHAT WAS OUR GOAL?

The main objective of this research was to build on previous work with public agencies and industry groups to establish a set of measures that would accurately depict the competitive state of California's freight economy and arrive at targets that could be used to evaluate competitiveness over time.

## WHAT DID WE DO?

In collaboration with the Economic Competitiveness Working Group (including State agency representatives, industry stakeholders, economists, and subject matter experts), the research team defined competitiveness and the freight sector, evaluated data sources for potential metrics, and generated test metrics and comparable groups. This project had the following tasks: 1) define the freight sector; 2) define economic competitiveness; 3) measure economic competitiveness; 4) identify economic competitiveness, targets. Strong emphasis was placed on carefully defining terms in order to develop metrics that accurately reflect the sector's performance, and to select the best available data sources for measurement.

## WHAT WAS THE OUTCOME?

This project accomplished the following:

- In collaboration with the Economic Competitiveness Working Group, Metrans developed a detailed definition of the freight sector, and of economic competitiveness. These definitions provided the structure for developing metrics to measure economic competitiveness.
- Data sources were examined and evaluated based on availability, consistency, validity and detail. All data sources are based on North American Industry Classification System (NAICS) codes, and Metrans selected

6-digit NAICS to obtain the best possible alignment of data and freight sector definition.

- Some data (revenue and GDP) were not available annually or were limited to 2-digit NAICS. Metrans developed methods to estimate revenue and Gross Domestic Product (GDP) at the NAICS 6-digit or freight group level.
- Metrans calculated example metrics to measure financial performance, workforce performance, and overall economic performance by freight group for 2016. These examples illustrate that freight group level metrics can be generated.
- Metrans calculated example metrics to illustrate how comparisons could be conducted for specific industry segments. Metrans used workforce performance data for trucking and ports, using comparison data from Arizona and Georgia trucking and port industries

## WHAT IS THE BENEFIT?

The development of enhanced freight competitiveness metrics and data will allow California policy decision-makers and freight industry leaders to better evaluate the benefits and impacts of infrastructure enhancements, regulations, incentives, and other actions affecting the freight transport sector. The quantitative metric and ongoing regional benchmarking will help to ensure progress towards supporting economic competitiveness and the State's competitiveness targets. This information may help to influence policy development and direct investments to achieve the following benefits: improving economic efficiency, productivity, and competitiveness.

## LEARN MORE

<https://www.mettrans.org/sites/default/files/research-project/17-15%20Final%20Report.pdf>