

Logistics & Supply-Chain Management: *Driving Indiana's Economy*

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PORTS OF INDIANA

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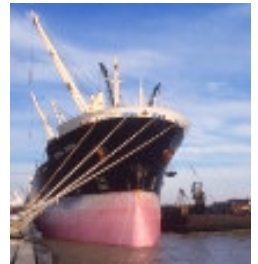
PORTS OF INDIANA

- Statewide Port Authority (self-funded)
- Indiana ranks 14th in waterborne shipping
- 3 port system at the “Crossroads of America”
- Access to Atlantic Ocean, Gulf of Mexico
- Three ports:
 - Burns Harbor/Portage
 - Jeffersonville
 - Mount Vernon

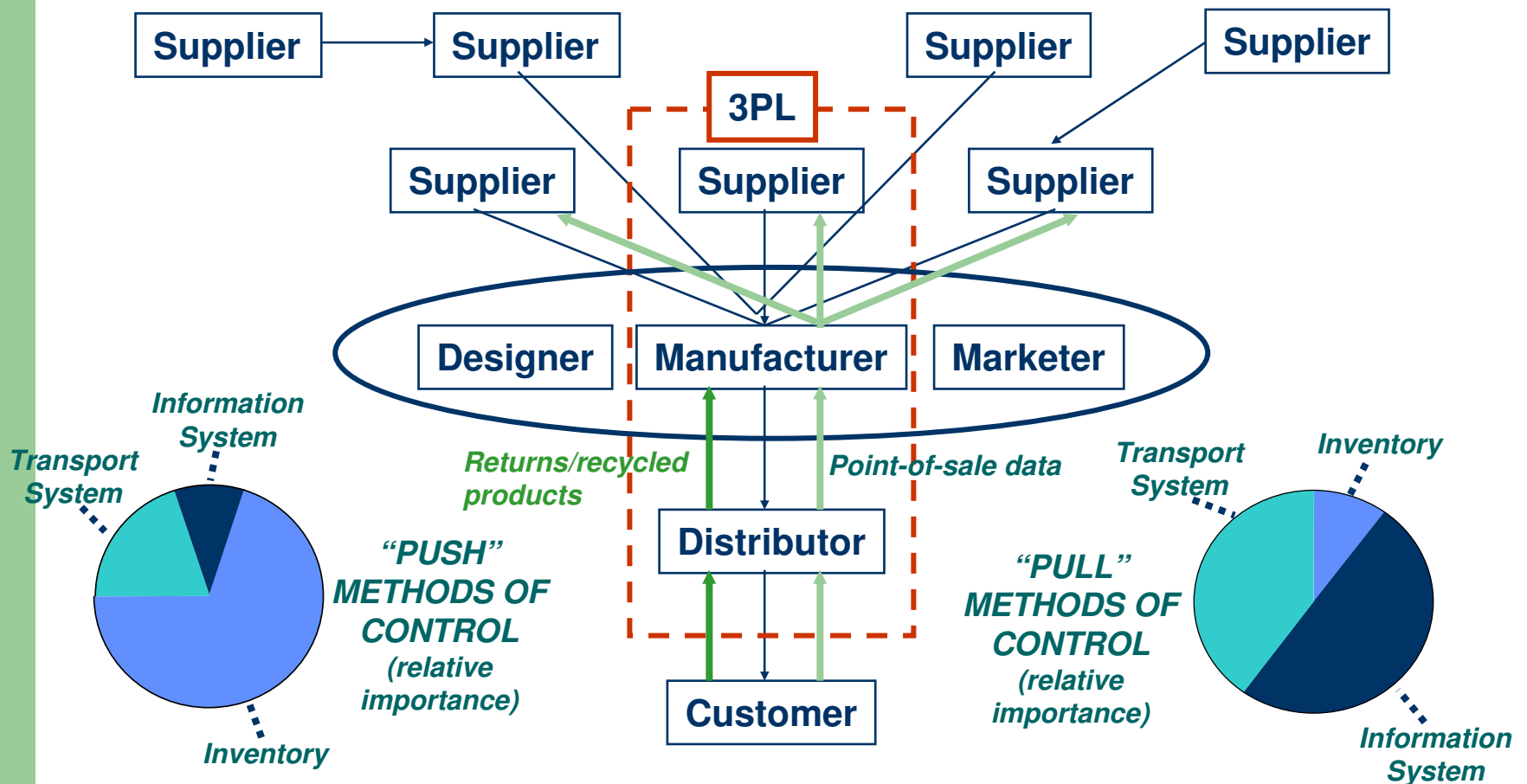


What is ... FREIGHT TRANSPORTATION?

- Modes of Transportation: “*Movement*”
- Distribution: “*Getting stuff where it needs to go*”
- Logistics: “*Managing supply chains*”
- \$3.4 trillion global industry - \$1 trillion in U.S.
- Expected to grow 65% in U.S. by 2020



Business Logistics: Evolving from Push to Pull



Drivers of Change

- Intermodalism
- Deregulation: air, truck, rail, ocean
- Transport costs decreasing
- Information technology
- Globalization of commerce
- Externalities
 - pollution, congestion, bottlenecks, capacity constraints



Capacity Challenges

- By 2020, highway system must carry an additional 6.6 billion tons of freight (an increase of 62%)
- Freight rail system must carry an additional 888 million tons (an increase of 44%)



U.S. Freight Flows

<i>STATE</i>	<i>FREIGHT TONS</i>
NY	1,485,620,561
IL	1,269,277,190
PA	1,236,100,264
OH	1,197,923,135
IN	724,403,616
WI	690,754,482
MO	686,612,382
MI	682,219,334
TN	625,137,680
MN	533,896,027

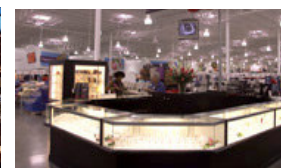
<i>CITY</i>	<i>FREIGHT TONS</i>
Chicago, IL	1,081,159,674
New York, NY	815,100,113
Cleveland, OH	549,127,878
St. Louis, MO	461,361,269
Philadelphia, PA	460,706,998
Minneapolis, MN	431,883,103
Detroit, MI	411,618,020
State College, PA	400,929,720
Syracuse, NY	311,022,535
Columbus, OH	278,386,994
Lexington, KY	275,483,163
Indianapolis, IN	274,015,896

The Intermodal Shipping Process

A step-by-step look at how international intermodal cargo moves

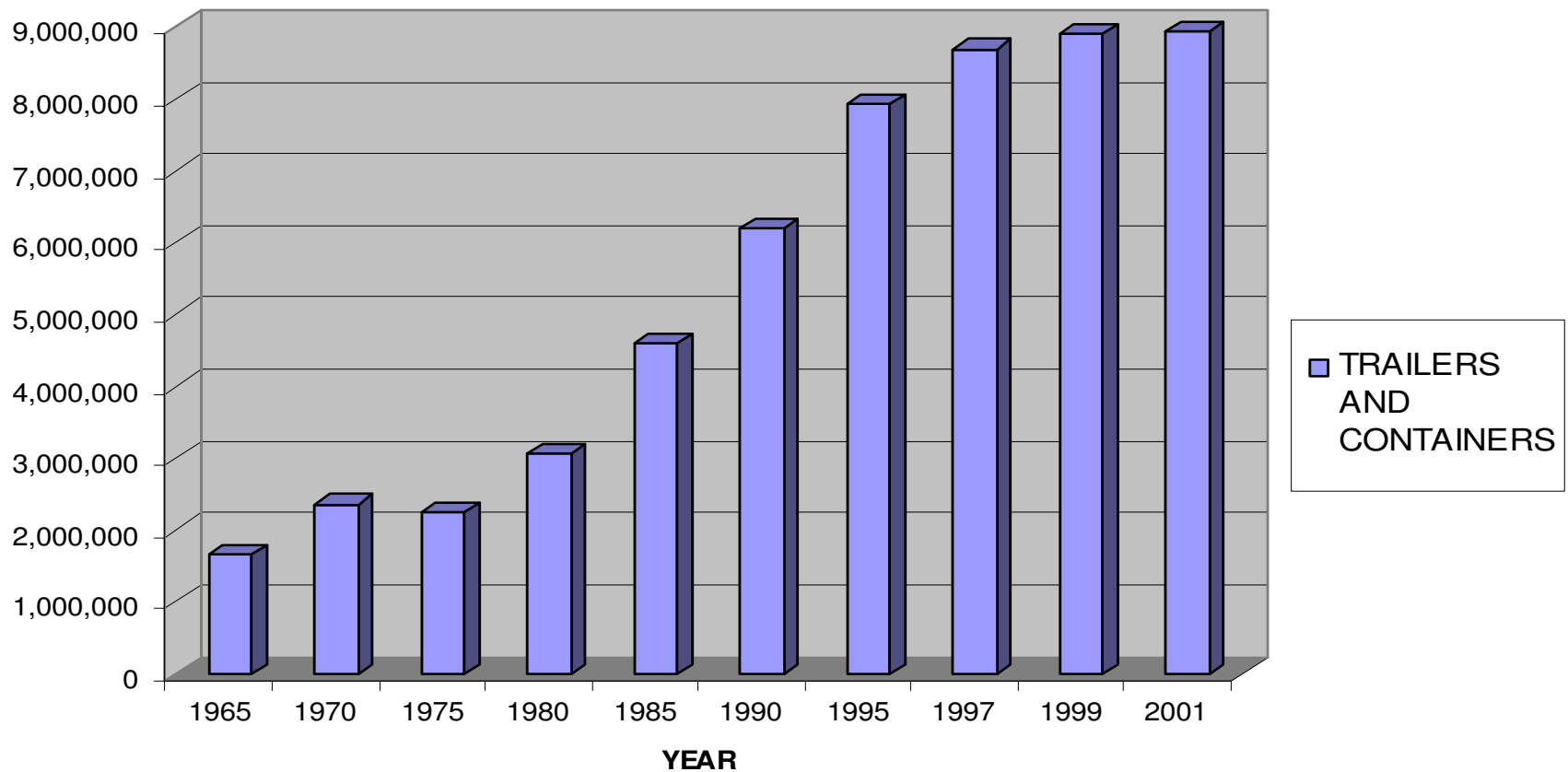
CONTAINERS ARE ...

1. Loaded with goods manufactured in U.S. & abroad - *furniture, cars, computers, clothes, toys...*
2. Taken by truck to intermodal rail ports
3. Moved by rail to coastal ports
4. Loaded on ships for ocean transit
5. Moved by rail to intermodal rail ports
6. Delivered by truck to distribution centers & retailers
7. Emptied for stores to stock shelves



Intermodal Traffic Growth

INTERMODAL TRAFFIC
(TRAILERS AND CONTAINERS)



Impact of Intermodal Rail

If railroads increased their market share by 1%:

- 25 billion truck miles & 600 million tons of freight off U.S. highways
- Shippers would save \$239 billion in freight charges
- Highway costs would be reduced by \$17 billion
- \$17 billion savings for bridges, interchanges & infrastructure
- Air quality would be significantly improved



Case Study: CenterPoint Intermodal Center

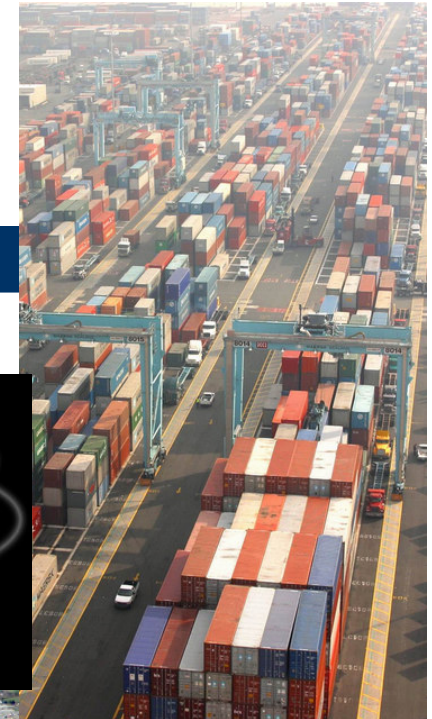
Location	Joliet, Ill., 40 miles SW of Chicago
Ownership	CenterPoint Properties Trust
Timetable	Open; Completed by 2012
Development Costs	\$1.0 billion+
Annual Lifts	400,000
Acreage	2,242 total acres
Public Investment	\$125M city; \$50M DOT; \$25M DOC
Pre-Comm. Lease	47 percent
Jobs by 2012	16,000 permanent; 20,000 construction
Property Tax \$	\$27 million annually

Case Study: Alliance, Texas Logistics Community

Location	Alliance, Texas
Ownership	Hillwood
Timetable	Started in 1987
Development Costs	\$4.5 billion
Annual Lifts	Over 450,000
Acreage	15,000
Public Investment	\$168 million
Key Features	Air cargo airport, intermodal rail yard, logistics park, office-residential space

Opportunities for Growth

- Distribution & Warehousing
- Intermodal Centers
- Airfreight Centers
- Logistics Providers & Services
- Advanced Manufacturing, IT, Life Sciences



Education & Research

- Make sure our workers have the skills
- Need to transfer technology to industry
- Inform policy makers

PURDUE
UNIVERSITY

INDIANA UNIVERSITY
NOTRE DAME



BALL STATE

Indiana's TDL Future

- **FREIGHT IS OUR FRIEND**
- Need to change our perspective of freight
- See commerce – not traffic
- Indiana can be a world hub for commerce
- TDL businesses help shippers
- Everyone is a shipper
- The future is now!



Thank you for your time.

For more information about the
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