



# Observations on Gateways and Hinterlands

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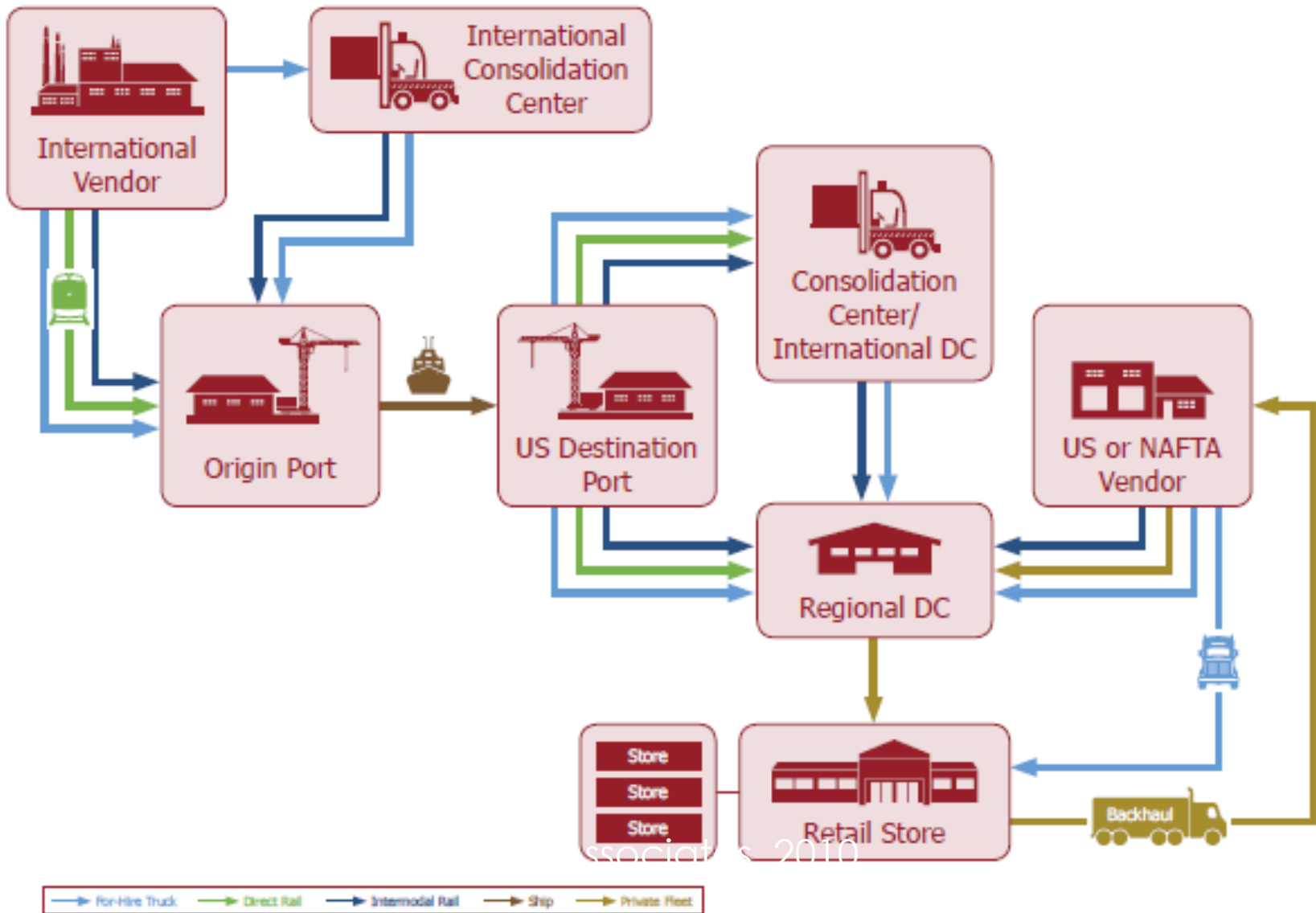
# Globalization means...

- Corporate Headquarters
- Imports
- Foreign Direct Investment
- Exports



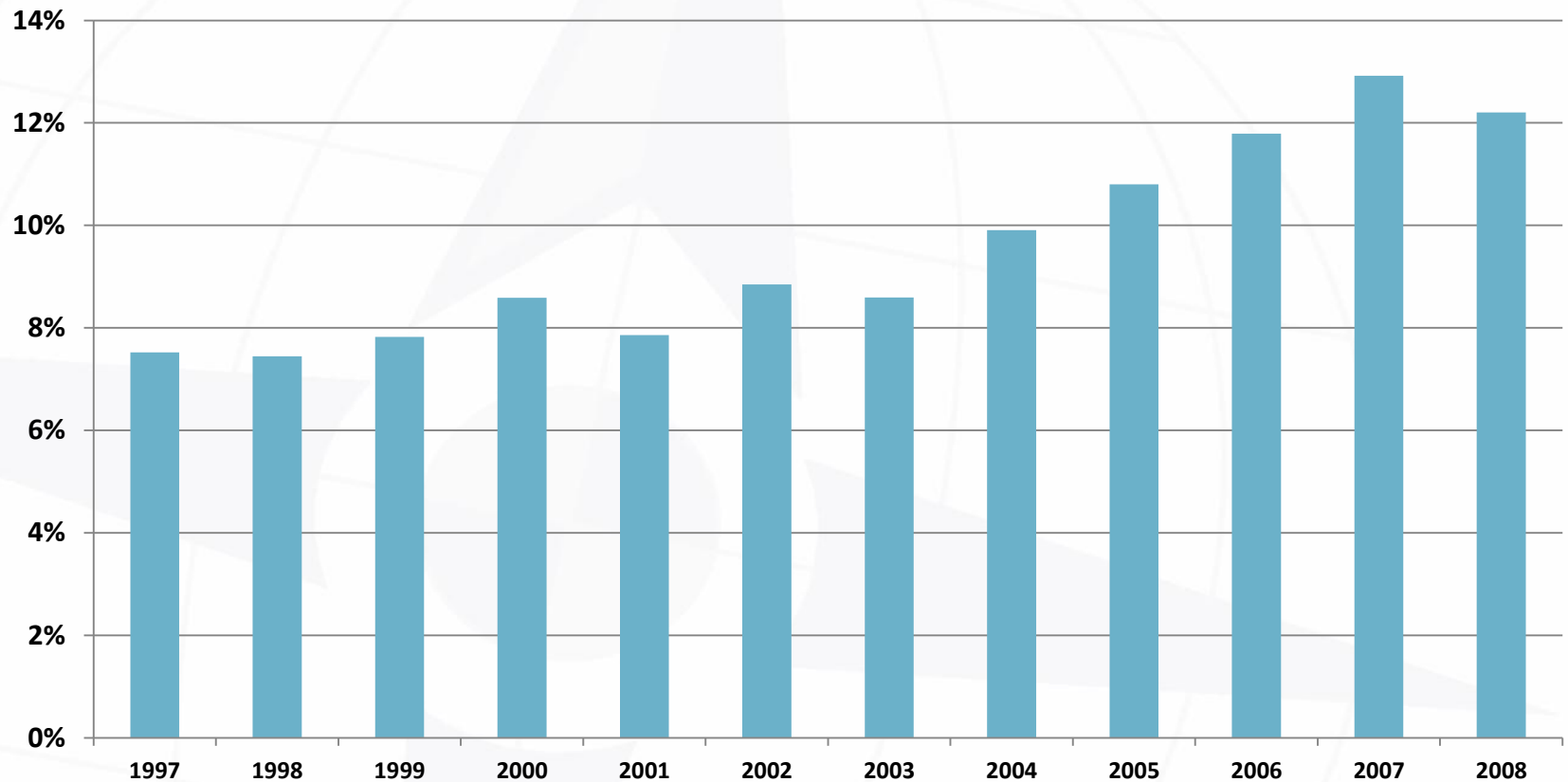


# SUPPLY CHAIN: BIG BOX RETAIL



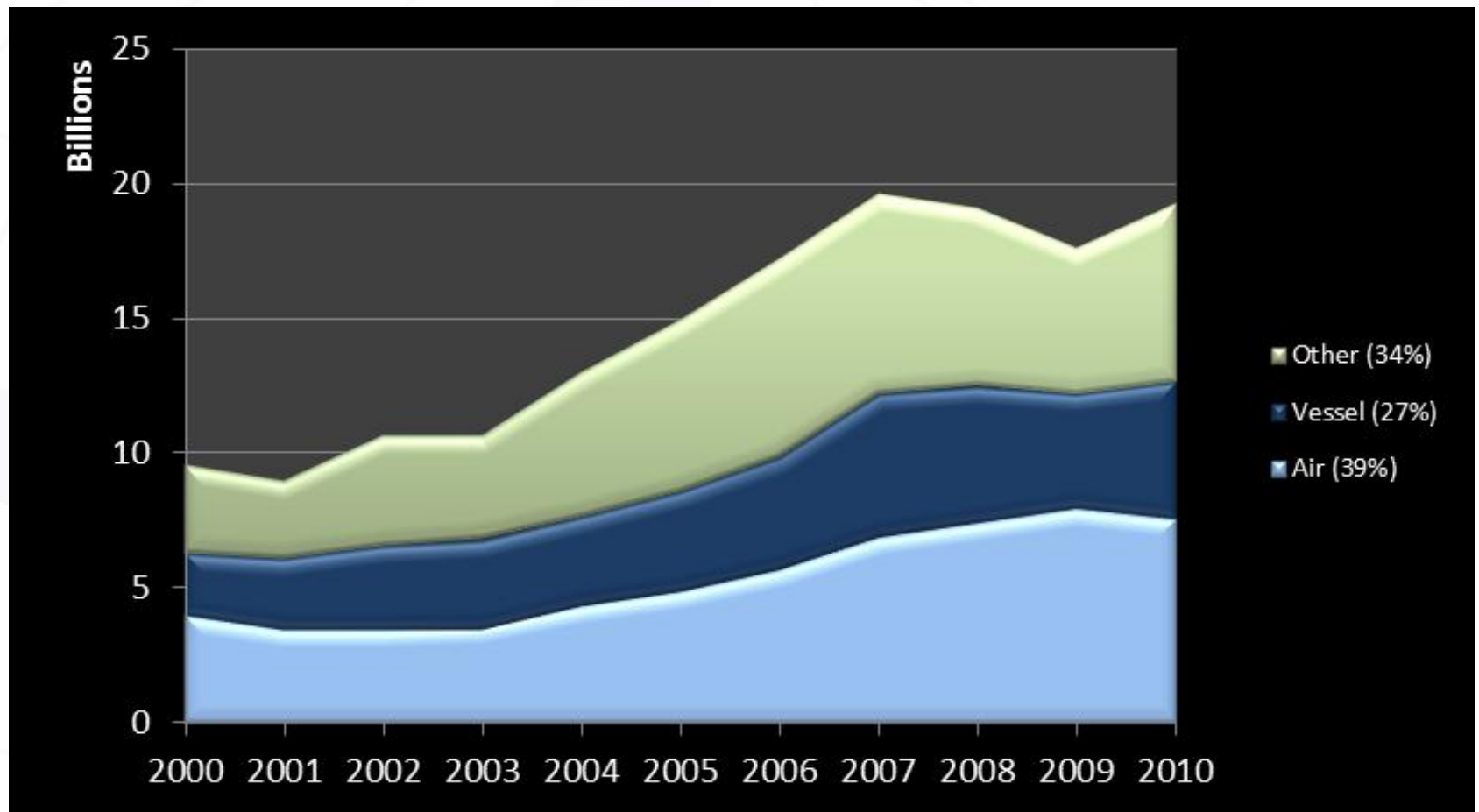
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# Exports as Share of Kentucky GDP, 1997-2008

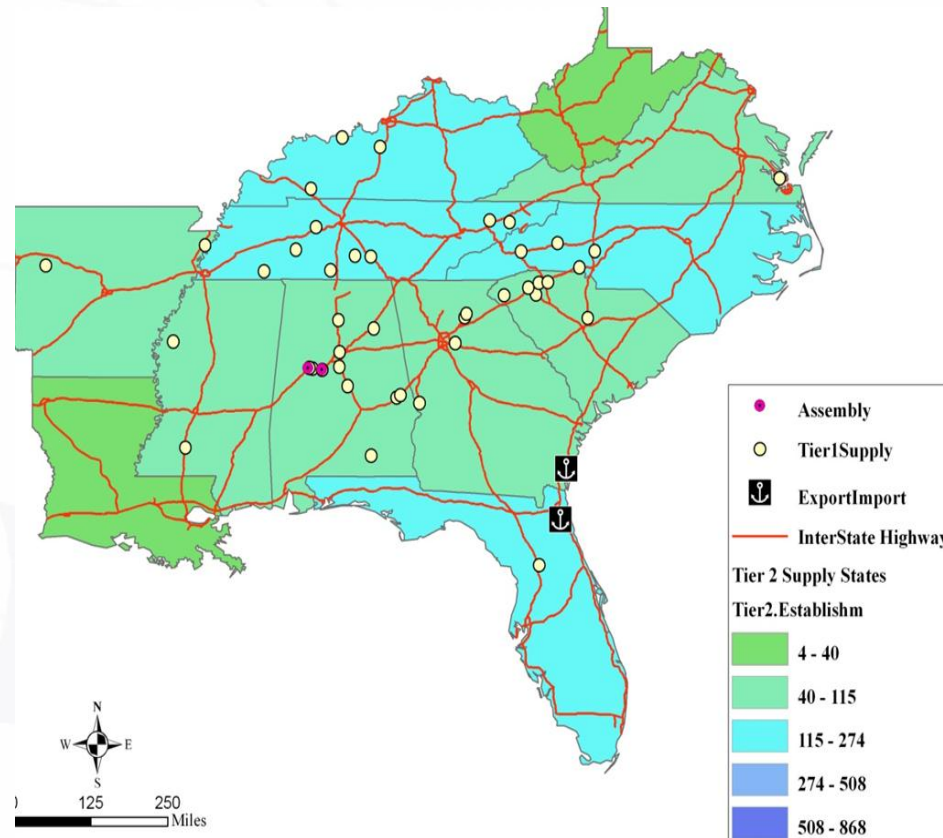


Source: Bureau of Economic Analysis, U.S. Dept. of Commerce & WISERTrade State Exports

# Kentucky Export Shipments by Origin, Trade by Mode, By Value 2000-2010



# “What is the Message”



# What will you build/operate?

- What is your market? Expand or Cannibalize
- What type of facility/services are needed?
- Develop densities and services
  - Service Requirements (cargo or regulatory)
  - Drayage and equipment issues
  - Domestic and international
  - Shippers bear costs?



# Who Are the Players?

## Private

- Shippers
- Carriers
- Economic Developers

## Public

- State
- Local
- Federal



# Private Sector Role in Intermodalism



- Rail terminals – private networks
- Shippers – Outsource “logistics headaches”
- “Big corridor” focus
- Changing Site Selection criteria
- Chassis issues
- Shipping line services
- What Champion is driving this?

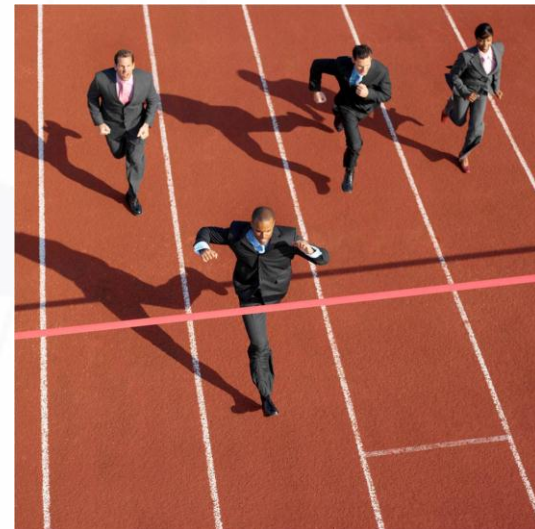
# Public Sector Role in Intermodalism



- Mostly as landlords
- Jurisdictional responsibility and competition
- Economic Development “Catalysts”
- Civic Pride and Competition
- Very capital intensive, but may not be profitable
- Conflicts over local objectives
- What Champion is driving this?

# Benefits of debate

- Connecting ports and hinterlands
- Connecting exports to trade markets
- Discussion of regional transportation needs
- Finding partners
  - Railroads, public, private sector
- But who is listening?
  - Shippers
  - Public
  - Decision Makers



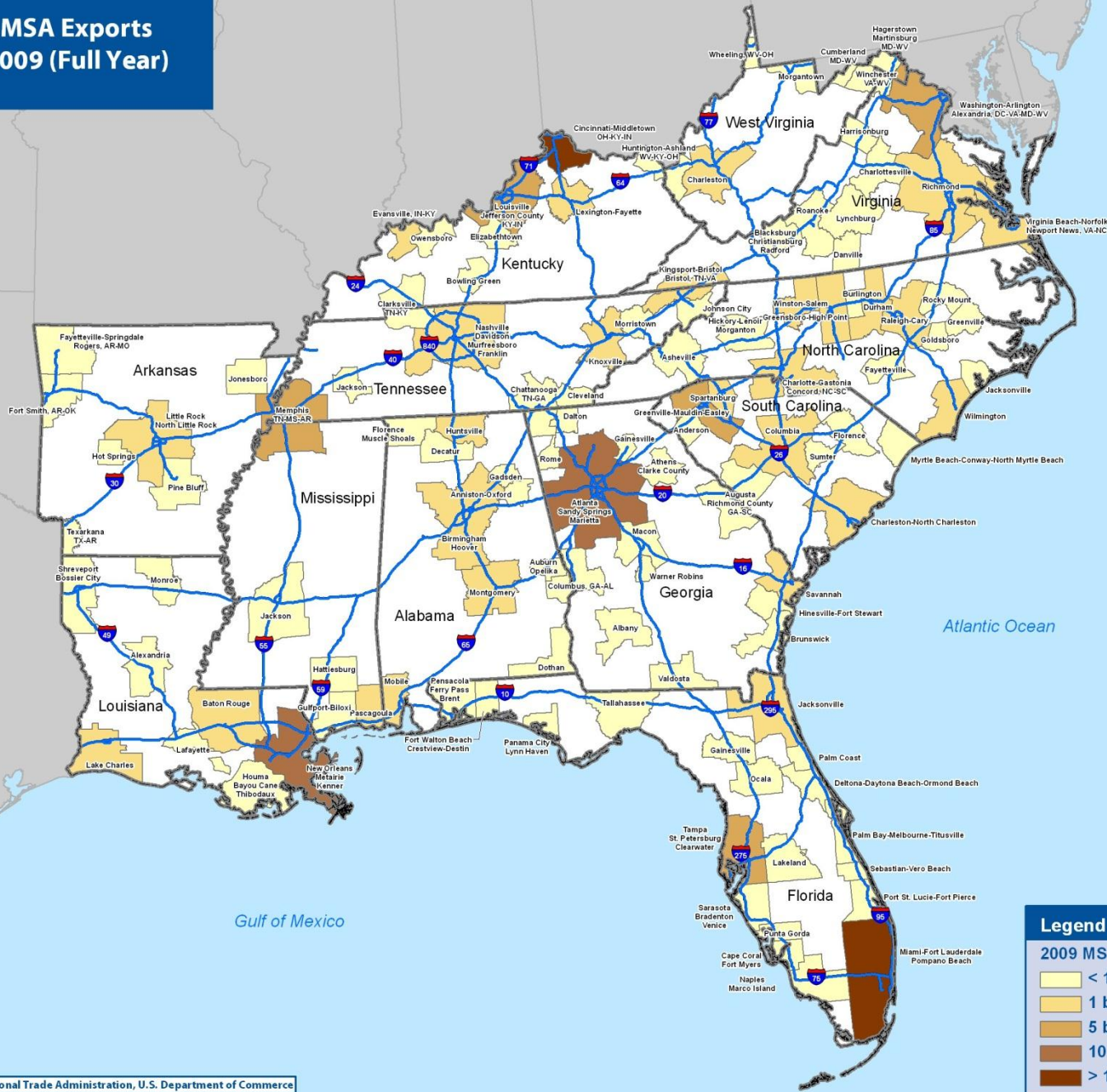
# Some Considerations

- Everyone more engaged in “logistics”
- System’s use not fully understood
- “Others Have It” syndrome
- Scale and Densities - operations
- Aging Infrastructure vs. Capacity
- Manage Expectations
- \$\$\$\$?



# MSA Exports 2009 (Full Year)

0 25 50 100  
Miles



**Legend**

2009 MSA Exports (\$ USD)

- < 1 billion
- 1 billion - 5 billion
- 5 billion - 10 billion
- 10 billion - 15 billion
- > 15 billion

Exports Data Source: International Trade Administration, U.S. Department of Commerce

# What Questions Should be Asked...



- What is my business now?
- Is it needed?
- Does it change existing flows or create new markets?
- Can (will) I get a piece of the pie?
- Can I (we) afford it?

# Thank you

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