

# Just the Facts:

## Kentucky Logistics

April 2017

### Logistical Dream



65% of the U.S. market and population is within a day's drive of Kentucky's borders.



### Location, Location, Location

Nature and nurture have combined to make Kentucky a logistical paradise. Located at the center of a 34-state distribution area in the eastern United States, Kentucky's location advantage facilitates the distribution of goods and materials to a massive industrial and consumer market. Kentucky's borders are within a one-day's truck drive or 600 miles of over 65 percent of the nation's population, personal income and manufacturing establishments.

Bolstered by 20 interstates and major highways, major rail networks, barge traffic on the Ohio and Mississippi rivers, three global air shipping hubs, six commercial airports (including two international) and 60+ regional airports, Kentucky's logistics network makes it easy to reach all point of the globe easily and efficiently.

Across the nation and around the world, business leaders and logistics providers are increasingly looking to Kentucky as the strategic partner they need to aggressively compete in the global marketplace.

### GLOBAL CARGO HUBS CREATE DISTRIBUTION MECCA.

### Air Transportation

Kentucky businesses are also served by not one, but three major shipping hubs (UPS and DHL, plus Amazon, which is under development), located at Kentucky's two international airports. Add to that a significant FedEx ground network, and Kentucky can easily be viewed as the air logistics epicenter of the U.S.

The presence of these global companies gives Kentucky a lot more than jobs. They serve as a catalyst for dozens of other technology and logistics-based companies to locate or expand operations in Kentucky. Companies know they will have easy and immediate access to shipping to the worldwide marketplace. In fact, the carriers help rank the state third nationally in air cargo shipments.

### UPS

The UPS Worldport at Louisville International Airport is the largest fully automated package-handling facility in the world. The operation turns more than 130 aircraft daily, processing an average of 1.5 million packages a day.

UPS chose to locate Worldport, its global logistics hub, in Louisville based on several important factors:

- proximity to population centers
- the airport's strong record for staying open in inclement weather
- the community's quality of life
- the willingness of city and state government to work together



Kentucky has three major air-cargo delivery hubs operated by DHL, UPS and Amazon.

275 Million Tons



Kentucky has 275 million tons of freight move across its roadways each week

over 2,600 Miles



Kentucky has over 2,600 miles of railroad track leading to all points in the U.S.



Kentucky has 2,000 miles of commercially navigable waterways.

## DHL

DHL's global hub at Cincinnati/Northern Kentucky International Airport (CVG) in Northern Kentucky handles about 90 percent of the DHL shipments that enter the United States. DHL Express U.S. specializes exclusively in international shipping for importers and exporters, employing more than 2,000 workers at CVG, where 78 flights operate daily, connecting shipments across the United States and around the globe. DHL has just completed a \$108 million expansion, resulting in the addition of a new sorting facility and upgrades to its facility.

## Amazon

Amazon announced in 2017 that it would build a \$1.49 billion shipping hub to serve its fleet of Prime Air planes at the Cincinnati/Northern Kentucky International Airport (CVG) in Hebron. The project will create 2,700 full- and part-time jobs over several years.

Amazon's Prime Air hub will enhance the company's presence in Kentucky where it currently has 11 fulfillment centers that employ more than 10,000 people full-time.

## FedEx

FedEx, which maintains operations across the commonwealth including a distribution station in Paducah and a freight operation in London in Eastern Kentucky's Laurel County, is in growth mode as its package volume doubled in the past decade.

FedEx's other Kentucky facilities include a 500-employee ground package operation in Northern Kentucky, an expanding freight facility in Lexington and its new East Louisville Ground Station, opened in 2016. From its East Louisville facility, FedEx Ground offers one-day service as far south as Birmingham, north to the Wisconsin border and east to Pittsburgh.

## Rivers, Roads and Rails

With ports on the east and west coasts getting more and more congested, many international shippers are looking for alternative routes into – and out of – America's heartland. Kentucky provides that alternative.

Kentucky has nearly 2,000 miles of commercially navigable waterways, providing an expedient two-way route between inland markets and major ports on the Gulf of Mexico. The Ohio River alone flows 664 miles along the northern border of Kentucky, and 12 active or developing public riverports provide an excellent means of transporting goods

Kentucky is served by an exceptional highway system of 20 interstates and major highways, including Interstates 24, 65, 75, 64, 71 and 69, four interstate bypass loops, and a network of limited-access state parkways.

20

Interstate highways and state parkways.

3

global shipping hubs: UPS, DHL and Amazon.

6

commercial airports, including two international airports

2,000

miles of commercially navigable waterways and twelve active or developing public riverports

Largest

inland port, in Ashland along the Ohio River

2,700

miles of railroads track that serve Kentucky, including 2,300 miles of Class I track

Numerous railroads also serve Kentucky with 2,700 miles of track, including 2,300 miles of Class I track. Railroads operating in the state include CSX, Norfolk Southern, Canadian National Railway Company, and the Paducah and Louisville Railway. The state also offers regional and local distribution networks of shortline railroads and intermodal freight facilities.

Note:

Commercial airports include Cincinnati/Northern Kentucky, Louisville International, Blue Grass (Lexington), Barkley Regional (Paducah) Owensboro-Daviess County Regional and Bowling Green-Warren County Regional Airport.

**Legend**

-  RIVERPORT
-  COMMERCIAL AIRPORT
-  CLASS1 RAILWAY
-  INTERSTATE HIGHWAYS
-  NAVIGABLE WATERWAYS
-  PARKWAYS

