



Cabinet for Economic Development

Kentucky Transportation: A Network with the World

The 2009 Manufacturing & Logistics Report Card scores Kentucky a grade of “A” in the Logistics Industry category, and places Kentucky in the Top Five of all States in the category of Global Position.

- Ball State University's Center for Business & Economic Research

Kentucky is located in the geographical center of the Eastern United States, which is defined as including states sharing an east or west border with the Mississippi River. Due to its extensive highway, air, rail, and waterway transportation systems, the Bluegrass State is in a strong position to compete in the global marketplace. With its borders within 600 miles of over sixty percent (60%) of the nation's population, personal income, and manufacturing business establishments, Kentucky's intermodal freight and passenger transportation systems extend to provide safe, efficient and cost-effective access to all points of the globe.



In 2008, the population center of the United States east of the Rocky Mountains was located 9.7 miles northwest of Harrodsburg, KY. Harrodsburg is located within a 40 minute drive from I-75, I-64, US 27 and US127 which are main arteries to the rest of the eastern section of the United States.

Kentucky is at the highway crossroads for the Canada to Florida I-75 route, extending from the Great Lakes to the Gulf of Mexico, and the St. Louis to Norfolk I-64 route, which stretches

from the Mississippi River to the Atlantic Seaboard. Domestic and international air travel is served by the Delta and Comair hubs that provide non-stop service to Europe and Canada from their location in Northern Kentucky. International flight connections are available from the Louisville International Airport at Standiford Field and Lexington's Bluegrass Airport.

Air cargo services are provided by the United Parcel Service hub at the Louisville International Airport which serves global destinations to over 200 nations and territories. Several other air freight and parcel providers also operate through Kentucky's air system.

Kentucky is a rail center for the mainline services of the CSX, Canadian National, and Norfolk Southern railroads that provide services from the Great Lakes gateways to the Gulf of Mexico and link intermodally with inland and deep-draft ports for export trade. Western Kentucky is the heart of the nation's inland waterways and river port system, standing at the junction of the Upper and Lower Mississippi River, the Ohio River, and the Tennessee-Tombigbee navigation corridors.



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In its seventh annual *Logistics Quotient*, Expansion Management magazine listed two Kentucky metropolitan areas as being very logistics friendly. The Louisville and the Northern Kentucky/Cincinnati areas were designated as 5 Star metros, indicating they scored in the top twenty percent of the nation's 362 metropolitan areas. Evansville/Henderson was ranked as the number five metropolitan area in the nation for "Transportation and Warehousing Work Force" category. The purpose of the category is to gage the "depth and cost of the metropolitan transportation and warehousing work force." The Louisville metro area ranked 10th in the nation for "Best Air Cargo Capacity" according to the U.S. Department of Commerce.

The strength of Kentucky's transportation advantage is evident in the broad choice of prime air, rail, and interstate highway-served business sites:

- 122 sites within 50 miles of a commercial airport
- 70 sites with rail service possible
- 148 sites within 10 miles of an interstate highway or parkway
- 23 sites within 10 miles of a public river port

A complete listing of available sites & building is available at ThinkKentucky.com

By highway, river, rail, or air, Kentucky offers unique advantages for transportation, distribution, and export, and provides new opportunities for capitalizing on North American markets and global trade. The increasing level of partnership among trucking, rail, and other shipping firms, and the development of efficient, integrated transportation systems throughout the industry, places the Bluegrass State in the position to become a 21st century leader in global transportation opportunities. Kentucky's full complement of well-developed terminals, river ports, enterprise zones, warehouse facilities, ports of entry, and foreign trade zones link with an intermodal transportation system that forms a network with the world.

In 2007, the Kentucky Transportation Cabinet released the Kentucky Statewide Transportation Improvement Program (STIP). STIP evolved from the 1991 Intermodal Service Transportation Efficiency Act (ISTEA), which is a 20 year strategic plan to improve the overall transportation system of the Commonwealth. With STIP, Kentucky commits to undertake a planning process that includes all modes of transportation, integrates statewide and metropolitan planning initiatives and utilizes management systems, comprehensive planning, and innovative financial mechanisms to the maximum extent possible. The program was designed because it is in the national interest to encourage and promote the development of transportation systems embracing various modes of transportation in a manner that will serve all areas of the state effectively and efficiently. STIP has scheduled a three-year process that will run through the end of 2010.

Air Transportation

Accessibility to modern major airport services, and safe, efficient air travel for business purposes, are well addressed by Kentucky's statewide system of commercial and general aviation airports. International flights depart from the Cincinnati/Northern Kentucky International Airport. Flights with international connections depart from the Louisville International Airport at Standiford Field in Louisville/Jefferson County, and from the Blue Grass Airport in Lexington, Kentucky.



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Kentucky's airports can compete with any in the world. The March 2008 issue of *Air Cargo World* listed the top 40 cargo airports of North America in 2007 (in tonnage). The Louisville International Airport ranked 3rd and the Cincinnati/Northern Kentucky International Airport ranked 31st. The March 2006 issue of *Air Cargo World* ranked the top 50 cargo airports in the world, with Louisville International Airport ranking 10th.

Cincinnati/Northern Kentucky

[Cincinnati/Northern Kentucky International Airport](#) (CVG) served over 10.6 million passengers in 2009. It is one of the top airports in the U.S. for on time arrivals. Seven passenger airlines offer 220 daily departures and fly to 70 cities worldwide. CVG offers daily nonstop international flights to Paris, Toronto, Montreal and Cancun.



CVG serves as a hub for Delta Airlines. Delta is a member of Sky Team, the second largest airline alliance in the world. The nine full member airlines offer service to 905 destination airports in 169 destination countries. CVG's geographic location remains one of its key strengths - allowing the airport to operate as a 360-degree hub. Half the U.S. population and manufacturing base is located within an hour's flight, and two-thirds of the top U.S. markets are within 90 minutes.

The CVG Autoport includes 13,400 onsite parking spaces, including 6,000 in the long-term lot and 7,400 in the terminal garages. The airport has an enhanced parking option located near Terminal 3, the airport's busiest terminal. The Cell Phone Lot provides a free waiting area for those arriving to pick up passengers from the terminals. The Cell Phone Lot offers free Wi-Fi courtesy of Time Warner. Inside the terminals are more than 80 shops, restaurants and service facilities, ensuring passengers access to the finest selection of local and national brands.

Since 1994, travelers have consistently named CVG one of the best airports in the world in surveys by IATA, AC Nielsen, OAG Worldwide and *SkyTrax* magazine. The J.D. Power & Associates Survey of Frequent Flyers in 2008 ranks CVG as one of Ten Best Hubs in North America. In 2006, the editors of [CityBloc.com](#), a web site that compiles data, statistics, facts and figures about the United States, ranked CVG as one of the top ten airports in North America. For the year 2005, [SkyTrax Research](#), a London-based reporting company, ranked CVG the 2nd best airport in the United States.

The airport is making a number of investments in its future, chief among these, a third north/south runway, which opened in December, 2005. \$23 million has been invested to add up to 20 new screening stations in order to both improve security and to decrease passenger wait time. The fall of 2009 will bring a new automated baggage system. The system will almost double the current screening capacity and will further reduce passenger delays related to checked bags.

Louisville International at Standiford Field

The [Louisville International Airport](#) at Standiford Field (SDF) in Louisville/Jefferson County is served by nine airlines. It is the first airport in the nation with its own on-line rewards program. The airport now has 110 daily departures with nonstop service to 20 destinations and offers convenient connections to hundreds of cities worldwide. SDF accommodated more than 3.6 million passengers in 2008. Current schedules permit business to be conducted with minimal time in transit.



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SDF is home to [United Parcel Service](#) (UPS), the world's largest package delivery company with the third largest cargo fleet in the world. SDF handled 4.3 billion pounds of cargo, freight and mail in 2008 making it the third largest cargo airport in the nation and the ninth largest cargo airport in the world according to [Airports Council International](#).

The airport has been a catalyst for economic development in the area by attracting and retaining businesses. In 2008, the airport had the following impact on the local economy:

- 55,600 jobs;
- Nearly \$2 billion in total annual payroll;
- \$5.6 billion in total business expenditures;
- More than \$277 million in state and local taxes generated

UPS began its overnight-delivery operations at Louisville's airport in 1981 with 135 employees. Today, UPS employs over 20,000 people. In May 2006, the company announced its second \$1 billion expansion of its Worldport hub in five years. The latest expansion will increase sorting capacity by 60 percent and will add 5,000 new employees to its workforce.



The Regional Airport Authority is in the process of extending its west runway. Phase I of the extension project, the relocation of Martha Maloney Drive, was completed in October, 2004. Phase II, construction of the 850-foot extension on the north end of the west runway, is complete. Phase III, the 1040-foot extension of the south end of the west runway, was completed in 2006.

The construction of a west parallel taxiway (Taxiway "A") to the West Parallel Runway will accommodate Group VI aircraft—the largest and newest long-range commercial aircraft. More than 50% of Taxiway "A" has been constructed. When complete, the \$20 million west runway extension project will permit airlines to fly nonstop with larger loads to destinations as far as the Pacific Rim and Asia, conserving time and fuel. The extension will provide Louisville's air carriers with the same competitive advantage that other similar airports, such as Memphis, offer in competing for international business.

Blue Grass Airport

[Blue Grass Airport](#), in Lexington/Fayette County, is serviced by six major brands operating twelve airlines with 43 daily departures and 43 daily arrivals. In 2008, the airport served over 1 million passengers. Non-stop commercial service is provided to 14 cities and is available to destinations worldwide. Blue Grass Airport also provides services for general aviation and private/corporate aviation clients from around the world. It was the first airport in the nation to implement 100% cargo screening by using an inline baggage screening system. Over 1,900 parking spaces serve passengers with lots designated for over-night and long-term parking. The airport has a US Customs office on-site and provides aircraft maintenance and repair services. Air cargo and charter services are also readily available. Blue Grass, located 4 miles west of Lexington, is easily accessed from I-64, I-75, US 60, and the Blue Grass Parkway.



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Blue Grass Airport is currently undergoing more than \$66 million worth of improvements. A major project includes the closing of runway 8-26 and the current construction of the new 9-27 runway. The \$27 million, 4,000 foot runway project will allow for more efficient land use and facility development.

Regional Airports

Daily commuter service is available at Paducah's [Barkley Regional Airport](#) and at the [Owensboro-Daviess County Airport](#). Barkley Airport offers two departures daily. Beginning in February 2010, all flights from Paducah are to Chicago and are serviced by United Airlines. One of the runways was resurfaced in 2006. In 2005, a runway expansion was completed. In 2006, the Kentucky National Guard broke ground at the airport for the new Paducah Rediness Center. The new facility accommodates approximately 200 soldiers for drill activities.

Owensboro-Daviess County Regional Airport offers two non-stop flights weekly via Allegiant Airlines to Orlando, Florida. In addition, daily flights to Nashville, TN are offered by Kentucky Skies airline.

Kentucky possesses a well-developed system of regional and community general aviation airports as well. Over fifty additional general aviation airports provide safe accommodations for corporate aircraft, with thirty-one of these facilities maintaining at least one runway of 5,000-foot length. Services such as fueling, tie downs, hangars, and maintenance are available at the larger facilities.

With the growing importance of reliable air connections to the nation's business centers, access to overseas business markets, and minimal time spent in transit, Kentucky offers a safe, competitive and modern airport system to meet the evolving demands of the global business community.

Highway Transportation

The [Reason Foundation](#) awarded Kentucky's highways with the 9th highest performance rating in the nation in its *17th Annual Performance of State Highway Systems* report. The rating for each state is computed by averaging its 12 performance ratios (ratio of each state's statistic to the national average, for 5 financial measures and 7 condition measures). The report was released in June, 2008 and compared the state highway systems from 1984 to 2006. Kentucky scored in the top ten in six categories:

- Condition of rural interstates and primary roads (1st);
- Administrative Structure Disbursements per state-controlled mile (1st);
- Total disbursements per mile of responsibility (5th);
- Capital/bridge disbursements per mile of responsibility (8th);
- Maintenance disbursements per mile of responsibility (9th); and
- State Highway Agency Mileage (10th)

Located within a 600-mile radius of 67 percent of the nation's population and personal income, Kentucky maintains a continuing six year highway construction and improvement plan that ensures necessary structured growth and regular maintenance. The backbone of the Commonwealth's 79,000 miles of federal, state, and local roads is five major interstate highways (I-75, I-71, I-65, I-64, and I-24), which provide direct routing to the Great Lakes and Canada, the Gulf States and Florida, the Atlantic Seaboard, and St. Louis and points west. Within the state, nine major parkways/highways provide access to the interstate system, while state maintenance covers nearly forty percent of the entire highway network.



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An innovation that is delivering reduced congestion, increased efficiency, and safer motorist and truck movements on Kentucky's primary highway corridor is Advantage I-75. Trucks of participating companies can travel from Canada to Florida with minimal stops at weigh stations, through the use of automated vehicle identification and clearance systems. Immediate benefits to carriers include fuel savings, lower operating costs, and faster delivery times.

Most of the nation's major trucking companies have terminals in Kentucky. There are over 500 trucking terminals throughout the state. A total of 52 cities are served by at least one terminal location. In addition, the accelerated growth of intermodal truck-rail and truck-barge facilities and state-of-the-art cargo tracking practices by the motor carrier industry, make Kentucky a competitive, cost-effective participant in today's global economy. A freight distribution network that is efficient, safe, and technologically competitive makes Kentucky an ideal location for businesses needing just-in-time delivery and reliable access to markets and suppliers.

Rail Transportation

Kentucky's railroad system offers mainline, state-of-the-art service over the most heavily traveled corridors of the CSX, Norfolk Southern, and Canadian National Railroads; this service is augmented by a regional and local distribution network of shortline railroads and intermodal freight facilities. This freight transportation structure ensures direct service from Kentucky to the major rail centers of the Great Lakes, Gulf of Mexico, and Atlantic Seaboard. Kentucky is traversed by CSX Transportation Corporation's Chicago to Nashville and Detroit to Atlanta mainlines, by Norfolk Southern's Cincinnati to Atlanta and New Orleans mainlines, and by Canadian National's Chicago to New Orleans mainlines. The Paducah & Louisville Railway provides internal east-west service in Kentucky, connecting with six other carriers at three locations within the state. Localized rail services are provided by seven short-line carriers: The Fredonia Valley Railroad, Kentucky & Tennessee Railway, KWT Railroad, Louisville & Indiana Railroad, R.J. Corman Railroad, Tennken Railroad, and Western Kentucky Railway.

Rail transportation in Kentucky is extensively intermodal, affording efficient, convenient connections with trailer-on-flatcar (TOFC) and container-on-flatcar (COFC) facilities, and providing direct service to Kentucky's extensive system of public and private inland waterway ports. The Norfolk Southern Railroad operates intermodal services in Louisville and Georgetown, Kentucky and Cincinnati, Ohio, while CSX Railroad has intermodal terminals in Cincinnati; Evansville, Indiana; and Nashville, Tennessee. CSX also has major rail yards in Louisville and Russell, Kentucky.

Kentucky's rail network, and its modern intermodal facilities and freight tracking systems, ensures timely and cost-effective service for bulk, general cargo, and containerized freight. From the Bluegrass State, this network reaches out competitively to America's domestic markets and coastal ports and to global customers overseas.

Water Transportation

Kentucky is the center of a port and waterways system that offers globally competitive, inexpensive year-round freight transport for bulk materials and containerized freight. At the hub of the nation's inland waterways, Kentucky's ports and terminals provide direct access to the agricultural markets of the Midwestern and North Central states, to the industrial and consumer markets of the Northeast, and to New Orleans, Mobile, and the Gulf of Mexico for distribution to the South.



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With its access to the junction of the Upper and Lower Mississippi, Ohio, and Tennessee-Tombigbee navigation corridors, Kentucky has a waterway link to the Great Lakes and Canada, to Mexican and South American markets, and to the deep-draft ports of New Orleans and Mobile for shipments overseas. In addition to these major waterway corridors, barge traffic within the state is handled on the Big Sandy, Cumberland, Green, and Licking Rivers.

The efficiency of the Commonwealth's navigable waterways system is further enhanced by a well-developed complement of public and private port and terminal facilities. Modern transloading equipment, safe docking berths, extensive storage and warehousing, and competitive access to rail and highway corridors have drawn many corporate customers and tenant industries to Kentucky's inland ports.

Kentucky has twelve public Riverports, seven of which are operating ports and five of which are developing ports. Kentucky is also home to a large concentration of marine industries. A state-of-the art towing industry training facility is located in Paducah and several barge lines have headquarters and/or operations centers in Kentucky.

Kentucky Public Riverports				
Riverport Authority	River	Barge Positions	Buildings	Equipment
Hickman-Fulton County	Mississippi	2	2 warehouses	(1) 125 ton pedestal mounted crane; (2) forklifts; (2) loaders; misc. equip. items
Paducah-McCracken County	Tennessee	2	5 warehouses	(1) 125 ton crawler crane; (1) 20 ton tower crane; (10) forklifts; (4) loaders; misc. equip. items
Eddyville	Cumberland	3	No warehouses	(1) hydraulic material handler; (1) loader
Henderson County	Ohio	4	4 warehouses	(1) 125 ton electric pedestal crane; (10) forklifts; (4) loaders
Owensboro	Ohio	8 with 7 additional available	7 warehouses	(2) 110 ton cranes with ancillary equipment
Louisville-Jefferson County	Ohio	2	No warehouses	(1) 30 ton crane; (1) loader; (1) locomotive
Greenup-Boyd County	Ohio	1	1 warehouse	None

Source: Kentucky Association of Riverports

The Port of Huntington which serves Kentucky, West Virginia and Ohio is the largest river port in the U.S. and 8th largest U.S. port overall in tonnage for 2008. According to the [American Association of Port Authorities \(AAPA\)](#) nearly 70 million tons of cargo was moved through it in 2008. The Ohio River ports of Henderson, Louisville, Owensboro, and Paducah, the Mississippi River port of Hickman, and the Lyon County (Eddyville) port on Lake Barkley all operate as public ports.



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Paducah is considered a national hub for river shipping. The city serves as the towing headquarters for Ingram Barge, one of the largest barge line companies in the nation. It has a fleet of nearly 4,000 barges and has a large customer base located on the Mississippi, Ohio, Tennessee and Cumberland River areas. Crouse Corporation is also headquartered in Paducah. It moves more than 30 million tons per year with its 948 barges and 30 tugboats. Several other carriers also call Paducah home. With their full array of cargo handling capabilities, Kentucky's inland ports provide an intermodal connection to the world's markets.

Support Facilities

The terminals, ports, and COFC/TOFC facilities operating in Kentucky are further strengthened through their close association with a statewide network of ports of entry and foreign trade zones. Each of these systems offers unique services that can be of particular value to companies choosing to do business in the Bluegrass State.

Ports of Entry

The [U.S. Customs Service](#) has the following ports of entry locations to provide services in Kentucky:

Port of Entry – Louisville (Port 4115)
U.S. Customs Service
Louisville International Airport
650 Administration Drive
Louisville, Kentucky 40209
502-366-3398

Port of Entry – Cincinnati, Ohio (Port 4102)
U.S. Customs Service
Cincinnati/Northern Kentucky
International Airport
4243 Olympic Boulevard, Suite 210
Erlanger, Kentucky 41018
859-767-7002

Port of Entry – Owensboro, KY – Evansville,
IN (Port 4116)
U.S. Customs Service
Winfield K. Denton Federal Building
101 N.W. Martin Luther King Jr. Blvd.
Room 116
Evansville, Indiana 47708
812-465-6413

User Fee Airport – Lexington (Port 4184)
U.S. Customs Service
Bluegrass Airport
4000 Terminal Drive
Lexington, Kentucky 40510
859-425-3111

The Louisville, Owensboro, and Lexington offices perform a full range of customs functions with the exception of commercial international air traffic. Within the ports' limits are bonded warehouses, barge terminals, trucking terminals and air cargo terminals where imported shipments are unloaded and inspected. Portions of the Owensboro office are consolidated with the Evansville, Indiana office. The Owensboro U.S. Customs port director may be contacted on Tuesdays and Thursdays in Owensboro with the remainder of the time spent in the Evansville, Indiana office. The Cincinnati Customs office oversees future importation, tariffs, quotas, visa requirements, and international air traffic. Portions of Northern Kentucky are included in the Cincinnati Customs office service area.



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The regional office having jurisdiction for the U.S. Customs Service in Kentucky may be reached at the following address:

Mid America Customs Management Center
610 South Canal Street, 9th Floor
Chicago, Illinois 60607
312-983-5344 or 888-274-4294



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Foreign Trade Zones

[Foreign Trade Zones](#), also referred to as "free trade zones" or "free ports" internationally, are areas under U.S. Customs supervision into which foreign merchandise may be brought without the usual immediate formal customs entry. The goods can be exhibited, stored, assembled, or used in manufacturing within the zone, and duties need not be paid unless and until the goods, or their end products, enter U.S. Customs territory from the zone. Re-exports emerge duty-free.

Domestic goods moved into a zone for export are considered exported upon entering the zone, for purposes of excise tax rebates and customs drawback procedures.

Two foreign trade zones and several sub-zones are located in Kentucky. One zone is in Louisville and the other in Northern Kentucky. For more information contact:

Louisville & Jefferson County
Riverport Authority
6900 River port Drive
Post Office Box 58010
Louisville, Kentucky 40258
502-935-6024

Greater Cincinnati
Foreign Trade Zone, Inc.
300 Carew Tower
441 Vine Street
Cincinnati, Ohio 45202
513-579-3119

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