PHASE I:

A PLAN FOR INDIANA'S LOGISTICS FUTURE

CONEXUS INDIANA

MARCH 2010

Conexus Indiana is the state's advanced manufacturing and logistics initiative, dedicated to making Indiana a global leader in these high-growth, high-tech industries.

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LETTER FROM CONEXUS INDIANA LOGISTICS COUNCIL EXECUTIVE COMMITTEE CHAIR

"Phase I: A Plan for Indiana's Logistics Future" was created by leading members of the logistics user community throughout the State of Indiana (please review page 1 for all participating executives). What you will read in this document is the culmination of two years of hard work by the logistics industry.

The logistics community, made up of air; infrastructure; rail; trucking; warehousing/ distribution; waterborne; advanced manufacturing and service firms, has rarely agreed so unanimously upon measures of common impact. Conexus Indiana was the catalyst in creating a forum for logistics executives to discuss issues affecting their industry and to build a common agenda across all sectors, including both public and private. We believe that by achieving alignment on priorities in the areas of infrastructure; public awareness; public policy; and workforce development, Indiana will be able to maximize short-term and long-term success for the logistics industry.

"Phase I: A Plan for Indiana's Logistics Future" has ownership by the logistics industry, ensuring that those things necessary for Indiana's logistics success are in place to enhance the environment for companies to grow their business, create a more attractive business environment to locate in Indiana, and create high paying jobs for Hoosiers.

If the strategies, goals, and tactics envisioned in this plan are implemented by the public and private sectors, we believe that Indiana will leverage its position as the "Crossroads of America," and become a logistics magnet as the "Logistics Destination of America."

Volunteer leadership from our executives provides Conexus Indiana with a strong base to make the goals of this plan a reality. A talented and dedicated staff will carry out these initiatives, and in the end will help us drive the tactics necessary to ensure the plan's success.

We look forward to continuing the dialogue on opportunities for optimization for the logistics industry in Indiana, and we will continue our work by releasing Phase II of the plan sometime in 2011.

Together, we – the logistics industry – make a difference in Indiana. We will continue to do so through innovation, engagement, and our tremendous economic impact this year and beyond.

J. Mark Howell
President, Brightpoint Americas, Inc.
Chair, Logistics Council Executive Committee

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EXECUTIVE SUMMARY

The Conexus Indiana Logistics Council Executive Committee (LCEC) is a forum of 36 logistics executives and thought leaders from throughout Indiana representing the following logistics sectors: air; infrastructure; rail; trucking; warehousing/distribution; waterborne; advanced manufacturing and service firms. Logistics users are manufacturers; distributors/warehousing; and third-party providers.

LCEC is working to:

- Enhance the environment for companies in advanced manufacturing and logistics to grow their business, taking advantage of Indiana's position at the heart of the global supply chain;
- Create a more attractive environment for manufacturing and logistics companies to relocate to or expand in Indiana, thereby creating jobs and increasing state and local revenue; and
- Create high paying jobs for Hoosiers–the average wage of Indiana manufacturing and logistics jobs is more than 33% higher than the State's median income.

A. PROBLEM STATEMENT

Indiana's transportation network has opportunities for improvement due to transportation "bottlenecks;" lack of direct rail service; underutilized air facilities with little international freight movement; lack of efficient mode-to-mode connectivity (e.g. road to rail; road to water; road to air; rail to water); a decaying lock and dam infrastructure; and lack of

dredging that prohibits barges/ships to maximize capacity. This disconnect has created higher costs, potential environmental impacts, inefficient freight movement, loss of productivity for Indiana business, and safety impacts.

B. MISSION STATEMENT

The mission of the Conexus Indiana LCEC is to work with a sense of urgency to strengthen the logistics sector in Indiana by identifying and acting on concrete opportunities for enhancement, which better positions the State to grow existing business, attract new business, and thereby create new jobs.

C. OBJECTIVES

1. Executive Forum: Provide a forum for logistics executives to discuss issues affecting the industry;
2. Infrastructure: Develop a comprehensive plan to strengthen our public and private logistics infrastructure;
3. Public Awareness: Develop paid and earned media to promote the sector;
4. Public Policy: Identify State and Federal public policy areas that impact the logistics industry and work with State and Federal thought leaders from government, academia and associations to enhance the sector;
5. Workforce Development: Develop and implement strategies to build the human capital needed to support the growing demand for logistics services through innovative workforce programs.

D. DEFINITIONS

The logistics definition comes from a Conexus presentation to the Indiana General Assembly in October of 2009.

a. **Logistics:** The management of the flow of products, information and resources from origin to consumption. The flow of goods accomplished by integrating:

- Information
- Transportation
- Inventory
- Warehousing
- Material-handling
- Packaging
- Tracking
- Advanced manufacturing
- Many other high-tech services

b. **Infrastructure:** The underlying foundation or network of roads, railroads, airports, inland waterways, energy transmission pipelines, and fiber optics that enable the transfer of goods and information and the economic growth of a community, state, or country.

c. **Freight:** All goods, merchandise or commodities transported by aircraft, train, truck, or boat.

LOGISTICS STRATEGIES

- Increase the flow of goods originating, terminating, and adding value within the State of Indiana over the next three years, thereby, creating an increase of net new jobs and growing the logistics sector.
- Provide a broad-based forum, consisting of statewide business executives throughout the logistics industry, for collectively vetting critical relevant logistics public policy issues of commonality, therefore optimizing the business climate.
- Strengthen and grow the logistics qualified workforce by creating portable skills curricula leading to academic degrees/certifications that will increase the pipeline of qualified workers over the next three years.
- Increase the public's awareness of the importance of the logistics industry on the State of Indiana's economy.

A. INFRASTRUCTURE GOALS

1. Reduce bottlenecks to improve the reliability and efficiency of freight movement leading to less congestion, reduce infrastructure repairs, and lower emissions.
2. Ensure global access by connecting Indiana cities based on impact and potential to Interstate-like access.
3. Create better connectivity of Indiana's water ports via roads and rail modes and improve the reliability and efficiency of water freight movement.

4. Develop a fast and efficient process for unplanned economic development infrastructure needs.
5. Develop and implement transportation networks that provide direct rail, truck access and air cargo expansion leading to the improvement and establishment of multimodal and intermodal service and air cargo facilities.

B. PUBLIC POLICY GOALS

1. Ensure State and Federal Government does not legislate or regulate barriers to the safe, efficient, and innovative movement of goods and resources that are necessary to support the growth of the logistics sector.
2. Ensure State and Federal Government provides the necessary funding for the public infrastructure needed to support the efficient and cost effective operation of Indiana's logistics sector.
3. Ensure Conexus is recognized by governmental entities as a resource of first resort and the voice for the logistics industry.

C. PUBLIC AWARENESS GOALS

1. Develop brand awareness of Conexus Indiana.
2. Create general public understanding of logistics by ensuring that the population has a basic understanding of logistics.
3. Increase the perception of the need to improve/expand Indiana's infrastructure.
4. Highlight Indiana's logistics companies by bringing awareness to their products and services.

5. Increase the public's understanding of the positive impact of global trade on Indiana's economy and jobs.

D. WORKFORCE DEVELOPMENT GOALS

1. Increase the skill levels of Indiana logistics workers through workforce education programs.
2. Increase the upward mobility and job prospects of current and future Indiana logistics workers.

IMPLEMENTATION TACTICS

A. TACTICS IN SUPPORT OF ACHIEVING INFRASTRUCTURE GOALS

1. Develop 2 or 3 large intermodal/multimodal facilities for Indiana.
2. Support the construction and redesign of key locks.
3. Develop a plan to attract air freight business to Indiana.
4. Support the completion of key infrastructure projects in bottleneck regions.
5. Identify and create a plan to improve/provide infrastructure-like access to regions/cities with limited accessibility based on impact and potential.

➢ On page 29, LCEC has identified potential current infrastructure projects that will meet the tactics above. The list does not preclude important statewide projects that have not yet been identified or might be in process.

B. TACTICS IN SUPPORT OF ACHIEVING PUBLIC POLICY GOALS

1. Develop a public policy package to be provided to the Governor and General Assembly representing the needs of the logistics industry.
2. Become a resource to public and private sectors to facilitate adequate funding that drives logistics growth and global competitiveness.

C. TACTICS IN SUPPORT OF ACHIEVING PUBLIC AWARENESS GOALS

1. "Did You Know Stories" by Indiana economic region to educate the public on the importance of the logistics industry to Indiana and therefore the need for a world-class logistics infrastructure.
2. Newspaper/magazine/online opinion pieces by Indiana economic region to educate the public on the importance of the logistics industry to Indiana.
3. Editorial boards by Indiana economic region to educate the public on the importance of the logistics industry to Indiana.
4. Strategic plan launch press conferences; editorial boards; newspaper/online opinion pieces to educate the public on the importance of the logistics industry to Indiana.
5. TV/radio interviews to educate the public on the importance of the logistics industry to Indiana.

D. TACTICS IN SUPPORT OF ACHIEVING WORKFORCE DEVELOPMENT GOALS

1. Identify logistics job skills gap areas.
2. Work with postsecondary education to develop curriculum for portable logistics credential.
3. Identify a company that will create a logistics online educational program using new curriculum leading to portable credential.

a. **Summary of Logistics Skills Identification Process**

Indiana has a strong business climate for the logistics industry and possesses many competitive advantages, such as location and low cost of doing business. The logistics

industry faces a challenge in the near future that could undermine Indiana's economic momentum: an undereducated workforce. Indiana's need for a qualified workforce has been well documented:

- Department of Workforce Development shows that 3 of the top 10 skill gaps identified by state-wide Indiana employers are in logistics occupations
- 35th in adult population with associate's degrees
- 47th in adult population with bachelor's degrees
- 20,000+ high school dropouts every year
- Only 2 out of 10 students entering college ever finish

Conexus Indiana assembled a group of 21 human resources and operations executives from around Indiana to determine the skills required for the successful middle-level logistics employee. The logistics skills identification group consisted of representatives from automotive and pharmaceutical manufacturing companies, logistics companies, and service providers. Companies represented ranged in size from 50 to over 1,000 employees.

Over the course of several sessions totaling six hours, the group identified and defined the skills a successful employee at their respective companies must possess. The skills identification sessions were facilitated by an industry representative from Brightpoint. The following companies participated:

1. Brightpoint
2. CEVA Logistics
3. Convergys Corporation
4. Cummins, Inc.

5. FedEx Corporation
6. Integrated Distribution Services
7. Katz, Sapper, & Miller, LLP
8. Langham Logistics
9. LDI, Ltd., LLC
10. MD Logistics
11. Ozburn-Hessey Logistics, LLC (OHL)
12. RedCats USA
13. Roche Diagnostics
14. Ryki Logistics/Keystone Terminals
15. UPS
16. Venture Logistics
17. Wheaton World Wide Moving

b. **Skill Differentiation**

The competencies identified through the skills identification sessions were categorized into five sequential levels of learning: *Introductory, Basic/Fundamental, Intermediate, Advanced, and Mastery*. Each level corresponds to the degree of detailed knowledge required by the employee. The levels provide a pathway for the employee to learn the necessary information for ensured success in the logistics industry, starting with a broad foundation which narrows into specific areas within the supply chain.

ADVANCED MANUFACTURING AND LOGISTICS SKILLS TEMPLATE: REVISION A

Level 1 Introductory

Advanced Manufacturing and Logistics

History of Manufacturing

History of Logistics

Introduction to Manufacturing
– Design
– Engineering
– Materials
– Processing/Equipment
– Quality Control
– Assembly
– Technologies
– Safety

Introduction to Logistics
– Material Handling
– Material Control Planning
– Shipping/Transportation
– Value Added Services
– The Importance of Safety/Product/People

Basic Business Principles:
– Profits and Losses
– Business Structure
  - Marketing
  - Operations
  - Accounting/Finance

Level 2 Basic

Advanced Manufacturing and Logistics

– Awareness of Process Flow Principles
– Systems Understanding
– Basic Machine Operation Skills
– Basic Mechanical Skills
– Basic Understanding of Tooling
– Basic Understanding of Machining
– Basic Understanding of Assembly Processes
– Basic Understanding of Materials
– Basic Electrical Skills

– Material Movement – Internal and Global Level
– Basics of Inventory Principles
– Basics of MSDS
– Basics of Chart and Graph Reading
– General Understanding of Shipping/ Receiving Processes
– Global Understanding of Markets

Level 3 Intermediate

Advanced Manufacturing

Concepts of:
– Quality Systems/Regulatory Testing (e.g., ISO/TS, FDA, etc.)
– Blueprints/Schematics
– Mfg. Instructions
– Teaming with Engineers/ Workforce
– Lean Mfg. Principles
– Facility Maintenance
– CNC Controls
– Engineering Principles
– Design Drawing & Interpretation

Logistics

Concepts of:
– Material Requirements Planning
– Process Design
– Quality Control
– Warehouse Logistics
– Outbound Shipping
– Outbound Processing
– Reverse Logistics
– Inventory Control
– Cost/Price Management
– Safety in the Workplace

Basic Foundation

– Mathematic Skills (e.g., Time & Distance, Ratio Conversion, Weight & Balance)
– Computer Skills (e.g., Microsoft Office Suite, Search Engines)
– Attendance/Work Ethic/Accountability
– Personal Hygiene
– Initiative/Drive
– Attention to Detail
– Communication Skills (e.g., Reading Comprehension, Writing, Speaking)
– Core Values & Ethics
– Teamwork
– Interpersonal Skills
– Decision Making Skills
– Problem Solving Skills
– Chemistry Principles
– Basic Geography

Intermediate Foundation

– Algebra I and Geometry
– Ability to Set and Achieve Individual and Team Goals

Level 4 Intermediate

Advanced Manufacturing

Competence with:
– Variation Control Techniques
– Machine Controlling Devices
– Basic Statistical Process Control
– Information Technology on the Shop Floor
– Inventory Management

Working Knowledge of:
– Geometric Dimensioning and Tolerancing (GDT) Skills
– Shop Floor Metrics
– OSHA Regulations
– MSDS Requirements

Logistics

Competence with:
– Inventory Accountability
– Regulatory Compliance
– Intermodal Operators
– Import/Export Control
– Customs Procedures
– Transportation Management
– Order Management Systems
– MSDS Requirements
– Value Added Services

Intermediate Foundation

– Leadership Skills
– Basic Physics Principles
– Basic ERP System Understanding

Industry Recognized Certification

Level 5 Advanced

Advanced Manufacturing

– Ability to Use CAD/CAM Software
– Specific Knowledge of Process Testing and Quality Checks
– Specific Knowledge of Total Quality Systems
– Ability to Translate a Design into Requirements
– CNC Programming Skills
– Awareness of Regulatory Testing
– Ability to Read/Interpret Diagnostic Reports
– Introduction to Six Sigma Tools
– Introduction to Lean Mfg. Principles

Logistics

Understanding of:
– Import/Export Control Laws
– Regulatory Compliance
– Scheduling
– Lean Principles
– Six Sigma Tools
– Total Quality Management (TQM)
– Material Requirements Planning and Systemic Product Movement
– Process Designs, i.e. Stream Mapping and Process Flows
– Working Knowledge Homeland Security and TSA regulations

Advanced Foundation

– Mathematics Skills (e.g., Algebra II, Trigonometry, Statistics)
– Computer Skills (e.g., Excel formulas and macros)
– Ability to Communicate with Engineers
– Problem Solving Skills
– Motivational Skills
– Ability to Set and Achieve Goals for Both Workforce and Team

Level 6 Mastery

Advanced Manufacturing

Proficiency in:
– Reading and Interpreting:
  - Schematics & Blueprints
  - Systems Diagnostic Reports
– Six Sigma Tools
– Lean Manufacturing Principles
– Regulatory Compliance
– Total Quality Management (TQM)

Logistics

Proficiency in:
– Import/Export Control Laws
– Regulatory Compliance
– Master Scheduling
– Lean Principles
– Six Sigma Tools
– Total Quality Management (TQM)

Advanced Foundation

-Advanced Understanding of ERP Systems

Principles of:
– Business Law/Organizational Structure
– Business Ethics
– Basic HR/Management Skills
– Leadership/Supervisor Skills

Associate's Degree

LOGISTICS MARKET ANALYSIS

A. TRANSPORTATION MODE SWOT ANALYSIS

Strengths, Weaknesses, Opportunities and Threats (SWOT) for Indiana's Logistics Sector

INFRASTRUCTURE SWOT

Strengths:

Air:

- Strong network of airport facilities
- 4 of Top 125 cargo airports: Indianapolis is #6; Fort Wayne #102; Louisville #3; Cincinnati #93
- Existing excess air capacity
- #2 FedEx Hub at Indianapolis Airport
- 3 Airports with 11,900 feet or more of runway – Ft. Wayne, Grissom and Indianapolis
- Midwest location
- Strategic geographic coverage of aviation facilities located around the state

Rail:

- 9th in rail miles
- 4th nationally with 41 freight railroads
- 4 small intermodal facilities
- Heavy presence of Tier 1 railroads – Canadian National, CSX and Norfolk Southern

- 6 of Top 10 commodities originating in Indiana – coal; farm products; food products; primary metal products; waste & scrap material; and transportation equipment
- 4 of Top 10 commodities terminating in Indiana – coal; primary metal products; petroleum products; and waste & scrap material

Trucking (Roads):

- Reputation as Crossroads of America
- #1 in nation for interstates with 14
- #1 in Interstate highway miles

Waterborne:

- 15th nationally in total foreign & domestic waterborne shipping
- 3 public ports – 1 on Lake Michigan and 2 on the Ohio River
- Indiana Congressional District One #1 in steel shipping in U.S. with 31 million tons of commodities and 77% of the nation's iron ore/steel

General:

- Indiana has a trade surplus
- Leader in exports/imports of important commodities (coal, iron/steel products, grain, food products, scrap metal, etc.)

Weaknesses:

Air:

- 7th of 8th compared to Midwest/Great Lakes Region states in air transport as a share of State transportation/warehousing GDP
- Indiana airports have minimal international/domestic business; other than the domestic cargo shipping at Indianapolis Airport
- Bottlenecks due to airport congestion at Chicago O'Hare Airport
- Reliant on Chicago O'Hare Airport for international/domestic air cargo

Rail:

- Primarily pass through state for rail intermodal
- Reliant on Chicago intermodal rail service
- Lack of large volume intermodal facility(ies)
- Limited railroad access to ports

Trucking (Roads):

- Bottlenecks or traffic congestion – Northwest Indiana; South Bend to Indianapolis; Indianapolis; Jeffersonville/New Albany
- No Interstate access to Southwest Indiana
- No Interstate/highway access to Southwest Indiana Port
- Lack of adequate capacity on Indiana's Interstate highways

Waterborne:

- Decaying lock infrastructure on Great Lakes; Ohio & Mississippi rivers
- Dredging issues for ports and waterways on Great Lakes; Ohio & Mississippi rivers
- Lack of area for disposal of dredged material from Lake Michigan
- Limited railroad access to ports

General:

- Lack of import/export diversification

Opportunities:

Air:

- Position Indiana as a reliever (avoiding congestion in Chicago) airport for domestic/international air cargo by utilizing our excess capacity
- Actively recruit FedEx to bring entire domestic business to Indianapolis allowing FedEx to grow their international business in Memphis

- Create a Southern Indiana strategy to better utilize the Louisville Airport
- Airports have capacity to expand
- Several airports currently have runways & facilities to accommodate air shipping opportunities

Rail:

- Freight tonnage will nearly double by 2035 according to the U.S. Department of Transportation (USDOT)
- Complete upgrades or additions to Indiana's multimodal rail system
- Create large volume intermodal facility(ies) decreasing Indiana's reliance on Chicago
- Build additional/better railroad access to Indiana ports

Trucking (Roads):

- Freight tonnage will nearly double by 2035 according to the USDOT
- Work to relieve the bottlenecks around Northwest Indiana; South Bend to Indianapolis; Indianapolis; Jeffersonville/New Albany
- Upgrade statewide strategic bridges that are structurally deficient or functionally obsolete
- Build Interstate access to Southwest Indiana
- Build Interstate/highway access to Southwest Indiana port
- Dedicated truck lanes – separation of trucks from passenger cars
- Allow increase in truck weight limits

Waterborne:

- Reengineer and repair the decaying lock infrastructure on Great Lakes; Ohio & Mississippi rivers
- Dredge the areas around ports and waterways on the Great Lakes; Ohio & Mississippi rivers

- Create a solution for disposing of dredged material from Lake Michigan
- Build additional/better railroad access to Indiana ports

General:

- Tonnage will nearly double by 2035 according to the USDOT
- The value of U.S. imports and exports is expected to be equivalent to 60 percent of GDP by 2030
- Position Indiana as an international freight gateway
- Work for diversification of exports/imports

Threats:

Air:

- Continued underutilization of Indiana airports
- Dependent on increasing bottlenecks in Chicago leading to inefficient air cargo service
- Lack of State funding to meet infrastructure needs

Rail:

- Continuation of Indiana as a pass through state for rail
- Reliance on Chicago for intermodal services
- Lack of intermodal service bypassing Chicago
- Lack of ownership by public entities of intermodal opportunities
- Surrounding states push for rail investment

Trucking (Roads):

- Lack of funding to build roads necessary to relieve bottlenecks or traffic congestion
- Lack of funding to upgrade statewide strategic bridges that are structurally deficient or functionally obsolete
- Lack of funding and attempts to stop Interstate access to Southwest Indiana
- Lack of Interstate/highway access to Southwest Indiana port

Waterborne:

- Failure of decaying lock infrastructure leading to stoppage of all barge traffic on Ohio River and lack of access to Lake Michigan for iron ore to steel mills
- Inability to provide necessary access by not dredging Lake Michigan, Mississippi & Ohio rivers
- Loss of business due to inadequate railroad access to ports

General:

- Lack of diversification of exports/imports
- Lack of funding for all infrastructure modes
- Impact of Federal Government energy policy on all modes of transportation

PUBLIC POLICY SWOT

Strengths:

Air:

- Strong university aviation programs
- Federal government reimburses up to 95% of costs for qualified airport projects

Rail:

- Ports of Indiana bonding authority for rail facilities

Trucking (Roads):

- Major Moves funding for Indiana highways and roads
- State of Indiana focus on road building

Waterborne:

- Ports of Indiana (public and private)
- Ports of Indiana bonding authority for port activity

General:

- Indiana's use of public/private partnerships to facilitate the funding of key projects
- Adoption of Daylight Saving Time

Weaknesses:

Air:

- Lack of "ownership" by public entities on air cargo movement
- Lack of Federal/State air funding

Rail:

- Lack of private rail investment compared to surrounding states
- Lack of "ownership" by public entities on rail freight movement
- Lack of Federal/State funding

Trucking (Roads):

- Federal/State use of gas taxes for other general Federal/State revenue needs
- Lower truck weight limits compared to surrounding states
- Inefficiencies in collection of fuel taxes

Waterborne:

- Lack of "ownership" by public entities of waterborne shipping
- Lack of Federal/State funding
- Lack of public and legislator understanding of importance of locks infrastructure

Warehousing/Distribution:

- Increase in unemployment insurance (UI) tax on State level

General:

- Lack of a coordinated logistics agenda at the Indiana General Assembly
- Lack of a logistics association representing members

Opportunities:

Air:

- Dedicated air fund creating more Federal funding

Rail:

- Federal and State investment tax credit incentivizing private rail investment
- Funding for inter/multimodal rail development

Trucking (Roads):

- Federal and State firewall on gas taxes for highway use only
- Dedicated truck lanes
- Allow increase of truck weight limits

Waterborne:

- Harbor Assistance Program to incentivize ports and private investment
- Adequate funding for locks projects

Warehousing/Distribution:

- Lower UI tax on State level
- Lower capital gains tax on Federal level

General:

- Creation of a logistics association facilitating and advocating for policy changes

Threats:

Air:

- Surrounding states of Michigan, Tennessee and Wisconsin offer grants/loans/tax credits for air economic development/private investment
- Loss of matching dollars from Federal Government because of lack of State investment
- Federal cap and trade legislation

Rail:

- Surrounding states of Illinois, Kentucky, Michigan, Ohio, Tennessee, and Wisconsin offer grants/loans/tax credits for rail economic development/private investment
- Loss of private rail investment to surrounding states
- Federal cap and trade legislation

Trucking (Roads):

- Surrounding states of Illinois, Michigan, Tennessee and Wisconsin offer grants/loans/tax credits for trucking economic development/private investment
- Lack of Federal/State highway dollars for new/existing roads
- Continued use of gas taxes for other general Federal/State revenue needs
- Competitiveness issues due to lower truck weight limits
- Continued inefficient collection of fuel taxes
- Federal cap and trade legislation

Waterborne:

- Surrounding states of Michigan, Tennessee and Wisconsin offer grants/loans/tax credits for waterborne economic development/private investment
- Lack of Federal/State funding for locks infrastructure repair

Warehousing/Distribution:

- Surrounding states of Kentucky, Michigan, Ohio and Wisconsin offer grants/loans/tax credits for warehousing/real estate economic development/private investment
- Further State tax increases for UI
- Increase from 15% capital gains to 28% in 2010

General:

- Lack of policy action leading to loss of private investment

- Lack of a State fund for unexpected economic development infrastructure needs
- Continued lack of growth in national economy

WORKFORCE DEVELOPMENT SWOT

Strengths:

- Public/private postsecondary institutions with ability to reach mass of workers
- Entrepreneurs creating online curriculum programs
- Governor, Superintendent of Public Instruction and Commissioner for Higher Education who understand importance of upskilling Hoosier workers
- Growth of logistics firms in Indiana

Weaknesses:

- Lack of skilled workers
- Public misconception of dirty warehouse jobs
- Assorted logistics education curriculum not meeting industry needs

Opportunities:

- Identify logistics job skills gap areas
- Curriculum development with postsecondary education to meet job skills gap areas
- Create online program to upskill Indiana logistics worker from places of employment
- Continued growth of logistics jobs in Indiana

Threats:

- Loss of logistics economic development due to workforce gaps
- Continued perception of logistics industry as undesirable work
- Lower skill workers remaining in lower level positions

PUBLIC AWARENESS SWOT

Strengths:

- View of Indiana as Crossroads of America
- Positive visibility of trucking
- Viewed as a center for surrounding major cities

Weaknesses:

- Lack of public understanding of logistics
- Lack of public understanding of need for infrastructure expansion/improvement
- Public misperception of logistics jobs
- Public misperception of global trade & positive impact on Indiana
- Lack of awareness of importance for air, rail & water transportation modes

Opportunities:

- Educate public on positive impacts of logistics industry
- Explain the facts on how the logistics industry impacts everyday life
- Educate public on need for infrastructure expansion/improvement
- Educate public on high-skill, high-wage jobs in logistics
- Educate public on positive impacts of global trade
- Increase understanding of importance for air, rail & water transportation modes

Threats:

- Continued public misperception of the importance of the logistics industry
- Lack of awareness of need for infrastructure expansion/improvement
- Continued public misperception of logistics jobs
- Continued public belief of negative impacts of global trade

KEY PROJECTS WITH STATEWIDE IMPLICATIONS:

Illiana Expressway

– A proposed 25-mile to 30-mile, 8-lane connector between I-57 in Will County, Illinois, and I-65 in Lake County, Indiana

– Would help relieve roadway congestion on I-80/94, US-30, and I-90 and ease the Chicago freight bottleneck

US 31 from Plymouth to South Bend

– Limited access highway between Plymouth, Indiana, and South Bend, Indiana

– This project is a segment of the Major Moves initiative to reduce congestion and improve safety and mobility on US 31 from Indianapolis to South Bend

SR 25 – "Indiana Hoosier Heartland Highway"

– A 99-mile limited access highway between Lafayette and Fort Wayne connecting I-65 and I-69

– This project is a segment of the larger 200-mile initiative to link Lafayette, Indiana, and Fort Wayne, Indiana, with Toledo, Ohio

I-69 – Evansville to Indianapolis

– A new 142-mile segment of I-69 to connect Evansville and Indianapolis

– The project will spur economic development and better connect Southwest Indiana to major urban areas

Commerce Connector

- An outer loop of “highways” connecting the counties surrounding Indianapolis
- The Commerce Connector would provide Interstate-to-Interstate access as well as quick travel to and from I-65, I-74, I-70 and I-69
- The Commerce Connector includes the extension of the existing Ronald Reagan Parkway from I-70 in Hendricks County to I-65 in Boone County and an expansion of 146th Street in Hamilton and Boone County to connect I-69 and I-65
- An upgrade of Mt. Comfort Road in Hancock/Hamilton County would be required to connect I-69 and Olio Road in Hamilton County with I-70 in Hancock County and I-74 in Shelby County
- A clear route from Shelby to Johnson to Morgan counties needs to be developed to connect I-74, I-65, I-70 and the future I-69 route in Johnson and Morgan Counties

Ohio River Bridges

- A partnership between Indiana and Kentucky to build two new bridges between Jeffersonville, Indiana and Louisville, Kentucky and reconfigure Louisville’s Kennedy Interchange
- A new bridge will be built where I-65 crosses the Ohio River into Louisville
- I-265 in Indiana and Kentucky will be connected by a new bridge over the Ohio River 8 miles upstream of the I-65 Bridge

US 30 from Fort Wayne to Valparaiso

- A limited access highway from Fort Wayne to Valparaiso
- This provides a connection between I-69 and I-65

B. INDIANA'S INFRASTRUCTURE DATA

INDIANA INFRASTRUCTURE DATA

Airports

- 633 Civil and Joint-Use Airports, Heliports, STOLports (Short Take-Off and Landing), and Seaplane Bases
  - 477 civil and joint-use airports
    - 67 are included in the National Plan of Integrated Airport Systems (NPIAS) and are eligible for Federal funding
  - 133 civil and joint-use heliports
  - 3 civil and joint-use STOLports
  - 20 civil and joint-use seaplane bases
- 2 of the top 125 cargo airports in the United States within Indiana's borders
  - Indianapolis International Airport – 6th nationally
  - Fort Wayne International Airport – 102th nationally
- 2 of the top 125 cargo airports are across Indiana's borders in Kentucky and Ohio
  - Louisville International-Standiford Field – 3rd nationally
  - Cincinnati/Northern Kentucky International – 93rd nationally
- 4 commercial service airports
  - Indianapolis International Airport – 46th nationally
  - Evansville Regional Airport – 141st nationally
  - Fort Wayne International Airport – 159th nationally
  - South Bend Regional Airport – 179th nationally

Source: Federal Aviation Administration

Railroads

- 4,446 miles of railroad operated in Indiana (excluding trackage rights) (9th Nationally)
  - Class I railroads operate 2,791 miles of railroad in Indiana
  - Regional railroads operate 430 miles of railroad in Indiana
  - Local railroads operate 1,051 miles of railroad in Indiana
  - Switching and terminal railroads operate 174 miles of railroad in Indiana
- 41 freight railroads in Indiana (4th Nationally)
  - 5 class I railroads
  - 3 regional railroads
  - 20 local railroads
  - 13 switching and terminal railroads
- Intermodal Facilities
  - Avon Yard, Indianapolis – CSX Transportation
  - Howell Yard, Evansville – CSX Transportation
  - Triple Crown Services, Inc. Fort Wayne – Norfolk Southern
  - Hoosier Lift, Remington – Toledo, Peoria & Western Railway

Sources: American Association of Railroads; Indiana Department of Transportation

Roads

- Public Roads
  - 95,472 miles of public road in Indiana (excludes 788 miles of Federal agency owned roads)
  - 1,172 miles of interstate highway in Indiana
  - 14 interstate highways in Indiana (1st Nationally)
    - I-64, I-69, I-70, I-74, I-80, I-90, I-94, I-164, I-265, I-275, I-465, I-469, I-865

- 2007 Indiana Road Conditions
  - 18.49% of Indiana Department of Transportation (INDOT) maintained roads are in very good condition
  - 36.99% of INDOT maintained roads are in good condition
  - 33.05% of INDOT maintained roads are in fair condition
  - 6.34% of INDOT maintained roads are in mediocre condition
  - 5.11% of INDOT maintained roads are in poor condition
- 2008 Road Bridge Data
  - 18,543 bridges in Indiana
    - 2,005 (10.81%) Indiana bridges are structurally deficient
    - 2,172 (11.71%) Indiana bridges are functionally obsolete

Source: U.S. Department of Transportation, Federal Highway Administration

Waterways

- Ohio River
  - 358 miles of Indiana border the Ohio River
  - Two public ports/docks operated by the Ports of Indiana
    - Jeffersonville, IN
      - MG Rail provides onsite rail switching services. MG provides interchanges with CSX, Louisville & Indiana Railroad Co., and Norfolk Southern.
    - Mount Vernon, IN (Southwind Maritime Center)
      - Served by the Evansville Western Railway. Offers interchanges with Union Pacific, BNSF, CSX, Canadian National, and Norfolk Southern.
- Lake Michigan
  - 43 miles of Indiana border Lake Michigan

- One public port/dock operated by the Ports of Indiana
    - Burns Harbor, IN
        - Rail access provided by Norfolk Southern and Indiana Harbor Belt Railroad with interchanges to all major railroads in Chicago.
- Three private ports/docks
    - Buffington Harbor
    - Indiana Harbor
    - Gary Harbor

Source: Bureau of Transportation Statistics; American Association of Port Authorities; Ports of Indiana; Army Corps of Engineers

SUMMARY OF CURRENT FINANCING

Aviation

Federal revenue is generated through passenger taxes, cargo taxes and fuel taxes. Spending allocation for generated revenue is distributed federally through the Airport Improvement Plan (AIP), Federal guidelines and in some instances to larger airports that have minimal discretion to use the funds as necessary. The Federal Aviation Association prioritizes where and how much of the funds are disbursed based upon its goals. Indiana only matches a minimum portion of the Federal grants and has little input as to what projects are funded. Aviation is the only mode that is under INDOT's jurisdiction that does not have a dedicated source of funds.

Maritime

Revenue is generated through a fuel tax, cargo tax and allocations from the Federal General Fund. Spending of generated revenue is allocated by the Army Corps of Engineers. The Army Corps disburses the funds based upon priority project needs, annual government budget and fund balances.

Rail

Revenue is generated through State sales tax allocations and Federal General Fund allocation. The spending allocation for generated revenue is determined at the Federal level by the U.S. Department of Transportation (USDOT) and is disbursed through loans to be

used for capital improvements. At the state level the spending allocation is determined by Indiana Department of Transportation (INDOT) and is disbursed through grants which can be used for the rehabilitation of railroad infrastructure or railroad construction.

Roadways

Revenue is generated through fuel taxes, tire sales, truck and trailer sales, heavy-use vehicle sales and allocations from the Federal General Fund. Spending allocation for generated revenue is determined at the state level with Federal guidance to twelve categories: Interstate Maintenance; National Highway System; Surface Transportation Program; Highway Bridge; Congestion Mitigation and Air Quality Improvement; Recreational Trails; Metropolitan Planning; Highway Safety Improvement; Railway-Highway Crossing; Safe Routes to Schools; Appalachian Highway System and Coordinated Border Infrastructure. Also, a small portion of revenue is allocated to research and planning at the State and Federal level.

A more detailed explanation of each mode of transportation's revenue generation and spending allocation follows.

APPENDIX

AVIATION

Airport Capital Improvement Plan (ACIP) General Information

Aviation is defined in this context as public airports eligible for government funding within a designated region. The Airport Capital Improvement Plan (ACIP) determines the distribution of grant funds under the Airport Improvement Program (AIP). Also, ACIP is used to identify critical development and capital needs for the National Airspace System. The funds determined by ACIP under AIP are awarded by the Federal Aviation Administration (FAA) to airports based on priority level. The FAA allocates the funds into nine regions and are prioritized based upon the goals set by FAA.

Nine Regions:

- Alaskan - (AK)
- Central – (IA, KS, MO, NE)
- Eastern – (DE, MD, NJ, NY, PA, VA, WV)
- Great Lakes – (IL, IN, MI, MN, ND, OH, SD, WI)
- New England – (CT, ME, MA, NH, RI, VT)
- Northwest Mountain – (CO, ID, MT, OR, UT, WA, WY)
- Southern – (AL, FL, GA, KY, MS, NC, PR, SC, TN, VI)
- Southwest – (AR, LA, NM, OK, TX)
- Western-Pacific – (AZ, CA, HI, NV)

FAA Goals:

1. Ensure that the air transport of people, services and goods is provided in a safe and secure environment
2. Preserve and upgrade the existing airport system in order to allow for increased capacity as well as to ensure reliable and efficient use of existing capacity
3. Improve the compatibility of airports with the surrounding communities
4. Provide sufficient access to an airport for the majority of American public

I. AVIATION FUNDING

Tax Table

Aviation Taxes	Comment	Tax Rate
	FREIGHT/MAIL	
Domestic Passenger Ticket Tax	Ad valorem tax	7.5% of ticket price (10/1/99 through 9/30/2007)
Domestic Flight Segment Tax	Domestic Segment = a flight leg consisting of one takeoff and one landing by a flight	Rate is indexed by the Consumer Price Index Starting 1/1/02 $3.00 per passenger per segment during calendar year (CY) 2003 $3.10 per passenger per segment during CY04 $3.20 per passenger per segment during CY05 $3.30 per passenger per segment during CY06 $3.40 per passenger per segment during CY07
Passenger Ticket Tax for Rural Airports	Assessed on tickets on flights that begin/end at a rural airport Rural airport: <100K enplanements during 2nd preceding CY, and either 1) not located within 75 miles of another airport with 100K+ enplanements, 2) is receiving essential air service subsides, or 3) is not connected by paved roads to another airport.	7.5% of ticket price (same as passenger ticket tax) Flight segment fee does not apply
International Arrival & Departure Tax	Head tax assessed on passenger arriving or departing for foreign destinations (& U.S. territories) that are not subject to passenger ticket tax	
Flights between continental U.S. and Alaska or Hawaii		Rate is indexed by the Consumer Price Index Starting 1/1/99 $6.70 international facilities tax + applicable domestic tax rate (during CY03) $6.90 international facilities tax + applicable domestic tax rate (during CY04) $7.00 international facilities tax + applicable domestic tax rate (during CY05) $7.30 international facilities tax + applicable domestic tax rate (during CY06) $7.50 international facilities tax + applicable domestic tax rate (during CY07)
Frequent Flyer Tax	Ad valorem tax assessed on mileage awards (e.g. credit cards)	7.5% of value of miles

FREIGHT/MAIL		
Domestic Cargo/ Mail		6.25% of amount paid for the transportation of property by air
AVIATION FUEL		
General Aviation Fuel Tax		Aviation Gasoline: $0.193/Gallon Jet Fuel: $0.218/Gallon
Commercial Fuel Tax		$0.043/Gallon

Funding Formula

ACIP uses the National Priority System (NPS) equation to determine the distribution of grant funds. The formula generates a number between 0 and 100 with 100 being projects most consistent with FAA goals. The NPS equation is:

(k5 x P) x [(k1 x A) + (k2 x P) + (k3 x C) + (k4 x T)] = National Priority Rating

Simplified version: 0.25P x (A + 1.4P + C + 1.2T)

K1 = 1.00 A = Airport Code

K2 = 1.40 C = Component

K3 = 1.00 P = Purpose

K4 = 1.20 T = Type

K5 = 0.25

Each of the following categories is assigned a point value which is inputted into the NPS Equation (Funding Formula).

Airport Code (A) – The Airport Code is used to identify the role and size of the airport. Airports are divided into two categories, 1. Primary Commercial Service Airports and 2. Non-Primary Commercial Service, Reliever and General Aviation

Airports. The latter are further broken down by size and based on aircraft or itinerant operations.

Component (C) – The Component identifies the physical component of the project (e.g., runway, terminal) for which the development is intended.

Purpose (P) – The Purpose identifies the objective of the project (e.g., reconstruction, safety/security).

Type (T) – The Type identifies the actual work being done (e.g., extension/expansion, improvements).

**See Exhibit 1 for point system breakdown*

Distribution of AIP Funds

From the ACIP NPS equation the AIP distributes funds into two categories; 1. Apportioned Funds also known as Entitlement Funds, and 2. Discretionary Funds. Entitlement Funds are allocated each year to specific airport sponsors, types of airports or states. Funds are available to large, medium, small hubs and non-hub airport sponsors. Unused funds remain available for 2 fiscal years with the exception of non-hub primary and non-primary airports, which are available for 3 fiscal years. Once Entitlement Funds have been distributed, the remaining balance becomes the Discretionary Fund. The amount is determined by assuring specified minimum funding levels are maintained. Discretionary Funds are limited and distribution is directed by the FAA. The minimum allocation for Discretionary Funds is $520 million per year. A breakdown of how Entitlement and Discretionary Funds are distributed as follows:

Apportioned Funds (Entitlement Funds)

Primary Airports funding is based upon number of passenger boardings at each airport. The minimum per fiscal year is $650,000 with maximum of $22,000,000 for airport sponsors. The funding level for individual airports is calculated as follows:

- $7.80 for each passenger boarding up to 50,000 passengers
- $5.20 for each additional passenger boarding up to 100,000 passengers
- $2.60 for each additional passenger boarding up to 500,000 passengers
- $0.65 for each additional passenger boarding up to 1,000,000 passengers
- $0.50 for each additional passenger boarding up from 1,000,000 passengers plus

Individual apportionments are doubled (minimum of $1,000,000, maximum of $26,000,000), if AIP funding in a fiscal year is at least $3.2 billion.

Small Airport Fund is funded by AIP apportioned fund reduction, due to Passenger Facility Charge (PFC) revenues.

Cargo Service Airport Funding allows the FAA to set aside 3.5% of the AIP funds to cargo service airports. Each cargo airport receives funds as the airport's proportion of total landed weight of cargo aircraft, to the total landed weight of cargo aircraft at all qualifying airports.

$$\text{Cargo Service Funds} = \frac{\text{Total Landed Weight of Cargo Aircraft at Individual Qualifying Airport}}{\text{Total Landed Weight of Cargo Aircraft at All Qualifying Airports}}$$

State/Insular Areas: 20% of the annual AIP grants from congress are apportioned for use at non-primary commercial service, general aviation and reliever airports within states

and insular areas. From the apportioned AIP funds, non-primary airports are entitled to an individual entitlement based on:

- Lesser of 1/5 of airport's five year capital needs (based on FAA's National Plan of Integrated Airport Systems) or $150,000.

Remaining funds are proportionally allocated to states based on:

$$\frac{\text{Land area of each state}}{\text{Total land area of U.S.}} + \frac{\text{State Population}}{\text{Total U.S. Population}}$$

If the AIP funding drops below $3.2 billion, 18.5% is allocated to the states and the non-primary airports are not provided an individual apportionment.

Alaska Supplemental Funds are apportioned by Congress and ensure at least as much funding as FY 1980 ($21 million). These apportionments ensure Alaska is receiving at minimum an allocation based on previous years under Grants-in-Aid. The funds are only received if the AIP funding level is above $3.2 billion.

Discretionary Funds

Noise Reduction: 35% of discretionary fund, are reserved for noise compatibility planning and implementation of noise compatibility programs. Entitlement funds can be used as long as the total AIP fund awarded for noise compatibility purposes equal the amount specified in legislation.

Military Airport Program (MAP): 4% of discretionary fund set aside to be used for converting military airports to civil airports in order to allow reduced congestion at existing airports.

Reliever: .66% of the discretionary fund is set aside for use at airports that meet specific requirements. The requirements are as follows:

1. More than 75,000 annual operations
2. A minimum usable runway length of at least 5,000 feet
3. A precision instrument landing procedure
4. A minimum of 100 based aircraft

Capacity/Safety/Security/Noise (C/S/S/N): 75% of the remaining discretionary funds are allocated for C/S/S/N projects. This amount includes 75% of 12.5% from PFC reduction.

The remaining discretionary funds (25% remaining from C/S/S/N usage) are available for any project at any airport in the National Plan of Integrated Airport Systems (NPIAS).

Passenger Facility Charge (PFC)

AIP funds are reduced by 50% if a PFC of $1 to $3 is charged at large or medium hub airports. A reduction up of to 75% can be imposed for PFC's above $3. The reduction is redistributed as follows:

- 87.5% to Small Airport Fund (Entitlement Fund)
- 12.5% to Capacity/Safety/Security/Noise (Discretionary Fund)

Of the 87.5% received by the Small Airport Fund, it is further distributed by the following:

- Small hub airports receive 1/7 of the 87.5%
- Non-hub airports receive 2/3 of the reminder
- Non-commercial services receive 1/3 of the reminder

II. MARITIME FUNDING

Maritime is defined as all domestic inland waterways, channels, ports, locks, dams and harbors. Maritime receives funding from three sources; Inland Waterway Trust Fund (IWTF), Harbor Maintenance Trust Fund (HMTF) and General Revenues (GR) from the government treasury. Funding levels are determined by priority project needs, annual government budget and balances within each respective trust fund. Each year Congress apportions a certain amount of funds that will be administered to the U.S. Army Corps of Engineers to be used at their discretion on project selection.

The IWTF, created in 1978, pays half the cost of the construction and major rehabilitation costs for specified federal inland waterways projects. It receives money from a tax on fuel, currently set at 20 cents per gallon, and on vessels engaged in commercial transportation on inland waterways. The Army Corps maintains more than 12,000 miles (19,200 kilometers) of inland waterways, and owns or operates 257 locks at 212 sites on inland waterways.

The HMTF and its Harbor Maintenance Tax were authorized in the Water Resources Development Act of 1986. The purpose of this tax, a 0.125% ad valorem tax levied on cargo imported or domestically moved through federally maintained channels and harbors, is to pay for Army Corps operations and maintenance of these ports and harbors. The tax is collected by the Bureau of Customs and Border Protection and directed to the Trust Fund.

A breakdown of project funding is as follows:

Commercial Projects	Federal Share of Feasibility Study	Federal Share of Construction	Federal Share of O&M
Coastal Ports			
<20 foot harbor	50% (GR)	80% (GR)	100% (HMTF)
20-45 foot harbor	50% (GR)	65% (GR)	100% (HMTF)
>45 foot harbor	50% (GR)	40% (GR)	50% (HMTF)
Inland Waterways	100% (GR)	100% (50% IWTF; 50% GR)	100% (GR)

* *The shortages in feasibility studies and construction for coastal ports must be made up by a non-federal agency*

A further break down of apportionment to the Army Corps for FY09 is as follows:

Requested Appropriations:

Investigations	$91,000,000
Construction	$1,402,000,000*
Operation and Maintenance (O&M)	$2,475,000,000**
Regulatory Program	$180,000,000
Mississippi River and Tributaries	$240,000,000
Expenses	$177,000,000
Flood Control and Coastal Emergencies	$40,000,000
Formerly Utilized Sites Remedial Action Program	$130,000,000
Assistant Secretary of the Army, Civil Works	$6,000,000
TOTAL APPROPRIATION REQUEST (Total Expense Allocations)	**$4,741,000,000**

Sources of Appropriations:

General Fund	$(3,844,000,000)
Harbor Maintenance Trust Fund	$(729,000,000)
Inland Waterways Trust Fund	$(167,000,000)
Disposal Facilities User Fees	$(1,000,000)
TOTAL APPROPRIATION REQUEST (Total Expense Allocations)	**$(4,741,000,000)**

* Includes $157,000,000 from the IWTF.

**Includes $729,000,000 from the HMTF and $10,000,000 from the IWTF.

A listing of Indiana projects slated for fiscal year 2010:

Project	Type	Preconstruction	Construction	Operation	Maintenance	Total O&M
Brookville Lake, IN	F&CSDR			$818,000	$44,000	$862,000
Burns Waterway Harbor, IN	N			$165,000		$165,000
Cagles Mill Lake, IN	F&CSDR			$888,000	$4,000	$892,000
Calumet Harbor & River, IL & IN (see Illinois)						
Cecil M Harden Lake, IN	F&CSDR			$1,020,000	$7,000	$1,027,000
Great Lakes Nav System Study, MI, IL, IN, MN, NY, OH, PA & WI (See Michigan)						
Illinois Waterway (MVS Portion), IL & IN (See Illinois)						
Indiana Harbor, Confined Disposal Facility, IN	N				$13,500,000	$13,500,000
Indiana Harbor, IN	E / N	$300,000		$2,330,000		$2,330,000
Inspection of Completed Works, IN	F&CSDR			$709,000		$709,000
Interbasin Control of Great Lakes-Mississippi River Aquatic Nuisance Species, IL, IN, OH & WI (See Illinois)						
J. Edward Roush Lake, IN	F&CSDR			$942,000	$2,000	$944,000
Little Calumet River, IN	F&CSDR		$20,000,000			
Markland Locks & Dam, KY & IL (See Kentucky)						
Mississinewa Lake, IN	F&CSDR			$934,000	$40,000	$974,000
Monroe Lake, IN	F&CSDR			$1,098,000	$3,000	$1,101,000

Ohio River Locks & Dam, KY, IL, IN & OH (See Kentucky)						
Ohio River Open Channel Work, KY, IL, IN, OH, PA & WV (See Kentucky)						
Patoka Lake, IN	F&CSDR			$884,000	$3,000	$887,000
Project Condition Surveys, IN	N			$185,000		$185,000
Salamonie Lake, IN	F&CSDR			$901,000	$3,000	$904,000
Surveillance of Northern Boundary Waters, IN	F&CSDR				$126,000	$126,000

A listing of Illinois projects slated for fiscal year 2010:

Project	Type	Survey	Preconstruction	Construction	Operation	Maintenance	Total O&M
Alton to Gale Organized Levee District, IL & MO	F&CSDR			$300,000			
Calumet Harbor & River, IL & IN	N				$310,000	$4,311,000	$4,621,000
Carlyle Lake, IL	F&CSDR				$3.499,000	$1,672,000	$5,171,000
Chain of Rocks Canal, Mississippi River, IL (DEF CORR)	F&CSDR			$6,500,000			
Chicago Harbor, IL	N				$1,851,000	$2,038,000	$3,889,000
Chicago River, IL	F&CSDR				$493,000		$493,000
Chicago Sanitary & Ship Canal Dispersal Barrier, IL	E			$5,000,000			
Des Plaines River, IL	F&CSDR			$3,300,000		$13,500,000	$13,500,000
Des Plaines River, IL (Phase II)	F&CSDR	$500,000					
East St. Louis, IL	F&CSDR			$2,000,000			

Farm Creek Reservoirs, IL	F&CSDR				$43,000	$309,000	$352,000
Great Lakes Nav. Syst. Study, MI, IL, IN, MN, NY, OH, PA & WI (See Michigan)							
Illinois River Basin Restoration, IL	E	$400,000					
Illinois Waterway (MVS Portion), IL & IN	N				$462,000	$1,286,000	$1,748,000
Illinois Waterway (MVR Portion), IL & IN	N				$18,696,000	$13,040,000	$31,736,000
Inspection of Completed Environmental Projects, IL	E					$65,000	$65,000
Inspection of Completed Works, IL	F&CSDR				$1,298,000		$1,298,000
Interbasin Control of Great Lakes – Mississippi River Aquatic Nuisance Species, IL, IN, OH & WI	E	$300,000					
Kaskaskia River Navigation, IL	N				$1,672,000	$476,000	$2,148,000
Lake Michigan Diversion, IL	N				$683,000		$683,000
Lake Shelbyville, IL	F&CSDR				$3,349,000	$2,105,000	$5,454,000
McCook and Thornton Reservoirs, IL (McCook)	F&CSDR			$25,000,000			
Miss River Btwn MO River and Minneapolis (MVR Portion), IL	N				$29,318,000	$29,396,000	$58,714,000
Miss River Btwn MO River and Minneapolis (MVS Portion), IL	N				$7,536,000	$14,691,000	$22,227,000

Miss River Btwn the Ohio and MO Rivers (REG Works), MO & IL (See Missouri)							
Ohio River Locks and Dams, KY, IL, IN & OH (See Kentucky)							
Ohio River Open Channel Work, KY, IL, IN, OH, PA & WV (See Kentucky)							
Olmsted Locks and Dam, Ohio River, IL & KY	N			$109,790,000			
Project Condition Surveys, IL	N				$104,000		$104,000
Rend Lake, IL	F&CSDR				$3,724,000	$1,662,000	$5,386,000
Surveillance of Northern Boundary Waters, IL	F&CSDR				$685,000		$685,000
Upper Mississippi River Restoration, IL, IA, MN, MO & WI	E			$20,000,000			
Waukegan Harbor, IL	N					$492,000	$492,000
Wood River Levee, IL	F&CSDR			$1,170,000			

A listing of Kentucky projects slated for fiscal year 2010:

Project	Type	Survey	Preconstruction	Construction	Operation	Maintenance	Total O&M
Barkley Dam and Lake Barkley, KY & TN	MP				$6,460,000	$3,933,000	$10,393,000
Barren River Lake, KY	F&CSDR				$2,496,000	$18,000	$2,514,000
Big Sandy Harbor, KY	N					$1,710,000	$1,710,000
Buckhorn Lake, KY	F&CSDR				$1,576,000	$9,000	$1,585,000
Carr Creek Lake, KY	F&CSDR				$1,737,000		$1,737,000
Cave Run Lake, KY	F&CSDR				$926,000		$926,000
Dewey Lake, KY	F&CSDR				$1,775,000		$1,775,000
Elvis Stahr (Hickman) Harbor, KY	N				$40,000		$40,000
Fishtrap Lake, KY	F&CSDR				$1,971,000	$200,000	$2,171,000
Grayson Lake, KY	F&CSDR				$1,709,000		$1,709,000
Green and Barren Rivers, KY	N				$1,829,000	$51,000	$1,880,000
Green River Lake, KY	F&CSDR				$2,182,000	$20,000	$2,202,000
Green River Watershed, KY	E	$200,000					
Inspection of Completed Works, KY	F&CSDR				$665,000		$665,000
Kentucky Lock and Dam, Tennessee River, KY	N				$18,696,000	$13,040,000	$31,736,000
Kentucky River, KY	N				$10,000		$10,000
Laurel River Lake, KY	MP				$898,000	$1,029,000	$1,927,000

Markland Locks and Dam, KY & IN (Rehab)	N			$1,000,000			
Martins Fork Lake, KY	F&CSDR				$674,000	$140,000	$814,000
Middlesboro Cumberland Basin, KY	F&CSDR				$93,000	$20,000	$113,000
Nolin Lake, KY	F&CSDR				$2,468,000	$9,000	$2,477,000
Ohio River Locks and Dams, KY, IL, IN & OH	N				$20,376,000	$20,372,000	$40,748,000
Ohio River Locks and Dams, WV, KY & OH (See West Virginia)							
Ohio River Open Channel Work, KY, IL, IN, OH, PA & WV	N					$5,836,000	$5,836,000
Ohio River Open Channel Work, WV, KY & OH (See West Virginia)							
Olmsted Locks and Dam, Ohio River, IL & KY (See Illinois)							
Ohio River Open Channel Work, KY, IL, IN, OH, PA & WV (See Kentucky)							
Paintsville Lake, KY	F&CSDR				$1,231,000		$1,231,000
Rough River Lake, KY	F&CSDR				$2,732,000	$10,000	$2,742,000
Taylorsville Lake, KY	F&CSDR				$1,104,000		$1,104,000
Wolf Creek Dam, Lake Cumberland, KY	F&CSDR			$123,000,000	$4,722,000	$3,113,000	$7,835,000
Yatesville Lake, KY	F&CSDR				$1,143,000		$1,143,000

A listing of Michigan projects slated for fiscal 2010:

Project	Type	Survey	Preconstruction	Construction	Operation	Maintenance	Total O&M
Channels in Lake St. Clair, MI	N				$161,000	$1,475,000	$1,636,000
Charlevoix Harbor, MI	N				$48,000	$155,000	$203,000
Detroit River, MI	N				$935,000	$4,480,000	$5,415,000
Grand Haven Harbor, MI	N				$210,000	$610,000	$820,000
Great Lakes Nav Syst Study, MI, IL, IN, MN, NY, OH, PA & WI	N	$400,000					
Holland Harbor, MI	N				$141,000	$2,010,000	$2,151,000
Inspection of Completed Works, MI	F&CSDR				$158,000		$158,000
Keweenaw Waterway, MI	N				$26,000	$11,000	$37,000
Ontonagon Harbor, MI	N				$72,000	$1,050,000	$1,122,000
Presque Isle Harbor, MI	N				$20,000	$315,000	$335,000
Project Condition Surveys, MI	N				$410,000		$410,000
Saginaw River, MI	N				$324,000	$3,300,000	$3,624,000
Sebewaing River, MI	F&CSDR					$1,200,000	$1,200,000
St. Clair River, MI	N				$183,000	$350,000	$533,000
St. Joseph Harbor, MI	N				$180,000	$575,000	$755,000
St. Marys River, Mi	MP				$9,316,000	$13,694,000	$23,010,000
Surveillance of Northern Boundary Waters, MI	F&CSDR				$2,612,000		$2,612,000

A listing of Ohio projects slated for 2010:

Project	Type	Survey	Preconstruction	Construction	Operation	Maintenance	Total O&M
Alum Creek Lake, OH	F&CSDR				$1,545,000		$1,545,000
Ashtabula Harbor, OH	N					$840,000	$840,000
Berlin Lake, OH	F&CSDR				$2,198,000		$2,198,000
Caesar Creek Lake, OH	F&CSDR				$1,478,000	$22,000	$1,500,000
Clarence J Brown Dam, OH	F&CSDR				$1,095,000	$50,000	$1,145,000
Cleveland Harbor, OH	N				$975,000	$6,382,000	$7,357,000
Conneaut Harbor, OH	N				$55,000	$1,136,000	$1,191,000
Deer Creek Lake, OH	F&CSDR				$1,481,000		$1,481,000
Delaware Lake, OH	F&CSDR				$1,322,000		$1,322,000
Dillon Lake, OH	F&CSDR				$1,366,000		$1,366,000
Dover Dam, Muskingum River, OH (Dam Safety Assurance)	F&CSDR			$18,500,000			
Great Lakes Nav Syst Study, MI, IL, IN, MN, NY, OH, PA & WI (See Michigan)							
Inspection of Completed Works, OH	F&CSDR				$555,000		$555,000

Interbasin Control of Great Lakes-Mississippi River Aquatic Nuisance Species, IL, IN, OH & WI (See Illinois)							
Lorain Harbor, OH	N				$50,000	$830,000	$880,000
Massillon Local Protection Project, OH	F&CSDR				$37,000		$37,000
Michael J Kirwan Dam and Reservoir, OH	F&CSDR				$1,089,000		$1,089,000
Mississippi Flood Control, OH	F&CSDR				$1,727,000		$1,727,000
Mosquito Creek Lake, OH	F&CSDR				$995,000		$995,000
Muskingum River Lakes, OH	F&CSDR				$7,306,000		$7,306,000
North Branch Kokosing River Lake, OH	F&CSDR				$274,000		$274,000
Ohio River Locks and Dams, KY, IL, IN & OH (See Kentucky)							
Ohio River Locks and Dams, PA, OH & WV (See Pennsylvania)							
Ohio River Locks and Dams, WV, KY & OH (See West Virginia)							

Paint Creek Lake, OH	F&CSDR				$1,216,000		$1,216,000
Project Conditions Surveys, OH	N				$295,000		$295,000
Roseville Local Protection Project, OH	F&CSDR				$35,000		$35,000
Sandusky Harbor, OH	N				$65,000	$1,400,000	$1,465,000
Surveillance of Northern Boundary Waters, OH	F&CSDR				$234,000		$234,000
Toledo Harbor, OH	N				$535,000	$4,499,000	$5,034,000
Tom Jenkins Dam, OH	F&CSDR				$894,000		$894,000
West Fork of Mill Creek Lake, OH	F&CSDR				$698.000	$47,000	$745,000
William H Harsha Lake, OH	F&CSDR				$1,019,000	$10,000	$1,029,000

Key To Abbreviations

E - Environmental Restoration

F&CSDR - Flood And Coastal Storm Damage Reduction

H - Hydropower

N - Navigation

Rec - Recreation

Mp - Multi-Purpose

III. RAILWAYS

Railways is defined as domestic commercial railroads, cars and connecting facilities. Indiana railway funding comes in the form of either grants or loans to operating entities. Specifically grants are funded through the Indiana Industrial Rail Service Fund (IRSF) while loans are funded through the Federal Transportation Infrastructure Finance and Innovation Act (TIFIA) and the Railroad Rehabilitation and Improvement Financing (RRIF).

State

Grants are distributed through the Indiana Industrial Rail Service Fund program (IRSF). The IRSF receives its funding from Indiana sales tax of which 0.029% is designated for the grants. To be eligible for a grant the operators must be Class II or Class III railroads, and port authorities. These railroad class designations are set by the Surface Transportation Board (STB) and are based upon annual revenues adjusted for inflation.

Grants through the Industrial Rail Service Fund program can be used for the rehabilitation of railroad infrastructure or railroad construction. Examples of projects include bridge deck repair, new ties and ballast and accepted track upgrades. Railroads are limited to a grant award that does not exceed 75% of the total cost of the project. The maximum grant award for a railroad in fiscal year 2009, July 1, 2008 – June 30, 2009, is $375,000.00. Port authorities are limited to a grant award not to exceed 20% of the gross sales tax receipts deposited in the state fiscal year (2008) before the fiscal year (2009) the grant is made. The maximum grant amount available for Port Authorities for FY09 is $373,000.00.

Indiana IRSF grants awarded for 2009 is as follows:

Railroad	Amount Requested	Project County	Award Amount
Central Indiana & Western	$299,545.56	Madison	$299,545.56
Hoosier Southern Railroad	$373,000.00	Perry	$373,000.00
Indiana Eastern Railroad	$100,000.00	Wayne	$100,000.00
Indiana Northeastern Railroad Co.	$300,000.00	Lagrange/Steuben	$300,000.00
Indiana Southwestern Railway	$176,708.00	Vanderburgh	$176,708.00
Winamac Southern Railway	$266,727.00	Cass	$266,727.00
Kankakee, Beaverville & Southern	$375,000.00	Benton	$184,019.44
		Funds Exhausted	**$1,700,000.00**

**A breakdown of the Indiana IRSF grant funding point system is in Exhibit 3*

Federal

Loans are administered through two programs: the Transportation Infrastructure Finance and Innovation Act (TIFIA) and Railroad Rehabilitation and Improvement Financing (RRIF).

TIFIA

TIFIA is a Federal credit program for eligible transportation projects of national or regional significance under which the US Department of Transportation may provide three forms of credit assistance: secured (direct) loans, loan guarantees, and standby lines of credit. The USDOT awards credit assistance to eligible applicants, which include state departments of transportation, transit operators, special authorities, local governments, and private entities. Through TIFIA, the DOT provides Federal credit assistance to eligible highway, transit,

rail, and intermodal freight projects, including access to seaports. Through SAFETEA-LU, Congress authorized $122 million for each Federal fiscal year from 2005 through 2009. This funding amount can support more than $2 billion of average annual credit assistance.

DOT will initially approve project and determine its subsidy based up the following criteria:

- Project Cost
- Rating Opinion
- Planning Requirements
- Credit Assistance Request
- Repayment Source
- Environmental Review
- TIFIA Compliance Certifications
- Other Compliance Issues

DOT concurrently evaluates the strength of applications based up the following criteria and weights:

- Significance (20%)
- Private Participation (20%)
- Environment (20%),
- Project Acceleration (12.5%)
- Creditworthiness (12.5%)
- Use of Technology (5%)
- Consumption of Budget Authority (5%)
- Reduced Federal Grant Assistance (5%)

RRIF

The RRIF program is intended to make funding available through loans and loan guarantees for railroad capital improvements. The funds may be used by the following entities:

- State and Local Governments
- Government Sponsored Authorities
- Corporations, Railroads, Joint Ventures that Include at Least One Railroad, and limited option freight shippers who intend to construct a new rail connection

The following purposes are eligible for direct loans and loan guarantees:

- Acquire, improve, or rehabilitate intermodal or rail equipment or facilities, including track, components of track, bridges, yards, buildings, and shops
- Refinance outstanding debt incurred for the purpose described above
- Develop or establish new intermodal or railroad facilities
- Direct loans and loan guarantees are not to be used for railroad operating expenses

Under the RRIF, direct loans and loan guarantees of up to $35 billion at any one time are available. Of this amount, at least $7 billion is solely available for projects primarily benefiting freight railroads other than Class I carriers. Direct loans can fund up to 100% of a railroad project with repayment periods of up to 35 years and interest rates equal to the cost of borrowing to the government.

Project Selection

Loans are to be used to acquire, improve, develop or rehabilitate intermodal or rail equipment facilities, including track, bridges, yards, and shops. Proposed projects have to meet the following criteria:

- Enhance public safety and the environment
- Promote economic development
- Enable US companies to be more competitive in international markets
- Are endorsed in state and local transportation plans
- Preserve or enhance rail or intermodal service to small communities or rural areas
- Enhance service and capacity in the national rail system
- Would materially alleviate rail capacity problems which degrade the provision of service to shippers and would fulfill a need in the national transportation system

IV. ROADWAY FUNDING

Roadways are defined as domestic interstates, highways, roads, bridges, rail-highway crossings and recreational trails. Roadways are funded through the Federal legislation; Safe, Accountable, Flexible, Efficient, Transportation Equity Act–a Legacy for Users (SAFETEA-LU), that was passed in 2005 which guarantees funding for highways, highway safety and public transportation in the amount of $180 billion for fiscal years 2005 – 2009.

Tax Revenues

SAFETEA-LU is funded by the highway account of the Highway Trust Fund, which is in turn funded by the motor fuel tax (gas tax). A breakdown of the gas tax and its distribution is as follows:

			Highway Trust Fund Accounts			
User Fee	Tax Rate	Effective Date	**Highway Account****	**Mass Transit Account**	Leaking Underground Storage Tank Trust Fund	General Fund
			Fuel Taxes (Cents per Gallon)			
Gasoline	18.3 18.4	1/1/1996 10/1/1997	12 15.44	2 2.86	- 0.1	4.3 -
Diesel Fuel	24.3 24.4	1/1/1996 10/1/1997	18 21.44	2 2.86	- 0.1	4.3 -

* *Additional tax revenue generated in: Special Fuels, Neat Alcohol, Compressed Natural Gas and Gasohol*

***Other taxes funding Highway Account, Tire Sales, Truck and Trailer Sales and Heavy-use Vehicle Sales*

Gasoline, Diesel and Kerosene tax revenue is generated when the fuels are removed from a refinery or registered pipeline or barge terminal. Typically, these fuels are transferred by pipeline or barge in large quantities (bulk) to terminal storage facilities that are geographically located closer to destination retail markets. A fuel is taxed when it breaks bulk, ***i.e.,*** when it is removed from the refinery or terminal, typically by truck or rail car, for delivery to a smaller wholesale facility or a retail outlet. Once at the retail outlet the gas tax is then passed to the consumer at the pump.

Tax is also imposed on the entry into the United States of any taxable fuel for consumption, use, or warehousing. This tax does not apply to any entry of a taxable fuel transferred in bulk to a terminal or refinery if the person entering the taxable fuel and the operator of such terminal or refinery are registered. As with non-imported fuel, the fuel is taxed once it breaks bulk.

Funding Formulas

The United States Department of Transportation Federal Highway Administration apportions the SAFETEA-LU funds into twelve categories for roadway transportation and an additional equity bonus program. Each of the twelve categories has its own funding formula that determines how much Indiana receives for each particular category. The 12 apportionment categories include:

1. Interstate Maintenance
2. National Highway System
3. Surface Transportation Program
4. Highway Bridge
5. Congestion Mitigation and Air Quality Improvement
6. Recreational Trails
7. Metropolitan Planning
8. Highway Safety Improvement
9. Railway-Highway Crossing
10. Safe Routes to Schools
11. Appalachian Highway System*
12. Coordinated Border Infrastructure*

* *Formulas for Appalachian Highway System and Coordinated Border Infrastructure are not included in Indiana apportionments*

The first apportionment category is Interstate Maintenance. In 2008 Indiana received $131,850,447. The Interstate Maintenance category provides funding for resurfacing, restoring, rehabilitating and reconstructing of most routes on the Interstate Highway System. States may transfer up to 50% of their Interstate Maintenance apportionment to the following five categories: 1. National Highway System; 2. Surface Transportation; 3. Congestion Mitigation and Air Quality Improvement; 4. Highway Bridge Replacement and Rehabilitation; or 5. Recreational Trails apportionments. Interstate Maintenance funds may not be used on a facility where tolls are being collected under the Interstate System Reconstruction and Rehabilitation Pilot Program or the Interstate System Construction Toll Pilot Program.

The funding formula for Indiana Interstate Maintenance fund:

$$\frac{\text{\# of Interstate Lane Miles}}{\text{Total U.S. Lane Miles}} * 33.3 + \frac{\text{\# Interstate Vehicle Miles Traveled}}{\text{Total U.S. Vehicle Miles Traveled}} * 33.3 + \frac{\text{\# of Commercial Vehicle Contribution}}{\text{Total U.S. Commercial Vehicle Contributions}} * 33.3$$

= State Factor for Each States % of Interstate Maintenance Apportionment

State Factor * Apportionment for Interstate Maintenance

= State's Base Apportionment (Base adjusted for .50 % minimum apportionment for all States

Adjusted Base

(-) Less .205% for FSHRP

(+) Plus Equity Bonus

(-) Less 2% to SPR

(-) Less 10% Limiting Amount

(=) Apportionment Available for Indiana Use

* *Definitions for Interstate Lane Miles, Interstate Vehicle Miles Traveled, Commercial Vehicle Contributions, FSHRP and SPR are in Exhibit 2.*

2008 Example for Indiana:

$$\frac{5{,}015}{211{,}595} * 33.3 + \frac{16{,}290}{727{,}566} * 33.3 + \frac{461{,}246}{13{,}600{,}520} * 33.3 = 0.026668$$

Initial Factor = 0.026681

Total U.S. Apportionment for Interstate Maintenance = $4,959,606,157

0.0266681 * $4,959,606,157 = Base Apportionment

Base Apportionment = $132,130,279

The second apportionment is the National Highway System (NHS). In 2008 Indiana received $134,880,355. The program provides funding for improvements to rural and urban roads that are part of the NHS, including the Interstate System and designated connections to major intermodal terminals. Under certain circumstances, NHS funds may also be used to fund transit improvements in NHS corridors. Additional uses of the fund are environmental restoration, pollution abatement and control of terrestrial and aquatic noxious weeds and establishment of native species.

The funding formula for Indiana National Highway System fund:

$$\frac{\text{\# of State Other Principle Arterial Lane Miles}}{\text{Total U.S. Other Principle Lane Miles}} * 25\% +$$

$$\frac{\text{\# of State Other Principle Arterial Miles Traveled}}{\text{Total U.S. Other Principle Lane Miles}} * 25\% +$$

$$\frac{\text{Amount of State Diesel Fuel Usage}}{\text{Total U.S. Diesel Fuel Usage}} * 35\% +$$

$$\frac{\text{(State Principal Lane Miles} \div \text{State Population)}}{\text{Total for U.S.}} *10\%$$

= Factor for Each States % of National Highway System Apportionment

State Factor * Apportionment for National Highway System

= State's Base Apportionment (base adjusted for .50% minimum apportionment for all States)

Adjusted Base

(-) Less .205% for FSHRP

(+) Plus Equity Bonus

(-) Less 2% to SPR

(-) Less 10% Limiting Amount

(=) Apportionment Available for Indiana Use

* *Definitions of Other Principal Arterial Lane Miles, Other Principal Arterial Vehicle Miles Traveled, State Principle Lane Mile, FSHRP and SPR are in Exhibit 2.*

The third apportionment is the Surface Transportation Program. In 2008 Indiana received $152,778,230. The Surface Transportation Program provides flexible funding that may be used by States and localities for projects on any Federal-aid highway (highways that cross state lines), including the National Highway System, bridge projects on any public road, transit capital projects, and intracity and intercity bus terminals and facilities.

The funding formula for Indiana Surface Transportation Program fund:

$$\frac{\text{\# of State Federal-Aid Lane Miles}}{\text{Total U.S. Federal-Aid Lane Miles}} * 25\% + \frac{\text{\# of State Federal-Aid Vehicle Miles Traveled}}{\text{Total U.S. Federal-Aid Vehicle Miles Traveled}} * 33.3\% + \frac{\text{Amount of State Highway Account Contributions}}{\text{Total U.S. Highway Account Contributions}}$$

= Factor for each state's percentage of Surface Transportation Apportionment

State Factor * Apportionment for Surface Transportation

= State's Base Apportionment (Base adjusted for .50 % minimum apportionment for all States

Adjusted Base

(-) Less .205% for FSHRP

(+) Plus Equity Bonus

(-) Less 2% to SPR

(-) Less 10% Limiting Amount

(=) Apportionment Available for Indiana Use

(-) Less Limiting Amounts USC

0.25% Sec 143

0.50% Sec 140

0.50% Sec 504

0.10% Sec 120

0.10% Sec 1502

(-) Less 10% for Transportation Enhancement

(=) STP Available for Distribution by Population

62.5% Distributed to STP population focus based upon 2000 Census. Populations 1.) over 200k, 2.) 200k to 5k and 3.) 5k and under

1. Population over 200k apportionment: Apportionment available for Indiana use * percent of population in area over 200k
2. Population between 200k and 5k: Apportionment based on % of population 200k and 5k in total residence
3. Population under 5k: Minimum apportionment based on FY91 apportionments for secondary systems * 1.10

37.5% Distributed to all other areas of the State

* *Definitions of Other Principal Arterial Lane Miles, Other Principal Arterial Vehicle Miles Traveled, State Principle Lane Mile, FSHRP and SPR are in Exhibit 2.*

The fourth apportionment is the Highway Bridge Program. In 2008 Indiana received $53,888,776. The Highway Bridge Program provides funding to enable States to improve the condition of their highway bridges through replacement, rehabilitation, and systematic preventive maintenance.

The funding formula for Indiana Highway Bridge fund:

$$\frac{\text{State Repair/Replace Cost of Highway Bridges}}{\text{Total Repair/Replace Cost for U.S.}} = \text{Initial Factor of Apportionment}$$

Factor redistribute to ensure .25 minimum factor for all States

(=) Equals Final Factor for Apportionment

(*) Times Total U.S. Highway Bridge Apportionment

(=) Equals States Base Apportionment

(-) Less .205% for FSHRP

(+) Plus Equity Bonus

(-) Less 2% to SPR

(=) Equals Apportionment Available for Indiana Use

15% of Apportionment for Mandatory use Off-System

85% of Apportionment for Optional use On/Off-System

The fifth apportionment is the Congestion Mitigation and Air Quality Improvement Program (CMAQ). In 2008 Indiana received $31,203,124. The CMAQ provides funding for projects and programs in air quality nonattainment and maintenance areas for ozone, carbon monoxide (CO), and particulate matter (PM-10, PM-2.5) which reduce transportation related emissions. A State may transfer CMAQ funds to its Surface Transportation, National Highway System, Interstate Maintenance, Bridge, Highway Safety Improvement, and/or Recreational Trails apportionment. The amount that may be transferred may not exceed 50% of the amount by which the State's CMAQ apportionment for the fiscal year exceeds the amount the State would have been apportioned if the program had been funded at $1.35 billion annually. States and MPOs will give priority in distributing funds

for projects and programs to diesel retrofits and other cost-effective emission reduction activities, and cost-effective congestion mitigation activities that provide air quality benefits.

The funding formula for Indiana Congestion Mitigation and Air Quality Improvement fund:

$$\frac{\text{Weighted Population of State}}{\text{Total Population for U.S.}}$$

(=) Equals Initial Factor

Factor Redistributed to ensure .50% minimum factor for all State

(=) Final Factor for Apportionment

(x) Times CMAQ Total U.S. Apportionment

(=) Equals States Base CMAQ Apportionment

(-) Less .205% for FSHRP

(+) Plus Equity Bonus

(-) Less 2% to SPR

(-) Less Limiting Amount

10% 23 USC; Sec. 120

10% P.L. 109-59; Sec. 1502

(=) Equals Apportionment Available for Indiana Use

The sixth apportionment is the Recreational Trail Program (RTP). In 2008 Indiana received $1,301,307. The RTP provides funds to the States to develop and maintain recreational trails and trail-related facilities for both non-motorized and motorized recreational trail uses. Examples of trail uses include hiking, bicycling, in-line skating, equestrian use, cross-country skiing, snowmobiling, off-road motorcycling, all-terrain vehicle riding, four-wheel driving, or using other off-road motorized vehicles.

The funding formula for Indiana Recreational Trails fund:

States Eligible for Factor of 1.9807843

Each State Gets Initial Partial Apportionment of $776,078

$$\frac{\text{Off Road Recreational Fuel Usage}}{\text{Total US Off-Road Recreational Fuel Usage}}$$

(=) Equals States Base Factor

(x) Times Total U.S. Recreational Trails Apportionment

(+) Plus Partial Apportionment of $776,078

(=) States Base Apportionment

(-) Less Limiting Amount

7% for 23 USC; 206

5% for 23 USC; 206

10% for 23 USC; 120

(=) Equal Apportionment Available for Indiana Use

The seventh apportionment is Metropolitan Planning. In 2008 Indiana received $5,068,929. The metropolitan planning process establishes a cooperative, continuous, and comprehensive framework for making transportation investment decision in metropolitan areas. Program oversight is a joint Federal Highway Administration/Federal Transit Administration responsibility.

The funding formula for Indiana Metropolitan Planning fund:

$$\frac{\text{Amount of State Population in Urbanized Areas}}{\text{Total U.S. Population in Urbanized Areas}}$$

(=) Equals Initial Factor

Adjusted to Ensure a .5% Minimum Factor for Each State

(x) Times Total U.S. Apportionment for Metropolitan Planning

(=) Equals Apportionment Available for Indiana Use

** Definition for Urbanized Areas is included in Exhibit 2*

The eighth apportionment is Highway Safety Improvement. In 2008 Indiana received $20,724,638. The program purpose is to achieve a significant reduction in traffic fatalities and serious injuries on all public roads.

The funding formula for Indiana Highway Safety Improvement fund:

$$\frac{\text{\# of State Federal Lane Miles}}{\text{Total US Federal Aid Lane Miles}} * 33\% + \frac{\text{\# of State Federal-Aid Vehicle Miles Traveled}}{\text{Total U.S. Federal Aid Vehicle Miles Traveled}} * 33\% + \frac{\text{\# of State Federal Aid Highway Fatalities}}{\text{Total U.S. Federal Aid Highway Fatalities}} * 33\%$$

(=) Equals Initial Factor for State Apportionment

Adjusted to Ensure .75% Minimum Factor for Each State

(x) Times Total U.S. Apportionment for Highway Safety Improvement

(=) Equals States Base Apportionment

(-) Less .205% for FSHRP

(+) Plus Equity Bonus

(-) Less 2% to SPR

(-) Less Final Factor x90m Set Aside for High Risk Rural Roads

(=) Apportionment Available for Indiana Use

The ninth apportionment is Railway-Highway Crossing. In 2008 Indiana received $7,204,490. The purpose is to reduce the number of fatalities and injuries at public highway-rail grade crossings through the elimination of hazards and/or the installation/upgrade of protective devices at crossings.

The funding formula for Indiana Railway-Highway Crossing fund:

$$\frac{\text{\# of State Public Railway-Highway Crossings/ Total U.S. Public Railway-Highway Crossings}}{2} + \frac{\text{Initial Surface Transportation Factor}}{2}$$

(=) Equal to Initial Factor for State Apportionment
Adjusted to Ensure .50% Minimum Factor for Each State
(x) Times Total U.S. Apportionment for Public Railway-Highway Crossings
(=) States Base Apportionment
50% for Protective Devices
50% for Flexible Spending
2% Limiting Amount for Data Compilation and Analysis
(=) Equals Apportionment Available for Indiana Use

* *Definition for Railway-Highway Crossings is in Exhibit 2*

The tenth apportionment is Safe Route to School. In 2008 Indiana received $2,994,241. The program is set up to enable and encourage children, including those with disabilities, to walk and bicycle to school; to make walking and bicycling to school safe and more appealing; and to facilitate the planning, development and implementation of projects that will improve safety, and reduce traffic, fuel consumption, and air pollution in the vicinity of schools.

The funding formula for Indiana Safe Route to School fund:

$$\frac{\text{\# of State Public and Private School Enrollments}}{\text{Total U.S. Public and Private School Enrollments}}$$

(=) Equals Base Factor for Apportionments

(x) Times Total U.S. Apportionments for Safe Routes to School

(=) Initial State Apportionment

Adjusted to Ensure Each State Receives Minimum of $1,000,000

(=) Equals Apportionment Available for Indiana Use

10% Mandatory Spending on Non-Infrastructure Projects

70% Mandatory Spending on Infrastructure Projects

20% Optional Spending on Either

The final apportionment, Equity Bonus, is an apportionment based off the core programs of Interstate Maintenance (IM), National Highway System (NHS), Bridge, Surface Transportation (STP), Highway Safety Improvement (HSIP) and Congestion Mitigation and Air Quality Improvement (CMAQ). This apportionment is divided amongst these core programs based upon the percentage of each core programs apportionment compared

to the state's total apportionment. Selected States are guaranteed a share of apportionments and High Priority Projects not less than the State's average annual share under TEA-21. In 2008 Indiana received $372,207,495.

The funding formula for Indiana Equity Bonus fund:

$$\frac{\text{Previous FY State Contribution to Highway Trust Fund}}{\text{Total U.S. Highway Trust Fund Contributions}}$$

(x) Times 92% Minimum Share

(=) Initial Factor

Each State is Then Graded Against Criteria to Determine if Eligibility to TEA-21 Program Share

Criteria Based Upon % of

Population Density Less Than (<) 40

Federal Land Ownership Greater Than (>) 1.25%

Population Less Than (<) 1 Million

Median Household Income Less Than (<) $35,000

2002 Fatalities Per 100 Vehicle Miles Traveled Less Than (>) 1

Indexed State Motor Fuel Tax Greater Than (>) 150%

If Yes to 2 or More of the Criteria Above; Average from TEA-21 Program Used as % Share

If No State Criteria, Use Initial Factor

TEA-21 Average Apportionments

(x) Times 120%

(=) Equals Floor for Apportionments

State Apportionments for all Categories

Total U.S. Apportionments for all Categories

(=) Equals Apportionment Share

If Initial Factor is Greater than Apportionment Share, Use Initial Factor

Initial Factor

(x) Times Iteration #1

(=) Equals Target Apportionment

-Formula continued on next page

If Minimum Shares are Below Apportionment Share, Use TEA-21 Floor for Target Apportionment

Iterate Five Times to get all State below Minimum Apportionment Share by Using Floor Apportionment

(=) Equals Final Target Apportionment

(-) Less Total State Apportionment with all Categories

(=) Equals Equity Bonus Distribution

Equity Bonus Distribution

(-) Less Exemption from Limitation

$639 Million x % Share of Equity Bonus (State Equity Bonus/Total for U.S. Equity Bonus)

(-) Less Special Limitation

$2 Billion x % of Equity Bonus

(=) Equals Amount for Programmatic Distribution (Core Program)

Interstate Maintenance

National Highway System

Surface Transportation Program

Highway Bridge Program

Congestion Mitigation and Air Quality Improvement

Highway Safety Improvement

The % Share of each Category the State's Entire Apportionment used to Distribute Equity Bonus to Core Programs

** Definition for TEA-21 is in Exhibit 2*

The grand total for Indiana's 2008 apportionments is $914,102,032.

Legislation mandates each state receive a minimum percentage regardless of what their true factor is calculated as. Once the initial factor has been calculated the minimum percentage is added to states initial factor below minimum. After which the initial factor for all other states is recalculated (decreased) to cover this adjustment.

Note on SAFETEA-LU

With SAFETEA-LU set to expire this year, there is a risk that these funding formulas could be obsolete. If Congress decides to reauthorize or extend SAFETEA-LU then, these formulas will remain constant. If Congress determines to change the SAFETEA-LU program in favor of a new law, the formulas could change. Therefore these formulas will no longer remain valid. The other item to note is that SAFETEA-LU is not set up to fund major projects. Major projects are anything other than normal wear, minor repairs and upkeep.

SAFETEA-LU's primary function is to maintain the current roadway's upkeep of minor projects of the roadway systems. For Indiana, major projects will need other government funding sources such as: Major Moves, ear marks and government stimulus money.

V. EXHIBITS

Exhibit 1 – Aviation Point System Break Down

A = Airport Code

This is used to identify the role and size of the airport. Each airport is assigned points between 2 and 5.

Primary Commercial Service Airports

A – Large and Medium Hub	= 5 points
B – Small and Non Hub	= 4 points

Non-Primary Commercial Service, Reliever, and General Aviation Airports

Based Aircraft/Itinerant Operations

A -	100	or	50,000	= 5 points
B -	50	or	20,000	= 4 points
C -	20	or	8,000	= 3 points
D -	<20	or	< 8,000	= 2 points

P = Purpose Points (0 to 10 points)
Identifies the underlying objective of an airport development project.

CA = Capacity	= 7 points
EN = Environment	= 8 points

OT = Other	= 4 points
PL = Planning	= 8 points
RE = Reconstruction	= 8 points
SA = Safety/Security	= 10 points
SP = Statutory Emphasis Programs	= 9 points
ST = Standards	= 6 points

C = Component Points (0 to 10 points)
Identifies the physical component (e.g., runway), for which the development is intended.

AP = Apron	= 5 points
BD = Building	= 3 points
EQ = Equipment	= 8 points
FI = Financing	= 0 points
GT = Ground Transportation	= 4 points
HE = Helipad	= 9 points
HO = Homes	= 7 points
LA = Land	= 7 points
NA = New Airport	= 4 points
OT = Other	= 7 points
PB = Public Building	= 7 points
PL = Planning	= 7 points

T = Type Points (0 to 10 points)
Identifies the actual work being done (e.g., extension).

60 = Outside 65 DNL	= 0 points
65 = 65-69 DNL	= 4 points
70 = 70-74 DNL	= 7 points
75 = Inside 75 DNL	= 10 points
AC = Access	= 7 points
AD = Administration Costs	= 0 points
AQ = Acquire Airport	= 5 points
BO = Bond Retirement	= 0 points
CO = Construction	= 10 points
DI= De-Icing Facilities	= 6 points
DV = Development Land	= 6 points

EX = Extension/Expansion	= 6 points
FF = Fuel Farm Development	= 2 points
FR = RW Friction	= 9 points
IM = Improvements	= 8 points
IN = Instrument Approach Aid	= 7 points
LI = Lighting	= 8 points
MA = Master Plan	= 9 points
ME = Metropolitan Planning	= 7 points
MS = Miscellaneous	= 5 points
MT = Mitigation	= 6 points
NO = Noise Plan/Suppression	= 7 points
OB = Obstruction Removal	= 10 points
PA = Parking	= 1 points
PM = People Mover	= 3 points
RF = ARFF Vehicle	= 10 points
RL = Rail	= 3 points
SE = Security Improvement	= 6 points
SF = RW Safety Area	= 8 points
SG = RW/TW Signs	= 9 points
SN = Snow Removal Equipment	= 9 points
SR = Sensors	= 8 points
ST = State Planning	= 8 points
SV = Service	= 6 points
SZ = Safety Zone (RPZ)	= 8 points
VI = Visual Approach Aids	= 8 points
VT = Construct/Tol RW/Vert Plan	= 2 points
WX = Weather Reporting Equipment	= 8 points

Exhibit 2 – Definitions

Interstate Lane Miles – Number of miles in a state designated for interstate driving use

Commercial Vehicle Contributions – Payments made to the Highway Trust Fund for Truck and Trailer interstate usage

Interstate Vehicle Miles Traveled – Estimate usage of interstate miles per year in millions

Other Principle Arterial Lane Miles – Highways that provide access between arterials and a major port, airport, public transportation facility or other intermodal transportation

Other Principle Arterial Vehicle Miles Traveled – Estimated usage of in miles per year (millions) for other principle arterial lanes

Federal-Aid Lane Miles – as all roads minus local roads and rural minor collectors

Federal-Aid Vehicle Miles Traveled – Estimate usage of Federal-Aid miles per year in millions

Urbanized Area – Having a population of five thousand or more and not within any urbanized area, within boundaries to be fixed by responsible State and local officials in cooperation with each other

TEA-21 – Transportation Equity Act for the 21st Century was enacted June 9, 1998, authorizes the Federal surface transportation programs for highways, highway safety, and transit for the 6-year period 1998-2003

FSHRP – Future Strategic Highway Research Program. Federal program for highway planning

SPR – State Planning Research. Each state is allowed to use 2% of apportionment for planning and research

Exhibit 3 – Railway Point System

Industrial Rail Service Fund Scorecard			
Project Description – Select from Section A or B (25 points maximum)			
A.) Project Improves a Rail Segment to 286k Capacity			
	>10 miles	25 pts	
	5 – 9.99 miles	23 pts	
	1 – 4.99 miles	21 pts	
	< 1 mile	19 pts	

B.)	Construct a new Industrial Sidetrack or Siding for a Business	17 pts	
	Rehab Project Increasing Class I to Class II Track	15 pts	
	Rehab Project Increasing Excepted to Class I Track	13 pts	
	Other Rehab Projects on Corridor Class I Track	7 pts	
	Other Rehab Projects on Corridor Class II Track	5 pts	

Existing Economic Indicators (40 points maximum)

Class II Three Year Average Annual Rail Cars Moved per Track Mile	<30	30-60	61-100	101-300	301 +
	2 points	10 points	7 points	4 points	2 points
Class II Railroad	Is not eligible for additional points based on carloads/mile				
Job Growth of Business on Line in Last Year (excluding FY08 IRSF awardees)	Less Than 6			0 pts	
	6 -20 jobs			3 pts	
	21 – 50 jobs			5 pts	
	51 – 100 jobs			7 pts	
	101 – 200 jobs			10 pts	
	201 – 400 jobs			15 pts	
	401 – 700 jobs			20 pts	
	> 700 jobs			25 pts	

Railroad Organization	Individual Railroad	Subsidiary-3 or Less Railroads	Subsidiary-4 or Less Railroads
Operating in Indiana	5 points	3 points	1 points

INDOT's Mission Statement Alignment (15 points maximum)

FRA Reportable Derailments and/or injuries	1 or less	5 pts	1.1 to 4	3 pts	>4	0 pts
Is the Project in an Ozone Attainment Area	Non-attainment	4 pts	Maintenance	2 pts	Attainment	0 pts

Does the Dept. of Agriculture Support the Project	Yes	6 pts	No			

Other Considerations (10 points maximum)

Compliant with Filings or IRSF Loan Payments on Time and Crossing Surfaces in Good Condition	3 pts
Late with Filings or IRSF Loan Payments and Crossing Surfaces in Good Condition	2 pts
Late with Filings or IRSF Loan Payments or One Crossing Surfaces in Poor Condition	1 pts
Late with Filings or IRSF Loan Payments or Multiple Crossing Surfaces in Poor Condition	0 pts

Railroad Contribution	25% - 30%	31% - 40%	41% - 50%	51% or higher
	1 pts	3 pts	5 pts	7 pts

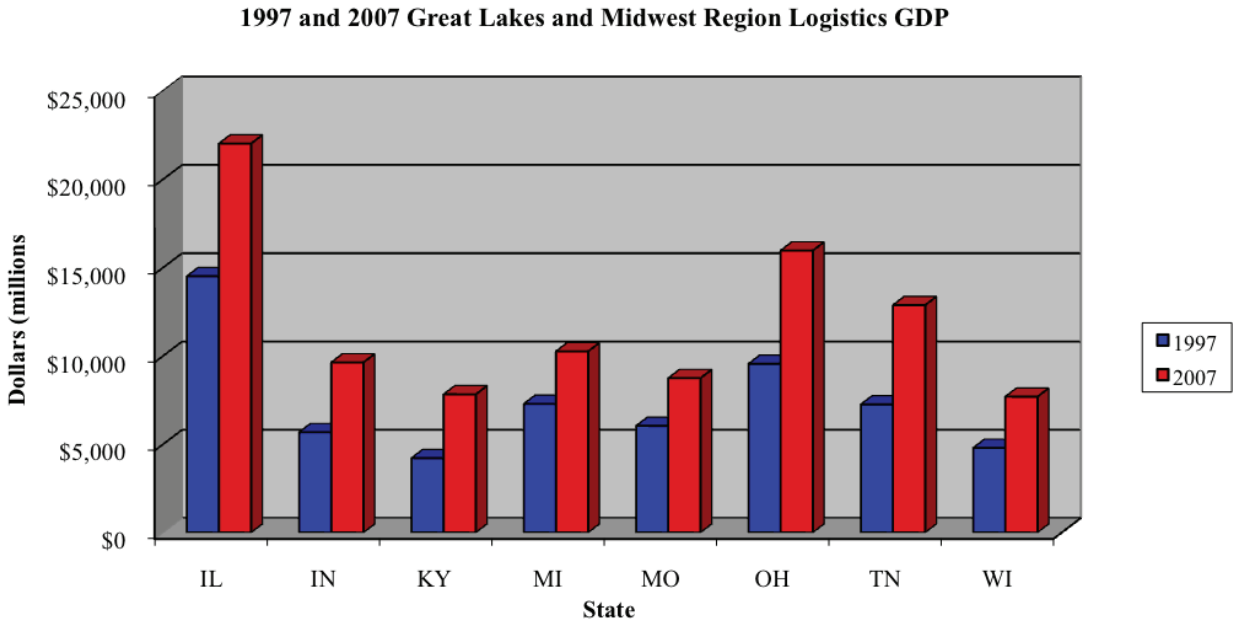
RATE OF RETURN AND 5 YEAR FUNDING COMPARED TO TEA-21 FY 2005-2009 APPORTIONMENTS FOR RTA-000-1661

State	Average Annual Funding				Rate of Return						
	TEA 21	Scenario	Delta	% Change	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
Alabama	558,328,105	727,629,138	169,301,033	30.32%	100.39%	100.67%	103.75%	105.26%	106.51%	106.91%	106.91%
Alaska	326,827,381	425,930,781	99,103,400	30.32%	567.34%	505.34%	524.12%	524.60%	526.30%	526.85%	526.85%
Arizona	463,157,671	651,471,647	188,313,975	40.66%	90.50%	90.50%	90.50%	90.50%	91.50%	92.00%	92.00%
Arkansas	365,575,583	476,428,545	110,852,962	30.32%	96.91%	95.47%	101.09%	103.06%	104.85%	105.44%	105.44%
California	2,553,243,954	3,429,117,834	875,873,879	34.30%	90.50%	90.50%	90.50%	90.50%	91.50%	92.00%	92.00%
Colorado	334,594,734	491,008,545	156,413,812	46.75%	90.50%	90.50%	90.50%	90.50%	91.50%	92.00%	92.00%
Connecticut	416,387,905	495,501,606	79,113,702	19.00%	142.72%	135.75%	134.45%	136.09%	131.65%	128.69%	128.49%
Delaware	121,404,732	158,218,115	36,813,383	30.32%	166.25%	159.24%	157.97%	161.05%	163.21%	163.92%	163.92%
Dist. of Col.	108,507,402	151,757,154	43,249,752	39.86%	335.54%	347.70%	423.13%	440.27%	429.70%	423.03%	425.03%
Florida	1,303,522,941	1,736,113,000	432,590,059	33.19%	90.50%	90.50%	90.50%	90.50%	91.50%	92.00%	92.00%
Georgia	965,048,097	1,271,268,095	286,219,998	29.06%	90.50%	90.50%	90.50%	90.50%	91.50%	92.00%	92.00%
Hawaii	141,958,070	168,930,103	26,972,033	19.00%	208.46%	194.61%	182.75%	185.54%	179.55%	175.54%	175.26%
Idaho	212,310,656	276,689,313	64,378,657	30.32%	134.84%	133.77%	137.97%	140.66%	143.01%	143.78%	143.78%
Illinois	927,169,304	1,236,321,679	309,152,375	33.34%	93.04%	96.97%	92.97%	90.50%	91.50%	92.00%	92.00%
Indiana	660,387,364	889,262,843	228,875,479	34.66%	91.32%	92.28%	90.50%	90.50%	91.50%	92.00%	92.00%
Iowa	329,554,208	412,463,273	82,909,065	25.16%	105.62%	105.43%	100.97%	96.79%	91.50%	92.00%	92.00%
Kansas	321,304,097	383,140,608	61,836,511	19.25%	106.97%	114.28%	103.44%	102.39%	97.53%	95.01%	95.53%
Kentucky	485,461,684	632,667,536	147,205,852	30.32%	90.50%	91.50%	94.56%	95.22%	95.92%	96.14%	96.14%
Louisiana	445,088,558	580,052,125	134,963,567	30.32%	90.50%	90.50%	95.16%	95.31%	95.44%	95.48%	95.48%
Maine	146,044,554	190,076,692	44,032,138	30.15%	94.74%	104.76%	94.42%	98.44%	96.54%	96.62%	96.47%
Maryland	443,219,686	583,166,623	139,946,938	31.58%	90.50%	90.50%	90.50%	90.50%	91.50%	92.00%	92.00%
Massachusetts	515,085,233	615,685,617	100,600,384	19.53%	96.71%	94.90%	94.74%	96.13%	93.12%	92.00%	92.00%
Michigan	884,266,420	1,123,338,695	239,072,275	27.04%	91.18%	90.50%	90.54%	90.50%	91.50%	92.00%	92.00%
Minnesota	410,879,135	600,384,311	189,505,176	46.12%	97.60%	102.45%	93.13%	90.50%	91.50%	92.00%	92.00%
Mississippi	344,740,210	449,275,291	104,535,081	30.32%	90.50%	90.50%	91.93%	93.73%	95.29%	95.80%	95.80%
Missouri	661,682,742	862,323,854	200,641,112	30.32%	91.55%	91.29%	99.09%	98.40%	97.95%	97.80%	97.80%
Montana	272,474,525	355,096,586	82,622,061	30.32%	218.42%	210.87%	219.23%	222.74%	226.03%	227.10%	227.10%
Nebraska	213,215,560	277,868,609	64,653,049	30.32%	102.33%	98.84%	102.98%	100.87%	99.54%	99.12%	99.12%
Nevada	198,883,564	259,190,743	60,307,179	30.32%	97.80%	94.35%	99.72%	96.53%	94.24%	93.53%	93.53%
New Hampshire	141,895,714	168,855,900	26,960,186	19.00%	110.05%	106.78%	104.39%	105.98%	102.72%	100.47%	100.31%
New Jersey	725,530,617	941,055,593	215,524,976	29.71%	90.50%	90.50%	90.50%	90.50%	91.50%	92.00%	92.00%
New Mexico	271,038,261	353,224,806	82,186,545	30.32%	107.79%	110.48%	111.45%	112.62%	113.83%	114.22%	114.22%
New York	1,415,097,862	1,683,966,455	268,868,594	19.00%	124.88%	123.77%	114.04%	115.68%	112.21%	109.79%	109.61%
North Carolina	778,064,319	1,018,845,341	240,781,022	30.95%	90.50%	90.50%	90.50%	90.50%	91.50%	92.00%	92.00%
North Dakota	179,831,478	234,361,520	54,530,042	30.32%	203.24%	208.21%	209.84%	208.33%	207.66%	207.44%	207.44%
Ohio	963,308,164	1,310,210,058	346,901,894	36.01%	90.50%	90.50%	90.50%	90.50%	91.50%	92.00%	92.00%
Oklahoma	424,770,200	558,612,851	133,842,650	31.51%	90.50%	90.50%	90.50%	90.50%	91.50%	92.00%	92.00%
Oregon	339,813,375	442,854,499	103,041,124	30.32%	98.78%	102.93%	103.99%	102.89%	102.12%	101.87%	101.87%
Pennsylvania	1,383,667,693	1,646,564,555	262,896,862	19.00%	120.84%	120.28%	117.75%	119.40%	115.83%	113.33%	113.15%
Rhode Island	164,327,250	202,264,020	37,936,770	23.09%	216.62%	209.63%	220.02%	227.27%	221.06%	217.23%	218.01%
South Carolina	457,541,146	583,642,436	126,101,291	27.56%	90.50%	90.50%	90.50%	90.50%	91.50%	92.00%	92.00%
South Dakota	199,986,896	260,628,637	60,641,741	30.32%	216.32%	212.56%	214.93%	205.87%	199.67%	197.75%	197.75%
Tennessee	629,386,744	797,520,703	168,133,960	26.71%	90.50%	90.50%	90.50%	90.50%	91.50%	92.00%	92.00%
Texas	2,106,157,841	2,894,214,879	788,057,038	37.42%	90.50%	90.50%	90.50%	90.50%	91.50%	92.00%	92.00%
Utah	216,012,661	282,073,713	66,061,053	30.58%	91.90%	90.50%	90.50%	90.81%	91.93%	92.30%	92.30%
Vermont	125,440,355	174,861,141	49,420,786	39.40%	183.40%	173.96%	203.03%	211.60%	207.18%	204.85%	206.43%
Virginia	711,843,995	938,639,666	226,795,671	31.86%	90.50%	90.50%	90.50%	90.50%	91.50%	92.00%	92.00%
Washington	491,625,367	622,357,460	130,732,093	26.59%	91.38%	94.18%	91.88%	92.33%	91.50%	92.00%	92.00%
West Virginia	309,975,967	403,969,537	93,993,570	30.32%	158.36%	156.49%	167.91%	168.48%	169.11%	169.31%	169.31%
Wisconsin	546,259,882	711,901,485	165,641,603	30.32%	102.88%	105.03%	113.18%	107.87%	104.10%	102.95%	102.95%
Wyoming	191,521,113	249,595,787	58,074,673	30.32%	133.51%	137.39%	144.92%	147.75%	150.86%	151.89%	151.89%
All States	27,923,420,971	36,390,600,000	8,467,179,030	30.32%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

INDIANA'S LOGISTICS INDUSTRY DATA

I. Indiana's General Industry Data

1997 to 2008 Great Lakes and Midwest Region Logistics GDP ($ millions)												
State	**1997**	**1998**	**1999**	**2000**	**2001**	**2002**	**2003**	**2004**	**2005**	**2006**	**2007**	**2008**
IL	$14,516	$15,618	$16,434	$17,149	$16,997	$16,996	$17,243	$18,714	$19,968	$21,629	$22,032	$22,584
IN	$5,685	$6,153	$6,470	$6,692	$6,701	$6,934	$7,238	$8,018	$8,678	$9,276	$9,638	$9,837
KY	$4,219	$4,782	$5,187	$5,394	$5,424	$5,651	$5,993	$6,694	$7,184	$7,300	$7,831	$7,706
MI	$7,291	$7,477	$8,135	$8,347	$7,847	$8,376	$8,693	$9,314	$9,517	$9,609	$10,265	$10,067
MO	$6,047	$6,590	$6,696	$6,967	$7,246	$7,319	$7,276	$7,521	$7,902	$8,406	$8,749	$8,870
OH	$9,560	$10,403	$10,923	$11,325	$10,966	$11,245	$11,499	$12,857	$14,054	$15,280	$15,972	$16,483
TN	$7,260	$7,974	$8,754	$9,122	$8,970	$9,439	$9,845	$11,050	$11,846	$12,540	$12,884	$12,792
WI	$4,800	$5,181	$5,455	$5,755	$5,749	$5,913	$6,148	$6,754	$7,215	$7,475	$7,700	$7,807
Total	$61,375	$66,176	$70,053	$72,751	$71,901	$73,875	$75,938	$82,926	$88,369	$93,521	$97,078	$98,154
**Source: Bureau of Economic Analysis, http://www.bea.gov/regional/gsp/*												



2008 Great Lakes and Midwest Region Logistics Industry Employment	
Illinois	580,460
Indiana	309,470
Kentucky	183,290
Michigan	341,800
Missouri	230,900
Ohio	528,440
Tennessee	309,030
Wisconsin	252,620
Source: Bureau of Labor Statistics	

2006 Transportation and Warehousing Establishments and Employment						
State	Number of establishments	Rank	Number of employees	Rank	Annual payroll (thousands)	Rank
Illinois	11,188	5	224,871	4	$9,486,301	3
Indiana	5,188	14	113,377	12	$3,948,600	14
Kentucky	3,185	25	80,529	18	$3,377,087	17
Michigan	5,611	11	105,341	14	$4,179,675	12
Missouri	5,041	15	88,083	16	$3,237,061	18
Ohio	7,562	7	174,327	7	$6,665,712	9
Tennessee	4,398	18	120,491	10	$4,558,242	10
Wisconsin	5,577	12	103,047	15	$3,577,654	16
SOURCE: U.S. Department of Commerce, U.S. Census Bureau, 2006 County Business Patterns, Washington, DC: 2008						

2008 U.S. Foreign Exports by State							
State	Value (thousand $)	Percent of US Total	Rank	State	Value (thousand $)	Percent of US Total	Rank
United States	**1,222,545,322**	**N/A**	**N/A**	**United States**	**1,222,545,322**	**N/A**	**N/A**
Alabama	15,879,049	1.30%	**24**	Missouri	12,852,324	1.05%	**26**
Alaska	3,541,797	0.29%	**42**	Montana	1,394,601	0.11%	**48**
Arizona	19,784,243	1.62%	**19**	Nebraska	5,412,021	0.44%	**36**
Arkansas	5,775,977	0.47%	**34**	Nevada	6,121,088	0.50%	**33**
California	144,805,748	11.84%	**2**	New Hampshire	3,752,477	0.31%	**40**
Colorado	7,712,607	0.63%	**31**	New Jersey	35,643,101	2.92%	**10**
Connecticut	15,384,103	1.26%	**25**	New Mexico	2,782,907	0.23%	**44**
Delaware	4,898,437	0.40%	**39**	New York	81,385,735	6.66%	**3**
D.C.	1,195,907	0.10%	**49**	North Carolina	25,090,543	2.05%	**15**
Florida	54,238,240	4.44%	**5**	North Dakota	2,772,204	0.23%	**45**
Georgia	27,513,962	2.25%	**13**	Ohio	45,627,983	3.73%	**7**
Hawaii	959,608	0.08%	**51**	Oklahoma	5,076,531	0.42%	**37**
Idaho	5,005,252	0.41%	**38**	Oregon	19,352,131	1.58%	**20**
Illinois	53,677,478	4.39%	**6**	Pennsylvania	34,648,502	2.83%	**11**
Indiana	26,502,292	2.17%	**14**	Rhode Island	1,974,432	0.16%	**46**
Iowa	12,124,631	0.99%	**28**	South Carolina	19,852,521	1.62%	**18**
Kansas	12,513,976	1.02%	**27**	South Dakota	1,653,713	0.14%	**47**
Kentucky	19,120,586	1.56%	**22**	Tennessee	23,237,725	1.90%	**16**
Louisiana	41,908,136	3.43%	**9**	Texas	192,221,781	15.72%	**1**
Maine	3,016,395	0.25%	**43**	Utah	10,305,993	0.84%	**30**
Maryland	11,383,051	0.93%	**29**	Vermont	3,697,412	0.30%	**41**
Massachusetts	28,369,195	2.32%	**12**	Virginia	18,941,609	1.55%	**23**
Michigan	45,135,506	3.69%	**8**	Washington	54,498,050	4.46%	**4**

Minnesota	19,186,171	1.57%	**21**	West Virginia	5,643,487	0.46%	**35**
Mississippi	7,323,468	0.60%	**32**	Wisconsin	20,569,622	1.68%	**17**
Missouri	12,852,324	1.05%	**26**	Wyoming	1,081,014	0.09%	**50**

Source: Foreign Trade Division, U.S. Census Bureau

Foreign Exports from Indiana in Thousands ($ USD)						
2008 Rank	**Partner**	**2004**	**2,005**	**2006**	**2,007**	**2008**
1	Canada	8,633,850	9,662,139	9,892,140	10,804,407	10,566,909
2	Mexico	2,542,566	2,619,743	2,424,781	2,605,398	2,112,605
3	United Kingdom	1,281,824	1,517,509	1,889,682	1,899,881	1,978,968
4	France	1,179,796	1,467,659	1,378,189	1,500,531	1,419,475
5	Germany	579,719	691,524	733,523	1,099,876	1,270,644
6	China	294,495	419,645	559,243	758,658	929,503
7	Japan	719,493	770,418	830,899	737,285	863,571
8	Brazil	252,063	237,915	292,078	511,749	636,666
9	Australia	267,294	333,974	397,424	470,235	544,392
10	Netherlands	369,317	427,512	472,792	461,960	480,731
	World Total	**19,212,414**	**21,593,813**	**22,666,268**	**25,956,346**	**26,502,292**

Source: Foreign Trade Division, U.S. Census Bureau.

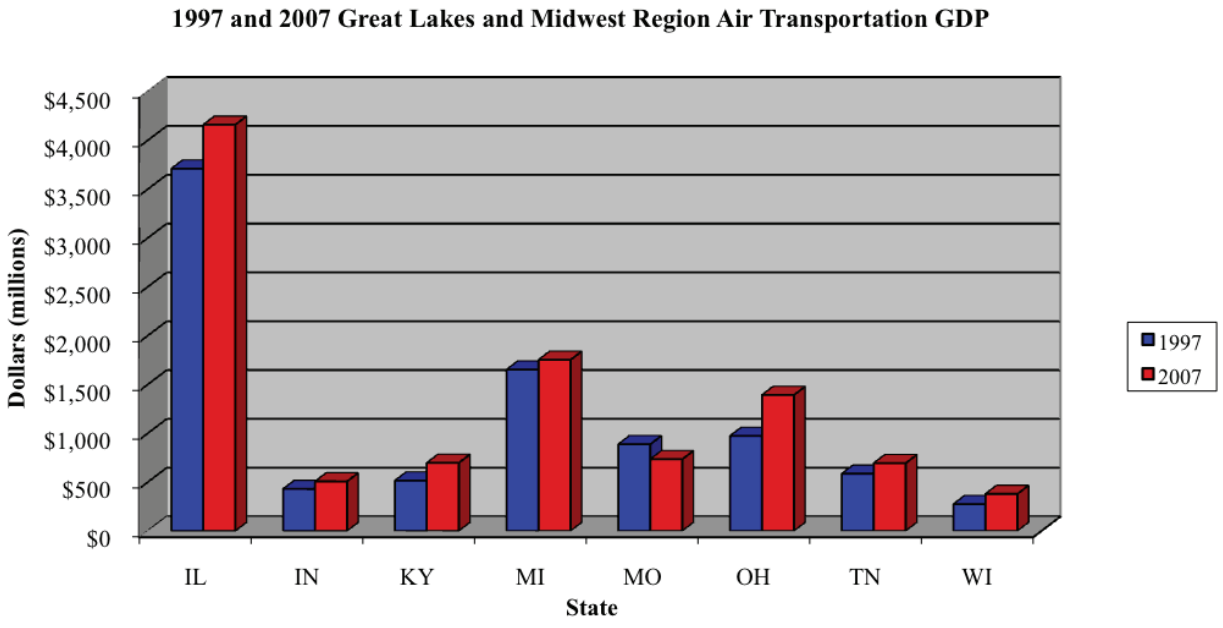
2002 Domestic Imports and Exports To and From Indiana									
Trading Partner	Value Exported ($ millions)	Tons Exported (thousands)	Value Imported ($ millions)	Tons Imported (thousands)	Trading Partner	Value Exported ($ millions)	Tons Exported (thousands)	Value Imported ($ millions)	Tons Imported (thousands)
AL	2,094	3,989	2,463	1,689	**MT**	S	87	77	1,309
AK	30	1	-	-	**NE**	2,147	1,165	1,058	437
AZ	1,186	342	2,031	37	**NV**	358	52	670	39
AR	1,679	1,746	1,673	886	**NH**	271	39	316	S
CA	10,122	3,793	9,979	1,055	**NJ**	4,501	1,487	2,774	426
CO	1,643	401	556	192	**NM**	391	S	153	121
CT	1,329	270	851	162	**NY**	5,989	3,460	2,943	1,312
DC	86	S	-	-	**NC**	3,769	2,447	4,644	1,533
DE	S	190	190	47	**ND**	731	S	90	60
FL	7,408	3,545	2,161	1,026	**OH**	22,343	15,823	27,270	22,200
GA	6,002	S	2,746	1,216	**OK**	2,145	S	838	499
HI	27	2	-	-	**OR**	1,606	421	487	S
ID	S	S	156	196	**PA**	6,498	3,842	5,653	2,550
IL	21,980	24,373	25,974	52,005	**RI**	370	S	218	24
IA	3,382	2,865	2,252	1,249	**SC**	2,476	S	2,218	869
KA	2,378	1,172	953	380	**SD**	S	64	S	59
KY	16,924	12,461	9,807	7,840	**TN**	6,296	7,187	6,567	2,032
LA	1,396	3,922	871	690	**TX**	13,831	4,575	4,486	2,655
ME	562	125	322	196	**UT**	755	138	1,058	S
MD	2,706	1,550	671	760	**VT**	58	S	195	65
MA	2,583	618	1,726	S	**VA**	4,079	1,195	1,956	3,047
MI	24,532	14,201	16,496	10,902	**WA**	1,597	527	520	74
MN	3,602	1,899	2,705	18,562	**WV**	1,173	1,493	877	11,764
MS	S	S	993	686	**WI**	4,387	4,472	5,019	3,611
MO	7,005	2,933	4,988	5,148	**WY**	S	4	148	14,668
IN Total	**204,427**	**128,876**	**160,799**	**174,278**	**IN Total**	**204,427**	**128,876**	**160,799**	**174,278**

Source: U.S. Census Bureau 2002 Commodity Flow Survey S = Not Disclosed

II. Indiana's Air Transportation Industry Data

1997 to 2007 Great Lakes and Midwest Region Air Transportation GDP ($ millions)											
State	**1997**	**1998**	**1999**	**2000**	**2001**	**2002**	**2003**	**2004**	**2005**	**2006**	**2007**
IL	$3,711	$3,971	$4,157	$4,349	$4,229	$4,017	$3,809	$3,720	$3,732	$4,533	$4,161
IN	$431	$487	$545	$565	$511	$552	$540	$454	$460	$461	$508
KY	$516	$559	$670	$689	$617	$691	$882	$939	$848	$552	$698
MI	$1,653	$1,392	$1,687	$1,786	$1,313	$1,502	$1,810	$1,726	$1,623	$1,436	$1,753
MO	$889	$933	$847	$902	$1,200	$1,268	$1,120	$739	$673	$684	$735
OH	$974	$1,057	$1,154	$1,200	$868	$947	$977	$1,027	$1,091	$1,309	$1,393
TN	$587	$504	$589	$675	$411	$499	$616	$587	$582	$571	$695
WI	$276	$290	$332	$335	$306	$295	$339	$312	$324	$329	$380
Total	$11,034	$11,191	$11,980	$12,501	$11,456	$11,773	$12,096	$11,508	$11,338	$11,881	$12,330

**Source: Bureau of Economic Analysis, http://www.bea.gov/regional/gsp/*



2006 Air Transportation Establishments and Employment						
State	**Number of establishments**	**Rank**	**Number of employees**	**Rank***	**Annual payroll (thousands)**	**Rank***
Illinois	222	6	36,403	3	$2,307,684	3
Indiana	**59**	**29**	**5,017**	**24**	**$221,707**	**25**
Kentucky	63	28	W	N/A	W	N/A
Michigan	136	9	14,340	12	$675,835	13
Missouri	89	21	7,972	19	$390,517	18
Ohio	130	11	12,218	14	$655,283	14
Tennessee	100	18	5,561	22	$193,364	26
Wisconsin	86	22	4,055	28	$156,785	28
KEY: W = data withheld to avoid disclosure.						
*National rank of states that disclosed information						
SOURCE: U.S. Department of Commerce, U.S. Census Bureau, 2006 County Business Patterns, Washington, DC: 2008						

Size of Air Establishments based on Employment										
	Total establishments	'1-4'	'5-9'	'10-19'	'20-49'	'50-99'	'100-249'	'250-499'	'500-999'	'1000 or more'
Illinois	236	104	47	38	21	10	7	2	1	6
Indiana	59	24	8	6	8	4	5	2	2	0
Kentucky	65	27	9	10	11	1	3	1	0	3
Michigan	148	55	25	19	28	10	4	1	4	2
Missouri	111	58	9	8	11	12	5	4	3	1
Ohio	118	54	9	16	13	13	3	1	5	4
Tennessee	101	46	14	8	20	4	5	2	0	2
Wisconsin	86	32	6	15	20	4	5	1	2	1
Source: U.S. Census Bureau; 2007 County Business Patterns										

Airports by Landed Weight of All-Cargo Operations 2007-2008						
Rank	**ST**	**City**	**Airport Name**	**Preliminary 2008 Landed Weight**	**2007 Landed Weight**	**% Change**
1	TN	Memphis	Memphis International	19,392,933,674	19,543,815,307	-0.77%
3	KY	Louisville	Louisville International-Standiford Field	10,445,498,827	10,431,225,402	0.14%
6	**IN**	**Indianapolis**	**Indianapolis International**	**5,128,484,161**	**5,304,551,447**	**-3.32%**
8	IL	Chicago	Chicago O'Hare International	3,668,314,900	4,401,472,100	-16.66%
19	IL	Chicago/Rockford	Chicago/Rockford International	1,415,944,932	1,474,574,465	-3.98%
26	OH	Toledo	Toledo Express	940,893,800	942,836,600	-0.21%
33	OH	Columbus	Rickenbacker International	730,520,067	814,028,898	-10.26%
34	MI	Detroit	Detroit Metropolitan Wayne County	693,705,580	795,592,101	-12.81%
42	MO	Kansas City	Kansas City International	588,239,556	682,719,416	-13.84%
44	WI	Milwaukee	General Mitchell International	558,569,580	537,089,612	4.00%
59	TN	Knoxville	McGhee Tyson	410,567,290	319,503,795	28.50%
63	OH	Cleveland	Cleveland-Hopkins International	376,314,190	394,509,324	-4.61%
74	MI	Grand Rapids	Gerald R. Ford International	291,555,700	263,132,500	10.80%
91	KY	Covington	Cincinnati/Northern Kentucky International	207,350,722	194,138,700	6.81%
97	**IN**	**Fort Wayne**	**Fort Wayne International**	**179,571,500**	**497,610,000**	**-63.91%**
98	IL	Peoria	Greater Peoria Regional	179,182,550	206,699,320	-13.31%
100	MI	Lansing	Capital City	176,909,075	206,106,570	-14.17%
106	MI	Detroit	Willow Run	143,162,584	294,864,273	-51.45%
113	MI	Flint	Bishop International	103,775,600	109,804,817	-5.49%

115	OH	Dayton	James M Cox Dayton International	53,380,800	52,155,800	2.35%
117	MO	Kansas City	Charles B. Wheeler Downtown	17,756,802	0	N/A

Source: Federal Aviation Administration - Current as of 7/15/2009

2006 Scheduled and Nonscheduled Air Freight and Mail Enplaned (short tons)

	Freight		Mail	
State	**Scheduled**	**Nonscheduled**	**Scheduled**	**Nonscheduled**
Illinois	489,673	84,573	58,533	0
Indiana	**593,553**	**62,303**	**2,574**	**1,413**
Kentucky	1,120,183	10,574	7,866	57
Michigan	123,655	2,846	3,841	0
Missouri	109,977	24,643	7,314	0
Ohio	353,472	320,297	4,951	6
Tennessee	2,080,327	32,015	2,367	5,210
Wisconsin	50,104	4,412	3,951	0

NOTES: Shipments by foreign carriers and intrastate shipments are excluded. Shipments destined for foreign airports and by small certificated and commuter carriers are included.

SOURCE: U.S. Department of Transportation, Research and Innovative Technology Administration, Bureau of Transportation Statistics, Office of Airline Information, special tabulation, February 26, 2008.

2008-2007 Passenger Enplanements at Midwest and Great Lakes Commercial Airports					
Rank	**ST**	**Airport Name**	**Preliminary 2008 Enplanements**	**2007 Enplanement**	**% Change**
2	IL	Chicago O'Hare International	33,668,545	36,521,585	-7.81%
14	MI	Detroit Metropolitan Wayne County	16,993,820	17,495,135	-2.87%
29	IL	Chicago Midway International	8,019,338	9,132,836	-12.19%
31	MO	Lambert-St Louis International	6,644,199	7,130,801	-6.82%
32	KY	Cincinnati/Northern Kentucky International	6,488,422	7,728,069	-16.04%
34	TN	Memphis International	5,386,706	5,546,321	-2.88%
35	MO	Kansas City International	5,360,716	5,833,064	-8.10%
36	OH	Cleveland-Hopkins International	5,291,599	5,571,219	-5.02%
40	TN	Nashville International	4,637,801	4,887,925	-5.12%
46	IN	Indianapolis International	4,039,477	4,097,398	-1.41%
50	WI	General Mitchell International	3,838,583	3,751,345	2.33%
52	OH	Port Columbus International	3,297,249	3,827,349	-13.85%
68	KY	Louisville International-Standiford Field	1,820,866	1,912,495	-4.79%
76	OH	James M Cox Dayton International	1,446,941	1,412,758	2.42%
92	MI	Gerald R. Ford International	902,937	992,539	-9.03%
95	TN	McGhee Tyson	838,155	888,995	-5.72%
101	WI	Dane County Regional-Truax Field	723,847	783,937	-7.67%
102	OH	Akron-Canton Regional	717,490	691,603	3.74%
115	MI	Bishop International	526,498	532,621	-1.15%
118	KY	Blue Grass	494,880	520,760	-4.97%
121	IL	Quad City International	476,533	481,595	-1.05%
127	WI	Austin Straubel International	410,051	440,176	-6.84%

134	MO	Springfield-Branson National	380,435	433,232	-12.19%
141	IN	South Bend Regional	346,198	398,500	-13.12%
150	TN	Lovell Field	296,832	301,803	-1.65%
157	IL	Greater Peoria Regional	278,426	271,366	2.60%
159	IN	Fort Wayne International	276,926	289,210	-4.25%
161	IL	Central IL Regional Airport at Bloomington-Normal	262,840	262,980	-0.05%
162	WI	Outagamie County Regional	259,344	288,180	-10.01%
170	MI	Capital City	217,465	256,563	-15.24%
177	TN	Tri-Cities Regional TN/VA	198,356	212,809	-6.79%
179	IN	Evansville Regional	189,048	222,654	-15.09%
181	MI	Cherry Capital	183,384	202,048	-9.24%
187	MI	Kalamazoo/Battle Creek International	164,520	188,992	-12.95%
188	MI	MBS International	162,732	186,739	-12.86%
191	WI	Central Wisconsin	154,316	158,747	-2.79%
208	OH	Toledo Express	124,464	169,679	-26.65%
210	WI	La Crosse Municipal	111,458	121,243	-8.07%
213	IL	Chicago/Rockford International	110,153	110,835	-0.62%
221	IL	University of Illinois-Willard	98,243	112,440	-12.63%
258	IL	Abraham Lincoln Capital	56,786	62,138	-8.61%
259	MI	Sawyer International	56,172	67,999	-17.39%
307	MI	Muskegon County	30,061	34,268	-12.28%
318	IL	Scott AFB/Midamerica	26,968	29,019	-7.07%
321	MI	Pellston Regional Airport of Emmet County	26,246	29,609	-11.36%
322	WI	Rhinelander-Oneida County	26,196	37,608	-30.34%
328	MI	Houghton County Memorial	25,354	26,767	-5.28%

335	KY	Barkley Regional	21,666	24,537	-11.70%
344	WI	Chippewa Valley Regional	18,761	22,705	-17.37%
347	OH	Youngstown-Warren Regional	17,860	17,572	1.64%
371	MI	Chippewa County International	13,269	13,733	-3.38%
374	MO	Columbia Regional	12,731	11,516	10.55%

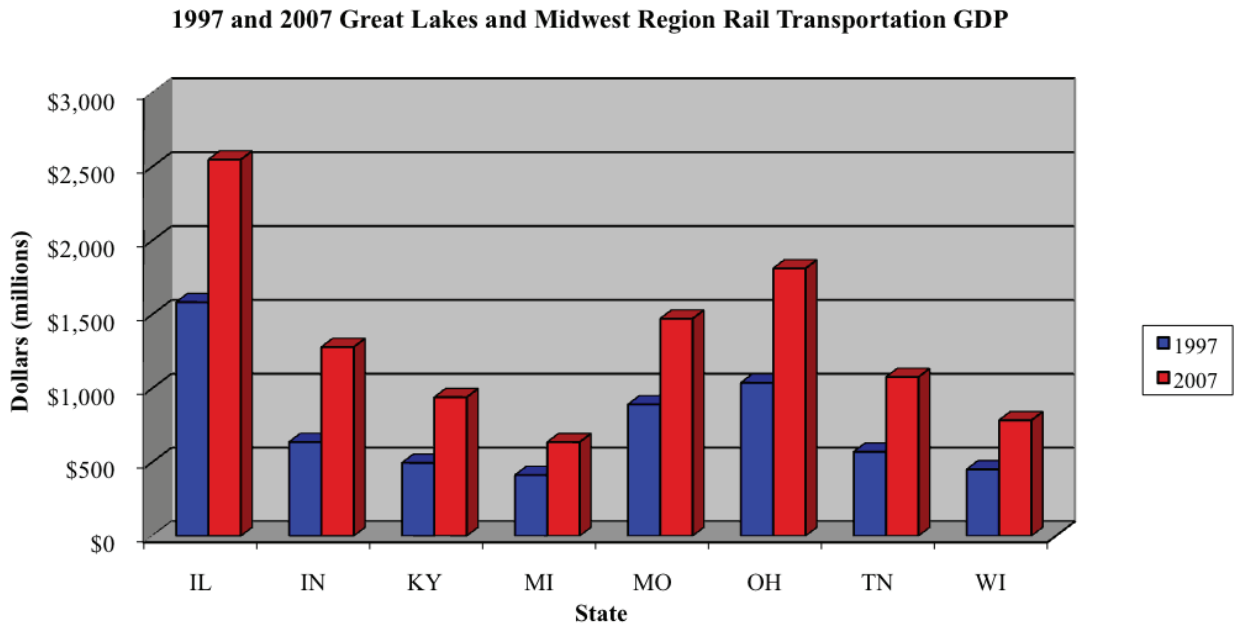
Source: Federal Aviation Administration,CY 2008 Passenger Boarding and All-Cargo Data (Preliminary) (current as of 7/15/2009)

III. Indiana's Rail Transportation Industry Data

1997 to 2007 Great Lakes and Midwest Region Rail Transportation GDP ($ millions)

State	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
IL	$1,583	$1,671	$1,690	$1,809	$1,782	$1,750	$1,805	$1,951	$2,145	$2,452	$2,549
IN	$637	$663	$679	$667	$666	$704	$755	$903	$1,049	$1,229	$1,280
KY	$496	$495	$506	$510	$503	$529	$536	$596	$772	$906	$940
MI	$413	$444	$468	$507	$489	$493	$481	$527	$560	$612	$636
MO	$891	$954	$947	$983	$1,039	$1,080	$1,147	$1,145	$1,240	$1,419	$1,472
OH	$1,038	$1,079	$1,066	$1,003	$1,007	$1,058	$1,109	$1,317	$1,520	$1,749	$1,812
TN	$571	$576	$589	$564	$580	$624	$663	$761	$894	$1,041	$1,077
WI	$452	$439	$484	$682	$553	$544	$516	$565	$656	$754	$784
Total	8078	8319	8428	8725	8620	8784	9015	9769	10841	12168	12557

**Source: Bureau of Economic Analysis, http://www.bea.gov/regional/gsp/*



2007 Railroad Employee Compensation							
State	Wages	Fringe Benefits	Total Compensation	Number of Employees	Rank	Annual payroll	Rank
Illinois	$69,700	$27,800	$97,500	12,483	2	$870,175,000	2
Indiana	**$64,700**	**$25,800**	**$90,500**	**6,141**	**9**	**$397,577,000**	**10**
Kentucky	$65,500	$26,100	$91,600	4,554	13	$298,089,000	15
Michigan	$69,900	$27,800	$97,700	3,617	19	$252,939,000	19
Missouri	$70,400	$28,000	$98,400	7,168	7	$504,887,000	6
Ohio	$64,400	$25,600	$90,000	7,983	5	$513,772,000	5
Tennessee	$67,000	$26,700	$93,700	4,310	15	$288,956,000	16
Wisconsin	$73,200	$29,100	$102,300	3,213	23	$235,101,000	21

Source: American Association of Railroads

2007 Railroad Establishments		
State	**Number of establishments**	**Rank**
Illinois	44	3
Indiana	**41**	**4**
Kentucky	13	27
Michigan	24	11
Missouri	17	19
Ohio	36	6
Tennessee	25	8
Wisconsin	10	30
Source: American Association of Railroads		

2007 Total Rail Miles (excludes trackage rights)		
State	**Total Rail Miles**	**Rank**
Illinois	7,336	2
Indiana	**4,446**	**9**
Kentucky	2,558	28
Michigan	3,699	12
Missouri	4,077	10
Ohio	5,307	4
Tennessee	2,649	26
Wisconsin	*3,503*	*14*
Source: American Association of Railroads		

2007 Rail Tons Originated and Terminated				
State	**Tons Originated**	**Rank**	**Tons Terminated**	**Rank**
Illinois	106,640,844	4	166,289,816	2
Indiana	**54,046,801**	**11**	**65,929,333**	**11**
Kentucky	85,781,528	5	43,498,326	17
Michigan	35,194,353	17	50,873,991	16
Missouri	13,920,537	31	76,116,311	7
Ohio	65,635,986	8	93,990,878	4
Tennessee	16,249,357	27	36,045,483	21
Wisconsin	16,163,689	28	75,563,268	8
Source: American Association of Railroads				

2007 Rail Carloads Originated and Terminated				
State	**Carloads Originated**	**Rank**	**Carloads Terminated**	**Rank**
Illinois	3,360,124	3	3,717,167	2
Indiana	**652,803**	**14**	**724,562**	**16**
Kentucky	970,811	7	531,065	19
Michigan	805,989	12	788,454	12
Missouri	396,527	24	891,937	10
Ohio	1,173,505	5	1,365,652	6
Tennessee	471,851	19	629,744	17
Wisconsin	209,827	33	738,326	15
Source: American Association of Railroads				

2007 Rail Tons and Carloads Carried				
State	**Tons Carried**	**Rank**	**Carloads Carried**	**Rank**
Illinois	513,694,154	3	11,706,611	1
Indiana	**306,872,820**	**9**	**6,769,892**	**5**
Kentucky	291,942,691	10	4,146,131	16
Michigan	109,174,537	33	2,143,981	28
Missouri	409,966,852	4	7,802,231	3
Ohio	311,226,977	8	6,698,844	6
Tennessee	265,121,411	12	4,273,388	14
Wisconsin	172,461,080	22	2,848,131	22
Source: American Association of Railroads				

2007 Tons Originated by Commodity			
Illinois		**Indiana**	
Commodity	**Tons Originated**	**Commodity**	**Tons Originated**
Intermodal	24.7	Coal	17.6
Grain and other field crops	23.1	Iron and steel products	11.9
Coal	16.3	Grain and other field crops	10.5
Food products	13.1	Food Products	4.9
Chemicals	6.3	Scrap paper and scap metals	2.3
Crushed stone, gravel, sand	4.8	Autos and auto parts	1.6
Iron and steel products	3.7	Chemicals	1.6
Autos and auto parts	3.2	Petroleum and coal products	1.1
Petroleum and coal products	2.2	Cement	0.9
All other	9.3	All other	1.8

Kentucky		Michigan	
Commodity	**Tons Originated**	**Commodity**	**Tons Originated**
Coal	67	Iron Ore	13
Petroleum and coal products	7.8	Autos and auto parts	6.5
Autos and auto parts	2.8	Grain and other field crops	2.9
Iron and steel products	2.4	Scrap paper and scrap metals	2.3
Chemicals	1.6	Gravel, crushed stone, sand	1.8
Scrap paper and scrap metals	0.8	Iron and steel products	1.5
Pulp and paper products	0.5	Pulp and paper products	1.3
Intermodal	0.5	Intermodal	1.2
Lumber and wood products	0.4	Chemicals	1.1
All other	1.9	All other	3.7
Missouri		**Ohio**	
Commodity	**Tons Originated**	**Commodity**	**Tons Originated**
Food products	2.6	Coal	10.6
Grain and other field crops	2.5	Iron and steel products	10.5
Autos and auto parts	2	Iron ore	10.1
Intermodal	1.4	Grain and other field crops	9.3
Scrap paper and scrap metals	1.2	Crushed stone, gravel, sand	6
Concrete and gypsum products	1	Autos and auto parts	3.6
Chemicals	0.8	Food Products	3.2
Crushed stone, gravel, sand	0.5	Intermodal	2.7
Cement	0.4	Scrap paper and scrap metals	2.7
All other	1.6	All other	7

Tennessee		Wisconsin	
Commodity	**Tons Originated**	**Commodity**	**Tons Originated**
Intermodal	2.7	Crushed stone, gravel, sand	4.7
Food products	1.9	Grain and other field crops	3.5
Chemicals	1.9	Concrete, gypsum, stone products	1.6
Coal and cement	1.7	Pulp and paper products	1.6
Concrete, gypsum, stone products	1.7	Food Products	1.2
Pulp and paper products	1.5	Lumber and wood products	0.9
Scrap paper and scrap metals	0.8	Chemicals	0.8
Grain and other field crops	0.7	Scrap paper and scrap metals	0.6
Lumber and wood products	0.6	Transportation equipment	0.5
All other	2.8	All other	0.8

2007 Tons Terminated by Commodity			
Illinois		**Indiana**	
Commodity	**Tons Terminated**	**Commodity**	**Tons Terminated**
Coal	84.8	Coal	34.9
Intermodal	21.2	Iron and steel products	8.7
Chemicals	11.8	Scrap paper and scrap metals	5.4
Grain and other field crops	10.2	Petroleum and coal products	5.1
Food products	9	Chemicals	4.6
Pulp and paper products	3.8	Crushed stone, gravel, sand	1.2
Crushed stone, gravel, sand	3.5	Grain and other field crops	1.1
Iron ore	3.1	Food Products	0.9
Iron and steel products	3	Lumber and wood products	0.9
All other	16	All other	3.1

Kentucky		Michigan	
Commodity	**Tons Terminated**	**Commodity**	**Tons Terminated**
Coal	28.3	Coal	20
Chemicals	3.3	Iron and aluminum ore	12.5
Iron and steel products	1.6	Petroleum and coal products	2.9
Iron and aluminum ore	1.6	Chemicals	2.6
Petroleum and coal products	1.1	Iron and steel products	2.5
Pulp and paper products	1.1	Crushed stone, gravel, sand	1.8
Autos and auto parts	1.1	Intermodal	1.7
Scrap paper and scrap metals	0.9	Autos and auto parts	1.6
Food products	0.9	Lumber and wood products	1.4
All other	3.6	All other	4
Missouri		**Ohio**	
Commodity	**Tons Terminated**	**Commodity**	**Tons Terminated**
Coal	57.9	Coal	42
Grain and other field crops	3.7	Iron and steel products	8.6
Chemicals	3.1	Chemicals	7.6
Food products	2.4	Scrap paper and scrap metals	6.4
Autos and auto parts	2.3	Crushed stone, gravel, sand	5.9
Intermodal	1.1	Iron ore	4.8
Pulp and paper products	1.1	Intermodal	3.7
Lumber and wood products	1	Food Products	3.3
Iron and steel products	1	Petroleum and coal products	2.9
All other	2.6	All other	8.7

Tennessee		Wisconsin	
Commodity	**Tons Terminated**	**Commodity**	**Tons Terminated**
Coal	11	Coal	42.7
Chemicals	5	Metallic ores	11.9
Grain and other field crops	4.3	Grain and other field crops	4.7
Food products	4	Pulp and paper products	4.2
Intermodal	2.8	Lumber and wood products	2.8
Pulp and paper products	1.7	Chemicals	2.7
Lumber and wood products	1.6	Food Products	1.2
Crushed stone, gravel, sand	1.3	Petroleum and coal products	0.9
Iron and steel products	1.1	Crushed stone, gravel, sand	0.8
All other	3.3	All other	3.6

Indiana's National Rank of Commodity Shipments by Rail

2007 Tons Originated

- 8th in coal; 17,559,862 tons; 2.0% of U.S. Total
- 6th in farm products; 10,505,633; 6.4% of U.S. Total
- 7th in food products; 4,923,255; 5.2% of U.S. Total
- 1st in primary metal products; 11,941,962; 20.2% of U.S. Total
- 6th in waste & scrap material; 2,278,960; 4.8% of U.S. Total
- 8th in transportation equipment; 1,704,144; 4.6% of U.S. Total

2007 Tons Terminated

- 8th in coal; 34,921,301; 4.2% of U.S. Total
- 1st in primary metal products; 8,827,824; 13.4% of U.S. Total
- 2nd in petroleum products; 5,105,437; 7.9% of U.S. Total
- 2nd in waste & scrap material; 5,371,876; 10.8% of U.S. Total

Source: American Association of Railroads; 2007 STB Waybill Sample

2007 Miles of Class I Railroad Operated (including trackage rights)									
State	BNSF	CSX	Grand Trunk	Kansas City Southern Railway Co.	NS Corp.	Soo Line Railroad Co.	UP	CN	Total Mileage
Illinois	1,552	924	1,518	182	1,260	363	2,237	0	8,036
Indiana	0	1,693	81	0	1,541	197	4	0	3,516
Kentucky	99	1,644	107	0	431	0	12	0	2,293
Michigan	0	569	1,016	0	644	342	0	1	2,572
Missouri	1,756	13	0	394	409	0	1,528	0	4,100
Ohio	0	1,912	7	0	2,233	30	0	0	4,182
Tennessee	144	1,010	145	5	848	0	18	0	2,170
Wisconsin	273	0	1,514	0	0	607	932	0	3,326
Totals	3,824	7,765	4,388	581	7,366	1,539	4,731	1	30,195
Total US Operations	32,094	21,054	6,738	3,151	20,589	3,267	32,205	48	119,146
****Class I Railroad - Railroad w/ 2007 operating revenues of at least $359.6 million*									
Source: American Association of Railroads									

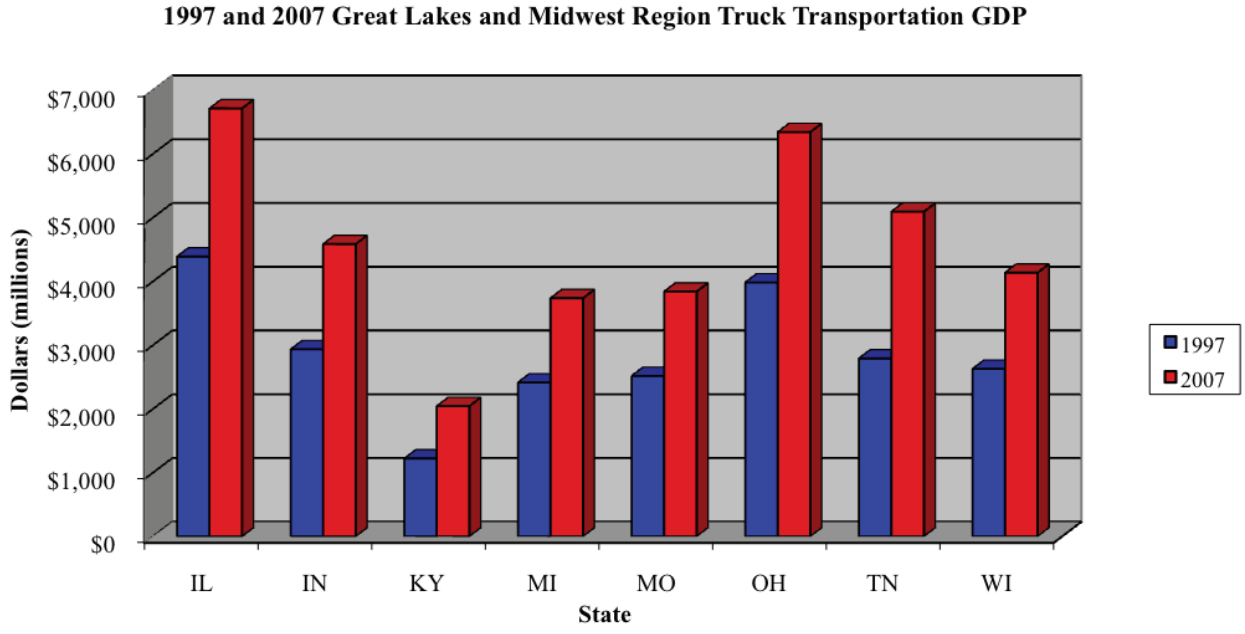
Indiana Class I Railroad Mileage (including trackage rights)	
Name	**Miles**
CSX transportation	1,693
Grand Trunk Corporation	81
Norfolk Southern Corp.	1,541
Soo Line Railroad Co.	197
Union Pacific Railroad	4
Total	3,516
Indiana Class II & III Railroad Mileage (including trackage rights)	
Elgin, Joliet & Eastern Railway	24
The Indiana & Ohio Railway	20
The Indiana Rail Road	386
Algers, Winslow & Western Railway	16
Central Railroad of Indiana	119
Central Railroad of Indianapolis	33
Chesapeake and Indiana Railroad Co.	33
Chicago, Ft. Wayne & Eastern Railroad	168
Chicago, Southshore & South Bend Rail Road	94
Dubois County Railroad	16
Elkhart & Western Railroad Co.	9
Evansville Western Railway	78
Fulton County, LLC	13
Hoosier Southern Railroad	25
Indiana Eastern Railroad	23
Indiana Northeastern Railroad, Inc.	45
Indiana Southern Railroad, Inc.	198
Kankakee, Beaverville & Southern Railroad	76

Louisville & Indiana Railroad Co.	116
Madison Railroad	26
Ohio Valley Railroad Company	3
Southern Indiana Railway	5
Toledo, Peoria & Western Railway Corp.	86
C&NC Railroad Corp.	28
Central Indiana & Western Railroad	9
Indian Creek Railroad	5
Indiana Harbor Belt Railroad	41
Indiana Southwestern Railway Co.	23
ISG South Chicago & Indiana Harbor Rwy.	6
Kendalville Terminal Railway Co.	2
Louisville, New Albany & Corydon Railroad	8
Maumee & Western Railroad Corp.	2
MG Rail, Inc.	11
Vermillion Valley Railroad Corp.	6
Wabash Central Railroad Corp.	26
Winamac Southern Railway Co.	52
Total	**1,831**
Source: American Association of Railroad	

IV. Indiana's Truck Transportation Industry Data

1997 to 2007 Great Lakes and Midwest Region Truck Transportation GDP ($ millions)											
State	**1997**	**1998**	**1999**	**2000**	**2001**	**2002**	**2003**	**2004**	**2005**	**2006**	**2007**
IL	$4,391	$4,823	$4,977	$5,076	$5,015	$5,039	$5,262	$5,920	$6,325	$6,504	$6,714
IN	$2,936	$3,184	$3,222	$3,301	$3,305	$3,370	$3,457	$3,968	$4,248	$4,432	$4,587
KY	$1,224	$1,369	$1,451	$1,435	$1,436	$1,506	$1,539	$1,749	$1,882	$1,953	$2,046
MI	$2,416	$2,662	$2,789	$2,818	$2,752	$2,873	$2,864	$3,226	$3,397	$3,471	$3,738
MO	$2,519	$2,845	$2,890	$2,915	$2,846	$2,857	$2,937	$3,399	$3,568	$3,731	$3,842
OH	$3,985	$4,358	$4,507	$4,596	$4,597	$4,819	$4,885	$5,545	$5,923	$6,039	$6,343
TN	$2,794	$3,291	$3,671	$3,908	$3,926	$3,902	$3,984	$4,557	$4,851	$4,983	$5,095
WI	$2,630	$2,899	$2,983	$3,045	$3,084	$3,196	$3,324	$3,786	$4,055	$4,124	$4,138
Total	$22,895	$25,431	$26,490	$27,094	$26,961	$27,562	$28,252	$32,150	$34,249	$35,237	$36,503

**Source: Bureau of Economic Analysis, http://www.bea.gov/regional/gsp/*



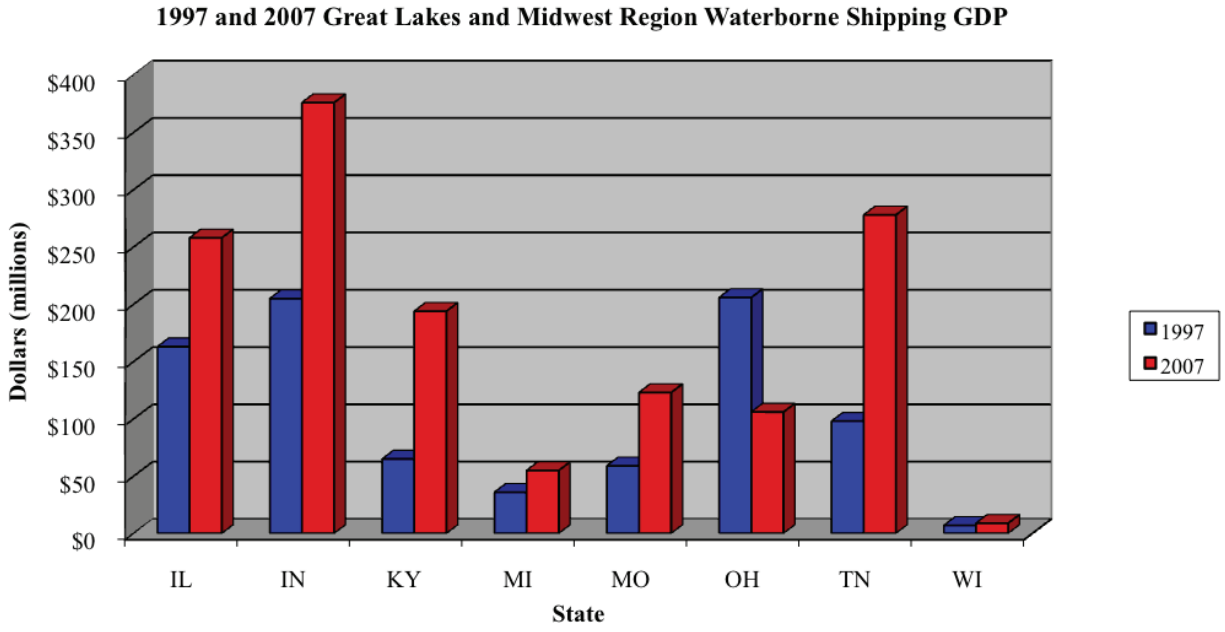
Size of Trucking Establishments based on Employment										
	Total establishments	'1-4'	'5-9'	'10-19'	'20-49'	'50-99'	'100-249'	'250-499'	'500-999'	'1000 or more'
Illinois	7,211	5,204	778	543	427	135	99	16	5	4
Indiana	3,619	2,160	480	423	338	124	62	23	7	2
Kentucky	2,085	1,294	328	207	165	56	24	8	2	1
Michigan	3,523	2,317	402	360	270	96	64	6	7	1
Missouri	3,262	2,176	422	324	208	61	52	13	4	2
Ohio	4,720	2,756	663	568	450	160	92	23	7	1
Tennessee	2,394	1,242	384	315	248	112	60	21	8	4
Wisconsin	3,797	2,442	502	363	314	107	45	16	4	4
Source: U.S. Census Bureau; 2007 County Business Patterns										

2006 Truck Transportation Establishments and Employment						
State	**Number of establishments**	**Rank**	**Number of employees**	**Rank**	**Annual payroll (thousands)**	**Rank**
Illinois	6,874	3	69,724	4	$2,933,107	3
Indiana	**3,650**	**10**	**58,082**	**7**	**$2,266,047**	**7**
Kentucky	2,123	21	24,433	22	$870,404	23
Michigan	3,437	12	42,557	16	$1,744,022	13
Missouri	3,309	14	42,715	15	$1,650,121	15
Ohio	4,774	5	70,963	3	$2,868,549	4
Tennessee	2,398	19	57,890	8	$2,260,160	8
Wisconsin	3,845	8	56,659	11	$2,283,416	6
SOURCE: U.S. Department of Commerce, U.S. Census Bureau, 2006 County Business Patterns, Washington, DC: 2008						

V. Indiana's Waterborne Shipping Industry Data

1997 to 2007 Great Lakes and Midwest Region Waterborne Shipping GDP ($ millions)											
State	**1997**	**1998**	**1999**	**2000**	**2001**	**2002**	**2003**	**2004**	**2005**	**2006**	**2007**
IL	$163	$166	$170	$209	$215	$196	$233	$245	$254	$268	$258
IN	$205	$211	$204	$237	$254	$239	$302	$302	$296	$341	$376
KY	$65	$65	$66	$82	$87	$86	$122	$129	$153	$175	$194
MI	$36	$40	$41	$48	$46	$50	$61	$62	$63	$62	$55
MO	$59	$63	$60	$65	$54	$46	$49	$84	$93	$121	$123
OH	$206	$218	$198	$229	$206	$179	$194	$145	$147	$135	$106
TN	$98	$112	$109	$122	$121	$120	$162	$204	$248	$299	$278
WI	$7	$8	$7	$8	$8	$7	$8	$9	$9	$9	$9
Total	$839	$883	$855	$1,000	$991	$923	$1,131	$1,180	$1,263	$1,410	$1,399

**Source: Bureau of Economic Analysis, http://www.bea.gov/regional/gsp/*



Size of Water Establishments based on Employment										
	Total establishments	'1-4'	'5-9'	'10-19'	'20-49'	'50-99'	'100-249'	'250-499'	'500-999'	'1000 or more'
Illinois	42	17	8	7	5	4	0	1	0	0
Indiana	9	5	0	2	1	0	0	0	0	1
Kentucky	27	5	3	5	5	1	6	1	1	0
Michigan	33	19	5	2	5	2	0	0	0	0
Missouri	16	8	1	1	1	1	1	3	0	0
Ohio	30	17	4	4	1	1	2	1	0	0
Tennessee	17	3	4	1	2	3	2	1	0	1
Wisconsin	7	2	2	2	1	0	0	0	0	0
Source: U.S. Census Bureau; 2007 County Business Patterns										

2006 Water Transportation Establishments and Employment						
State	Number of establishments	Rank	Number of employees	Rank*	Annual payroll (thousands)	Rank*
Illinois	45	11	W	N/A	W	N/A
Indiana	9	30	W	N/A	W	N/A
Kentucky	27	17	2,138	9	103,234	9
Michigan	34	13	415	19	30,836	19
Missouri	14	28	1,185	12	63,770	13
Ohio	33	14	1,265	11	58,131	14
Tennessee	15	27	2,285	8	126,569	8
Wisconsin	8	32	92	21	5,143	21
KEY: W = data withheld to avoid disclosure.						
*National rank of states that disclosed information						
SOURCE: U.S. Department of Commerce, U.S. Census Bureau, 2006 County Business Patterns, Washington, DC: 2008						

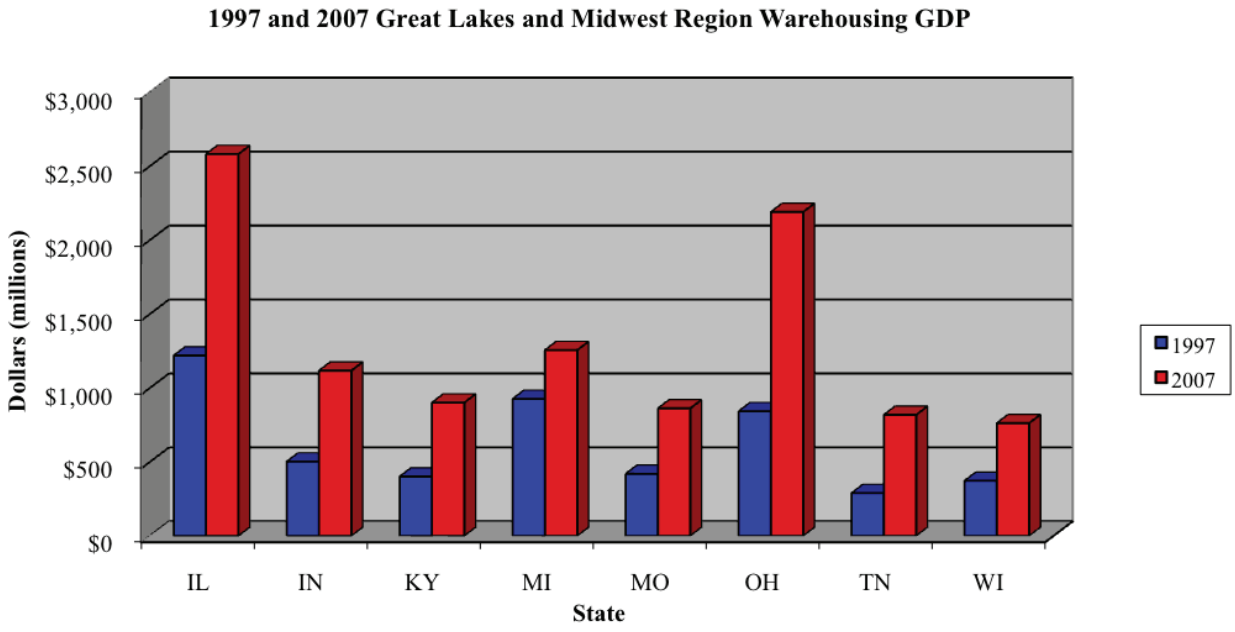
State Waterway Mileage			
State	**Navigable Rivers**	**Navigable Inland Waterway Mileage**	**Lock and Dams within or on state border**
Illinois	Ohio; Mississippi; Kaskaskia; Calumet; Illinois Waterway	1,095	28
Indiana	**Ohio**	**358**	**5**
Kentucky	Ohio; Mississippi; Kentucky; Green; Cumberland; Tennessee; Big Sandy; Licking	1,591	14
Michigan	None	0	0
Missouri	Missouri; Mississippi	1,033	7
Ohio	Ohio; Muskingum	444	9
Tennessee	Mississippi; Cumberland; Tennessee; Hiwassee; Clinch; Holston; Little Pigeon	946	9
Wisconsin	Mississippi; St. Croix	231	10
Source: Army Corps of Engineers; USGS; Bureau of Transportation Statistics			

2007 Waterborne Tonnage by State (units of 1000 tons)												
			Shipping				Receiving					
State	**Total**	**Rank**	**Domestic**	**Rank**	**Foreign**	**Rank**	**Domestic**	**Rank**	**Foreign**	**Rank**	**Intrastate**	**Rank**
IL	120,970	7	85,809	2	1,058	24	17,692	14	2,297	27	14,114	8
IN	**67,534**	**15**	**13,494**	**20**	**139**	**31**	**50,113**	**4**	**1,468**	**30**	**2,319**	**22**
KY	100,374	10	52,202	3	0	32	29,068	7	0	32	19,104	3
MI	69,252	14	23,506	10	5,070	16	23,128	11	6,005	21	11,543	11
MO	28,729	28	15,671	15	0	32	6,117	25	0	32	6,941	14
OH	112,493	8	21,618	11	10,184	13	62,994	2	8,246	20	9,452	13
TN	48,404	20	6,900	24	0	32	37,509	5	0	32	3,996	16
WI	46,210	21	24,023	9	11,075	12	8,654	22	1,952	28	506	32
U.S. Army Corps of Engineers, Waterborne Commerce Statistics Center, CY 2007 Waterborne Commerce of the United States												

2007 Indiana Principle Port Foreign Trade (short tons)								
Imports	**Tons**	**Rank**	**Exports**	**Tons**	**Rank**	**Total Foreign Trade**	**Tons**	**Rank**
Buffington	233,273	98	Burns Harbor	55,894	109	Buffington	233,273	116
Burns Harbor	603,232	77	Gary	41,769	113	Burns Harbor	659,126	92
Gary	138,409	107	Indiana Harbor	41,554	114	Gary	180,178	125
Indiana Harbor	493,196	82				Indiana Harbor	534,75	98
Source: American Association of Port Authorities; U.S. PORT RANKING BY CARGO VOLUME 2007								

1997 to 2007 Great Lakes and Midwest Region Warehousing GDP ($ millions)											
State	**1997**	**1998**	**1999**	**2000**	**2001**	**2002**	**2003**	**2004**	**2005**	**2006**	**2007**
IL	$1,220	$1,331	$1,434	$1,537	$1,517	$1,668	$1,717	$1,961	$2,246	$2,391	$2,582
IN	$503	$545	$641	$701	$702	$748	$833	$912	$1,045	$1,097	$1,118
KY	$402	$439	$477	$523	$526	$569	$586	$631	$794	$829	$902
MI	$927	$976	$1,043	$1,042	$1,018	$1,135	$1,206	$1,194	$1,292	$1,269	$1,257
MO	$420	$446	$490	$558	$584	$621	$651	$694	$783	$810	$863
OH	$843	$930	$992	$1,056	$1,020	$1,082	$1,223	$1,422	$1,752	$1,959	$2,191
TN	$290	$302	$359	$425	$433	$460	$517	$631	$717	$754	$819
WI	$373	$400	$449	$428	$498	$561	$600	$578	$626	$675	$763
Total	$4,978	$5,369	$5,885	$6,270	$6,298	$6,844	$7,333	$8,023	$9,255	$9,784	$10,495
**Source: Bureau of Economic Analysis, http://www.bea.gov/regional/gsp/*											

VI. Indiana's Warehousing Industry Data



Size of Warehousing and Storage Establishments based on Employment										
	Total establishments	'1-4'	'5-9'	'10-19'	'20-49'	'50-99'	'100-249'	'250-499'	'500-999'	'1000 or more'
Illinois	679	205	110	96	130	57	53	18	7	3
Indiana	340	99	58	43	67	30	26	5	7	5
Kentucky	226	58	31	38	56	18	10	10	4	1
Michigan	364	124	55	64	67	30	15	4	3	2
Missouri	337	90	67	71	61	23	17	3	4	1
Ohio	629	164	106	101	118	58	51	15	11	5
Tennessee	419	128	56	57	86	37	37	10	5	3
Wisconsin	314	116	54	63	35	25	11	6	1	3
Source: U.S. Census Bureau; 2007 County Business Patterns										

VII. Regional Bottleneck Data

Indiana Regional Bottlenecks

Chicago, IL-IN

- 8,140,000 people
- 202,835,000 hours of delay per year
- 25 hours of delay per person per year
- $3,968,000,000 cost of congestion per year
- $487 cost of congestion per person per year

Indianapolis, IN

- 1,035,000 people
- 24,318,000 hours of delay per year
- 23 hours of delay per person per year
- $478,000,000 cost of congestion per year
- $462 cost of congestion per person per year

Louisville, KY-IN

- 905,000 people
- 20,559,000 hours of delay per year
- 23 hours of delay per person per year
- $395,000,000 cost of congestion per year
- $436 cost of congestion per person per year

Cincinnati, OH-KY-IN

- 1,620,000 people
- 24,377,000 hours of delay per year

- 15 hours of delay per person per year
- $459,000,000 cost of congestion per year
- $283 cost of congestion per person per year

SOURCE: Texas Transportation Institute, 2007 Urban Mobility Report, College Station, TX: 2007

VIII. Ohio River Lock and Dam Data

Lock and Dams:

- The average age of locks and dams on the Ohio River is 47 years old
- The average year locks were opened on the Ohio River is 1962
- In 2007, navigation locks were unavailable a total of 157,430 hours or 6,560 days due to repairs or mechanical breakdowns (***Waterways Council, Inc.***)
  - 95,877 of the hours were for scheduled repairs
  - 42,530 of the hours were for unscheduled repairs

IX. Priority Lock and Dams on the Ohio River

Locks and Dams 52 and 53

- Location
  - Located on Illinois/Kentucky Border at river mile 938.9 and 962.6
- Existing Structures
  - Both have a 110' x 600' lock chamber and wicket dam that were built in 1929
  - In 1969 a temporary 110' x 1200' lock was built at Lock and Dam 52
  - In 1979 a temporary 110' x 1200' lock was built at Lock and Dam 53

- 2008 Tonnage
  - In 2008 89,660,443 tons of commodities passed through Lock and Dam 52 38% of traffic was coal
  - In 2008 77,823,840 tons of commodities passed through Lock and Dam 53 29% of traffic was coal
- Summary of Lock Issues
  - Locks 52 and 53 are deteriorating structurally, have no steel reinforcements and are 50 to 100% stressed under normal operating conditions
  - The temporary locks are inefficient, often shut down and are past their 15-year life
- Replacement
  - In 1996 the Army Corps of Engineers broke ground on Olmsted Lock and Dam Locks and Dam 52 and 53 will be replaced by a single facility consisting of twin 110' x 1200' lock chambers and a wicket dam for a total cost of $1.4 billion
- Funding
  - Olmsted Lock and Dam is cost-shared 50/50 with the Inland Waterways Trust Fund
  - The benefit to cost ratio is 10.8 to 1 based on an interest of 7%
  - Average annual navigation benefits for this project are $591,008,641 (in December 2007 dollars)
  - The completion date of Olmsted Lock and Dam has moved back to 2020 from 2014. The 6-year delay will result in $2.7 billion in transportation benefits foregone
  - If funding continues to be constrained the project could be delayed an additional 2 years and result in $683 million more forgone navigation benefits

- Transportation Importance to the Inland Waterways System
  - Locks and Dams 52 and 53 on the Ohio River provide a connection between the Mississippi River, Tennessee River and Cumberland River
  - More tonnage passes this point than any other place in America's inland navigation system
  - In 2004 $20 billion worth of goods passed through Locks and Dam 52
  - 25% of all coal on the inland waterways utilizes Locks and Dam 52
  - Olmsted's traffic is projected to range between 113 million and 130 million tons by 2020
  - In 2004 5,450,167 tons of commodities valued at $904 million shipped from Indiana went through the future site of Olmstead Locks and Dam. The top commodity was grain
  - In 2004 6,562,960 tons of commodities valued at $1.016 billion shipped to Indiana went through the future site of Olmstead Locks and Dam. The top commodity was coal

John T. Myers Locks and Dam

- Location
  - Located on the Indiana/Kentucky border in Posey County, Indiana and Union County, Kentucky at river mile 846. John T. Myers in 16 miles down river from Mount Vernon, Indiana
- Existing Structures
  - 110' x 1200' main lock and 110' x 600' auxiliary lock that was built in 1975
- 2008 Tonnage
  - In 2008 69,506,212 tons of commodities passed through John T. Myers Lock and Dam. 52% of traffic was coal

- Summary of Lock Issues
  - Major repairs on the main chamber associated with heavy use and age force greater future reliance on the inadequately sized auxiliary chamber
- Replacement
  - A 600’ extension of the existing 110’ x 600’ auxiliary lock to relieve traffic on the existing 110’ x 1200’ main lock
  - The project cost is estimated to be $342.2 million
- Funding
  - The project is cost-shared 50/50 with the Inland Waterways Trust Fund
  - The benefit to cost ratio is 1.1 to 1 based on an interest rate of 7%
  - Through FY 2007 $8.2 million of the $342.2 million required to complete the project was spent. The FY 2008 Omnibus Appropriations Bill included $984,000 John T. Myers Lock improvements
  - Before a lock extension contract can be awarded, the lock design and construction of the preparatory features needs to be completed. Lock preparation for extension will require $47.5 million
- Transportation Importance to the Inland Waterways System
  - The John T. Myers Locks and Dam pass the highest tonnage of all Ohio River high lift locks with a 600-foot auxiliary chamber
  - Projections indicate that John T. Myers Locks and Dam annual tonnage will exceed 99 million tons by 2010
  - In 2003 4,180, 886 tons of commodities valued at $914 million shipped from Indiana passed through the John T. Myers Locks. The top commodity was coal
  - In 2003 14,732,280 tons of commodities valued at $1.182 billion shipped to Indiana passed through the John T. Myers Locks. The top commodity was coal

Markland Locks and Dam

- Location
  - Located on the Indiana/Kentucky border in at river mile 531.5. Markland is 3.5 miles down river from Warsaw, Kentucky
- Existing Structures
  - Markland Locks and Dam consist of a main 110' x 1200' lock and an auxiliary 110' x 600' lock built in 1959
- 2008 Tonnage
  - In 2008 53,191,406 tons of commodities passed through Markland Lock and Dam. 51% of traffic was coal
- Summary of Lock Issues
  - Current level of performance is rated as D, based primarily upon the risk of failure due to unreliability of miter gates. Improvements to target level of A will occur after the new main chamber miter gates are installed
  - The risk is very high that a failure of the lock gates will occur, forcing traffic through the auxiliary lock for an extended period of time
  - The auxiliary lock miter gates are now showing signs of fatigue cracking
- Replacement
  - The Markland Locks and Dam rehabilitation would cost $30.518 million
  - Construction will take approximately four years. A 60-day closure of the 1200' main lock is required to install components and will be broken into two phases with about 30 days in between
- Funding
  - The benefit to cost ration is 3.5 to 1 based on an interest rate of 7%
    The average annual benefits for this project are $4.3 million

- The project was funded 6.72 million (50% from the Inland Waterway Trust Fund) in the FY 2008 consolidated appropriations bill
- $10.6 million for FY 2009 was proposed and would be the efficient funding level for this project

- Transportation Importance to the Inland Waterways System
  - From 2001 to 2008 Markland Locks and Dam passed an average of 50.8 million tons of waterborne commerce annually
  - Between 2001 and 2008 approximately 41% of the tonnage that passed through Markland Locks and Dam was coal

Greenup Locks and Dam

- Location
  - Located at river mile 341 in Greenup County, Kentucky and Scioto County, Ohio. Greenup Locks and Dam is 24 miles downstream from Huntington, West Virginia
- Existing Structure
  - 110' x 1200' main lock and 110' x 600' auxiliary lock, constructed in 1959
- 2008 Tonnage
  - In 2008 59,757,367 tons of commodities passed through Greenup Lock and Dam. 59% of traffic was coal
  - By 2030 Greenup Locks and Dam are projected to pass 113 million tons annually
- Summary of Lock Issues
  - Major repairs of Greenup's main chamber associated with heavy use and age force greater reliance on the inadequately-sized auxiliary chamber
  - The combination of age and usage has resulted in four major closures and

numerous shorter closures within the last 15 years causing transportation delays costing towing companies in excess of $26 million. One event alone, a 2003 main lock chamber closure in excess of 52 days, resulted in transportation delay costs of $13.2 million and another $28.7 million in production, transportation mode shift, and other ancillary costs

- Replacement
  - Greenup's auxiliary lock would be extended 600', a miter gate quick change system would be installed, and the main lock would be rehabilitated
  - The total project cost excluding the main lock rehabilitation is $254.4 million
- Funding
  - The project will be cost-shared 50/50 with the Inland Waterways Trust Fund, but to date has been funded 100% Federal in the General Investigations account
  - The benefit to cost ratio is 4.9 to 1 based on an interest rate of 7%
  - *The John T. Myers and Greenup Locks Improvement Interim Feasibility Report of the Louisville and Huntington Districts* recommended the auxiliary lock extension be complete by 2008. The project completion date has been delayed until 2014 due to insufficient funding
- Transportation Importance to the Inland Waterways System
  - In 2001, Greenup Locks and Dam was the eight busiest inland navigation lock in the country.
  - Between 2001 and 2008 Greenup handled an average of 65,628,396 tons of commerce annually
  - Between 2001 and 2008 Greenup handled an average of 38,916,955 tons of coal annually

Emsworth, Dashields, and Montgomery Locks and Dams

- Location
  - Emsworth Locks and Dam is located at river mile 6 of the Ohio River
  - Dashields Locks and Dam is located at river mile 13.3 of the Ohio River
  - Montgomery Locks and Dam is located at river mile 31.7 of the Ohio River
  - All locks and dams are downstream of Pittsburgh, Pennsylvania
- Existing Structure
  - Emsworth, Dashields, and Montgomery Locks and Dam have a 110' x 600' main lock and a 56' x 360' auxiliary lock
  - Emsworth was built in 1921, Dashields in 1929, and Montgomery in 1936
- 2008 Tonnage
  - Emsworth handled 21,273,003 tons of commerce in 2008. 77% of traffic in 2008 was coal
  - Dashield handled 21,788,444 tons of commerce in 2008. 76% of traffic in 2008 was coal
  - Montgomery handled 20,813,374 tons of commerce in 2008. 73% of traffic in 2008 was coal
  - Emsworth and Montgomery Dams are the oldest gated structures on the Ohio River, while Dashields is the only fixed crest dam on the river
- Summary of Lock Issues
  - Emsworth, Dashields, and Montgomery are the only lock and dam facilities on the Ohio River without 110' x 1200' main chambers
  - Costs associated with major rehabilitation and maintenance over a 50-year economic life may exceed the cost of replacement with new larger facilities
  - Any closures of the main locks will result in reliance on the very small

auxiliary chambers

- Each of three facilities are showing significant signs of structural operational degradation increasing risk of structural and/or operational failure which would halt navigation

- Funding
  - Approximately $4.6 million was expended from FY 2003 to FY 2007 to perform a study of improvements on the Upper Ohio River
  - $10 million is left to complete the study in FY 2011
- Transportation Importance to the Inland Waterways System
  - In 2003 460,875 tons of commodities valued at $54,844,978 were shipped to Indiana through Emsworth, Dashields, and Montgomery Locks. The top commodity was coal
  - Between 2001 and 2008, an average of 20,837,262 tons of commodities were shipped annually through Emsworth Locks and Dam. 16,041,853 tons of coal were handled by Emsworth between 2001 and 2008
  - Between 2001 and 2008, an average of 21,632,606 tons of commodities were shipped annually through Dashields Locks and Dam. 16,052,330 tons of coal were handled by Dashields between 2001 and 2008
  - Between 2001 and 2008, an average of 21,632,606 tons of commodities were shipped annually through Dashields Locks and Dam. 16,052,330 tons of coal were handled by Dashields between 2001 and 2008
  - Between 2001 and 2008, an average of 22,199,833 tons of commodities were shipped annually through Montgomery Locks and Dam. 16,043,710 tons of coal were handled by Montgomery between 2001 and 2008

Source: Waterways Council, Inc.; Army Corps of Engineers

X. Priority Locks and Dams on the Great Lakes System

Soo Locks and Dams

- Location
  - St. Marys River at Sault Ste. Marie Michigan
- Existing Structure
  - Consists of two canals and four locks. Poe is 110' x 1200' constructed in 1968, MacArthur is 80' x 800' constructed in 1943, Davis (Closed) is 80' x 1350' constructed in 1914 and Sabine (Closed) 180' x 1350' constructed in 1919
- 2007 Tonnage
  - In 2007, over 75 million tons of commerce transited Soo Locks, of which 61% was iron ore. Other important commodities included coal, aggregates, grains and other commodities. Total commodity value was over $3.7 billion
- Summary of Lock Issues
  - U.S. flag vessels restricted to the Poe Lock represent two-thirds of fleet carrying capacity. Transportation costs savings derived from Poe class vessel commodity movements not being diverted to more costly transportation alternatives during periods of Poe Lock closures
  - An existing problem at Soo Locks is the surge in the downstream approach channel during lock emptying. Vessels must now remain some 1,000 feet downstream of the lock during emptying cycles. It was suggested that consideration be given to using the existing lock chambers as a discharge bay instead of emptying the lock into the lower approach
  - Another concern is the design loads for the wall and fendering system caused by vessel impacts. Vessels frequently become misaligned in the approach

because of winds and a doglegged approach channel, and strike the approach walls

- Funding
  - The Corps of Engineers is evaluating replacing the Davis and Sabine Locks with a single 110' x 1,200 lock. This replacement was first authorized by Congress in the Water Resource Development Act (WRDA) 1986 and subsequently reauthorized in WRDA 1990. In 2002, $3M in PED was appropriated for the replacement lock
- Transportation Importance
  - Traffic is projected to grow to 112.6 million tons by 2027
  - In 2007 17.8 million tons of commodities valued at $558 million passed through the Soo Locks and Dam to Indiana's

Source: Army Corps of Engineers

FOR MORE INFORMATION

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