I-39 Logistics Corridor

Commodity Flow and Logistics Assessment

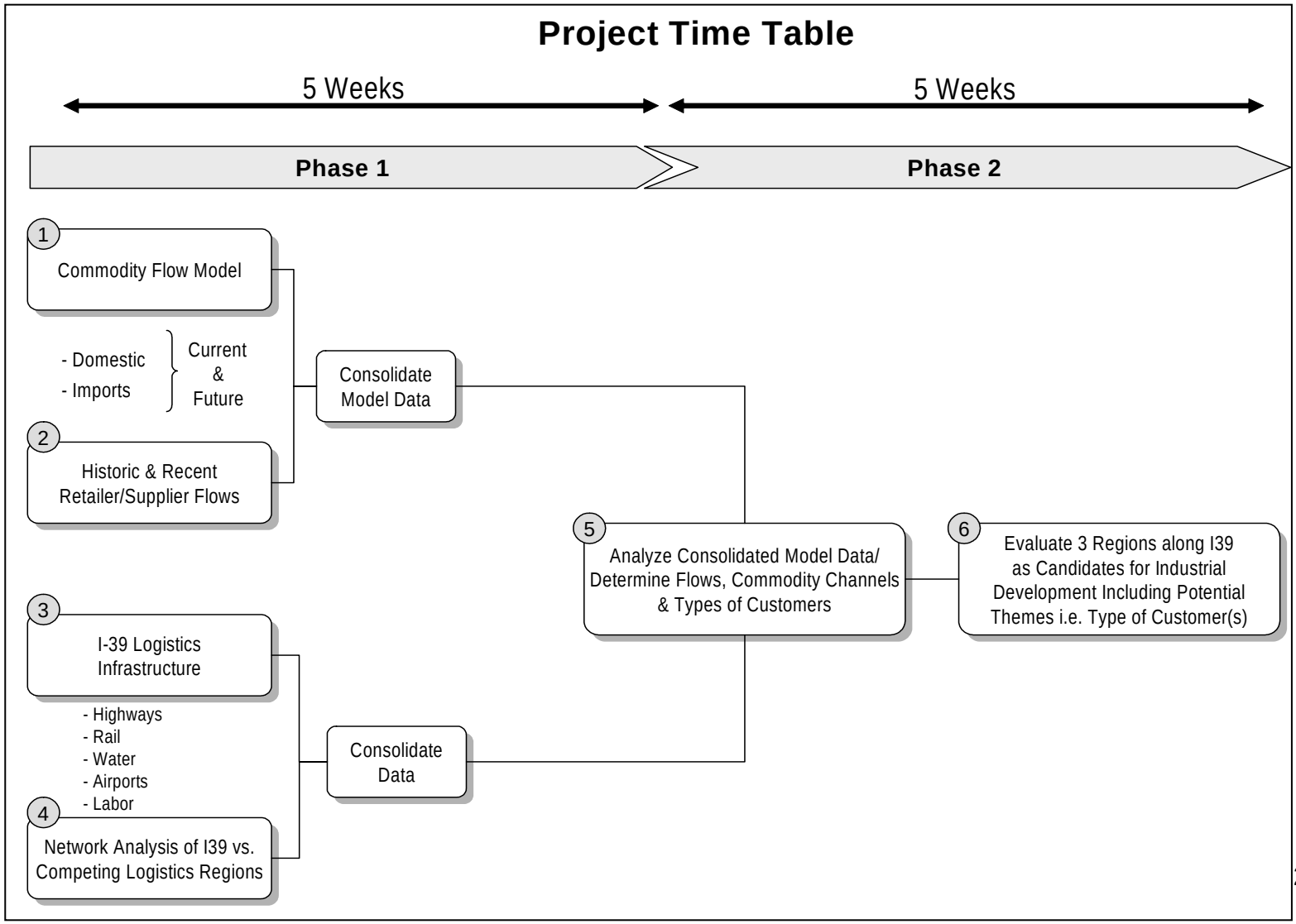
Logistics Business Analysis

High Level Summary

Background

- St. Onge Company was engaged to conduct a logistics business analysis of the I-39 Corridor.
- This we refer to as a commodity flow and logistics assessment.
- This analysis evaluates transportation flows, commodity flows, infrastructure strengths and weaknesses and leverage points for developing an effective marketing strategy for the corridor.
- The output of this effort is an extensive report document.
- Data sources are listed in the report.

Summary of Approach



Summary of Recommendations

- The I-39 Corridor sites should be prepared with a marketing strategy consisting of:
  - Excellent transportation location for most distribution center networks
  - Sites fully capable of supporting import distribution
  - Superb highway access and interconnectivity away from congested areas
  - Excellent access to airport and air cargo and express delivery services
  - Superb rail and intermodal access
  - Labor rates are highly competitive with Metro Chicago and other Mid-West cities
  - Foreign trade zone capable
  - Capacity capable road system
  - Access to waterborne transportation
  - Association supported road improvements to state and local highways
  - Association supported service alliances for various distribution center needs
  - Associated supported alliance to provide high-tech infrastructure (fiber-optic infrastructure)

Agenda


14
Service Alliances for Logistics Services Needed by Users
1
Growth of Transportation and Logistics
2
Convergence of Trucking Flows
3
Exceptional Highway Interconnectivity
4
Active Road Condition Improvement Program
5
Congestion Free Locations for Distribution Centers
6
Extensive Rail and Intermodal Transportation Capability
7
Waterborne Transportation on the Inland System
8
Trends at Sea Ports, Land Gateways and Related Commodities
9
Air Network for Growth in Air Cargo
10
Distribution Center Network Compatibility
11
High Growth and High Tonnage Commodities
12
Reasonable Labor Costs for Distribution
13
Technology Infrastructure for the Future
I-39
LOGISTICS CORRIDOR
Chicago
"The Driving Force of Global Trade"

Drivers for the I-39 Logistics Corridor

Growth of Transportation and Logistics

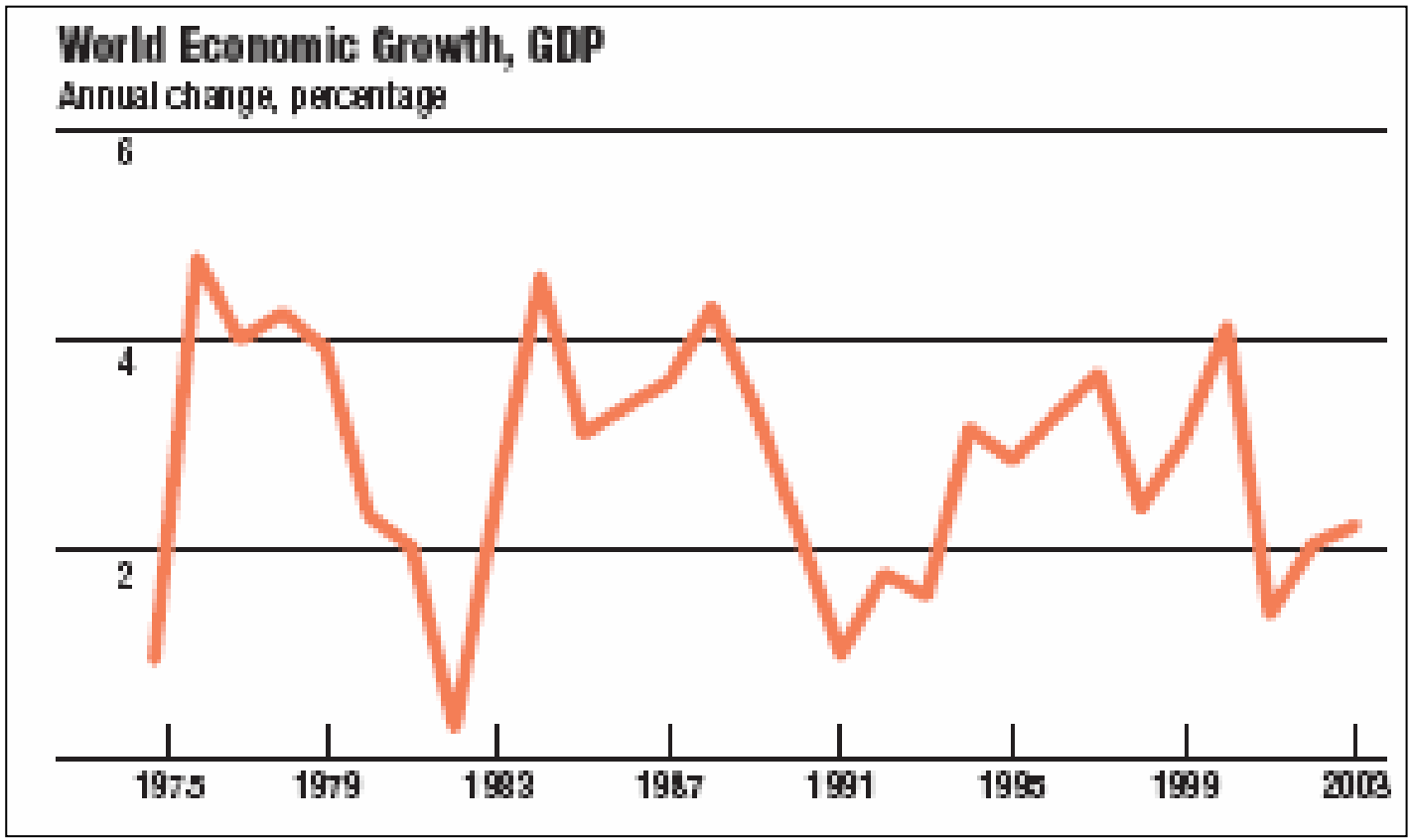
Transportation Growth Forecast

U.S. Freight Shipments by Tons and Value						
Mode	Tons (millions)			Value (billions $)		
	1998	2010	2020	1998	2010	2020
Total	15,271	21,376	25,848	9,312	18,339	29,954
Domestic						
Air	9	18	26	545	1,308	2,246
Highway	10,439	14,930	18,130	6,656	12,746	20,241
Rail	1,954	2,528	2,894	530	848	1,230
Water	1,082	1,345	1,487	146	250	358
Total, Domestic	13,484	18,820	22,537	7,876	15,152	24,075
International						
Air	9	16	24	530	1,182	2,259
Highway	419	733	1,069	772	1,724	3,131
Rail	358	518	699	116	248	432
Water	136	199	260	17	34	57
Other	864	1,090	1,259	NA	NA	NA
Total, International	1,787	2,556	3,311	1,436	3,187	5,879

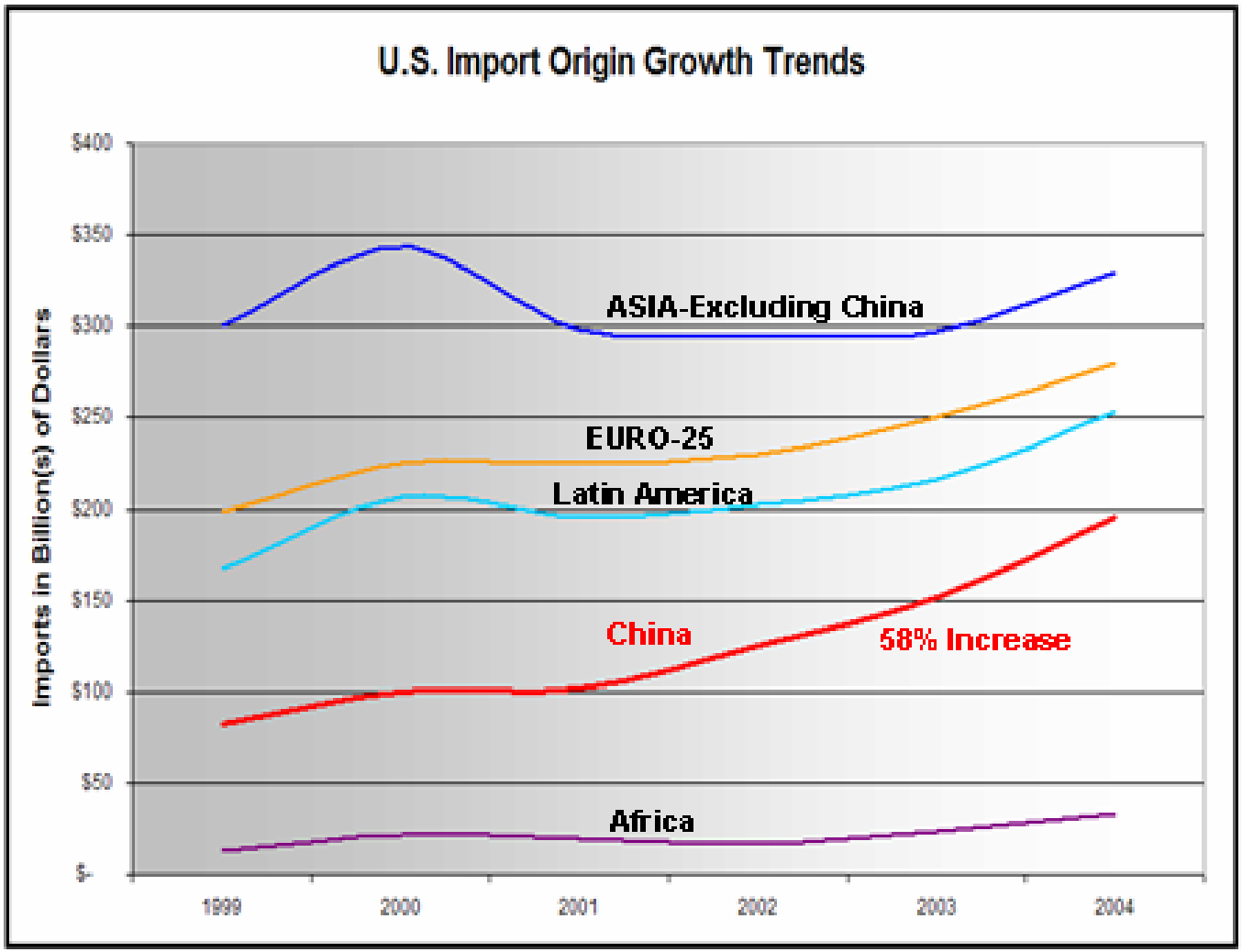
Note: US Department of Transportation. Modal numbers may not add to totals due to rounding. NA = Not Available.

GDP Growth Forecast

- World wide GDP will grow 3% per year until 2023.

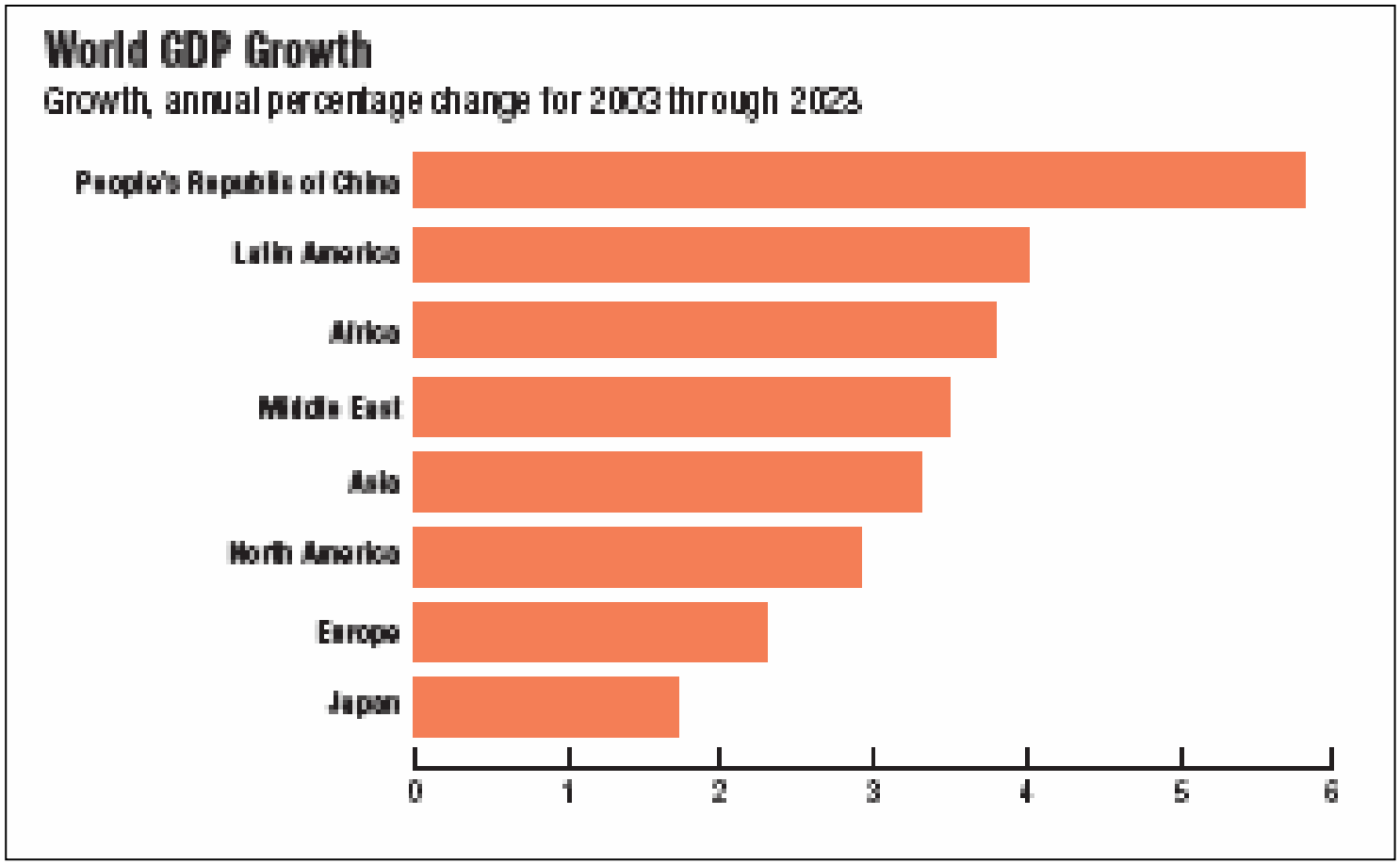


International Trade Trends



GDP Growth Forecast

- China is leading the growth surge in foreign trade



Overview of Transportation Flows

- 1.25 billion tons are transported though the region annually. Tonnage in the region has grown 30% in the last 5 years.
- As noted transportation is a growth industry and expected to nearly double by 2020.
- Dominant shipping modes are rail, intermodal and trucking of all types. Other shipping occurs by water and air.
- In excess of 45 million trucks ship both in and out of the region each year.
- In excess of 3 million rail loads ship both in and out of the region each year.
- Local, regional, national and international transportation flows converge on the I-39 logistics corridor.

Overview of Transportation Flows

From Chicago BEA										
Rail Carload Tons	Rail Carload Tons	Intermodal Tons	Rail Tons	Truckload Tons	L-T-L Tons	Private Tons	Truck Tons	Air Tons	Water Tons	Total Tons
Tons	51,281,848	30,400,101	84,160,621	283,250,288	8,174,499	187,346,137	483,078,322	346,690	24,210,634	591,796,267
Pct	8.7%	5.1%	14.2%	47.9%	1.4%	31.7%	81.6%	0.1%	4.1%	
To Chicago BEA										
Rail Carload Tons	Rail Carload Tons	Intermodal Tons	Rail Tons	Truckload Tons	L-T-L Tons	Private Tons	Truck Tons	Air Tons	Water Tons	Total Tons
Tons	115,642,408	29,858,061	153,464,864	218,795,994	6,605,255	152,324,993	379,842,466	620,976	45,394,844	579,323,150
Pct	20.0%	5.2%	26.5%	37.8%	1.1%	26.3%	65.6%	0.1%	7.8%	

From Peoria BEA										
	Rail Carload Tons	Intermodal Tons	Rail Tons	Truckload Tons	L-T-L Tons	Private Tons	Truck Tons	Air Tons	Water Tons	Total Tons
Tons	1,535,200	980,519	2,739,073	20,646,364	383,170	16,523,079	37,817,196	15,421	9,492,863	50,064,552
Pct	3.1%	2.0%	5.5%	41.2%	0.8%	33.0%	75.5%	0.0%	19.0%	
To Peoria BEA										
	Rail Carload Tons	Intermodal Tons	Rail Tons	Truckload Tons	L-T-L Tons	Private Tons	Truck Tons	Air Tons	Water Tons	Total Tons
Tons	11,056,655	77,350	11,389,895	29,211,739	300,373	20,310,989	50,106,873	27,901	4,672,599	66,197,269
Pct	16.7%	0.1%	17.2%	44.1%	0.5%	30.7%	75.7%	0.0%	7.1%	

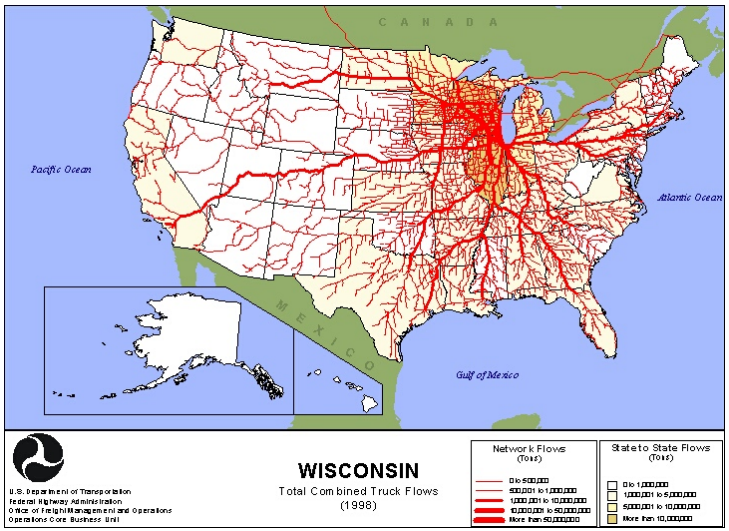
Drivers for the I-39 Logistics Corridor

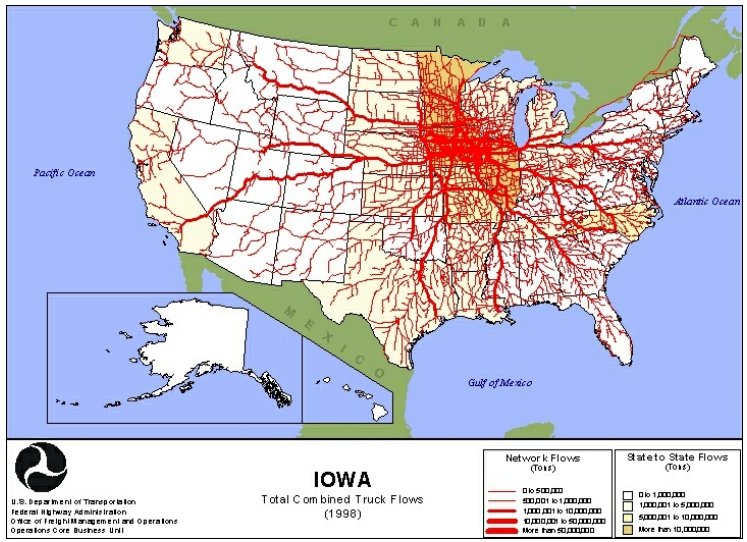
Convergence of Truck Transportation Flows into the Region

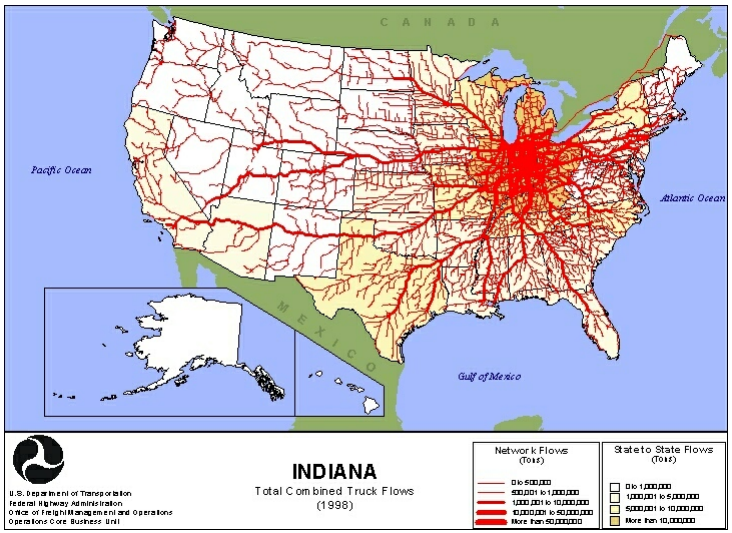
I-39 Corridor
Domestic Trading Partners Inbound

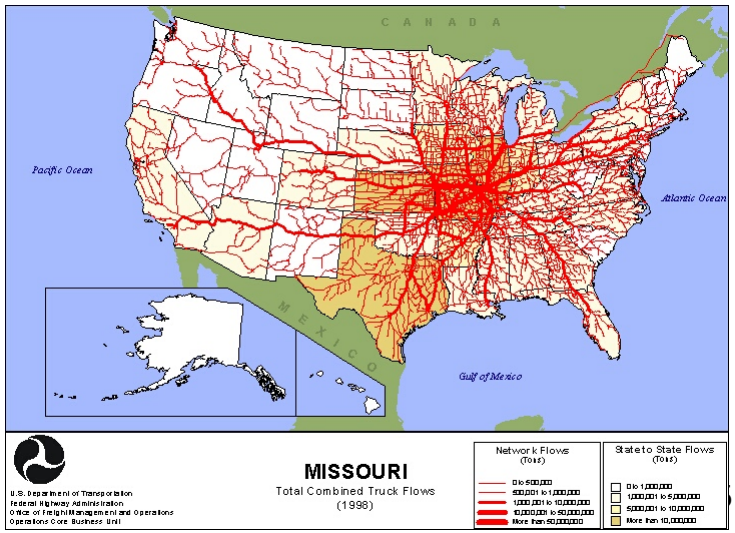
I-39 Corridor
Domestic Trading Partners Outbound

Regional Flows to and from Neighboring States

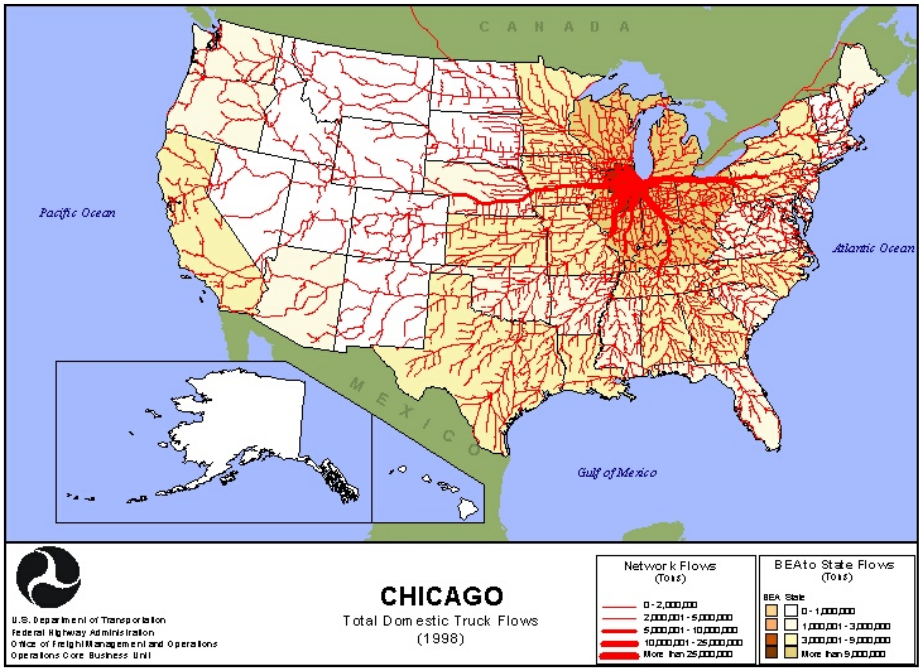


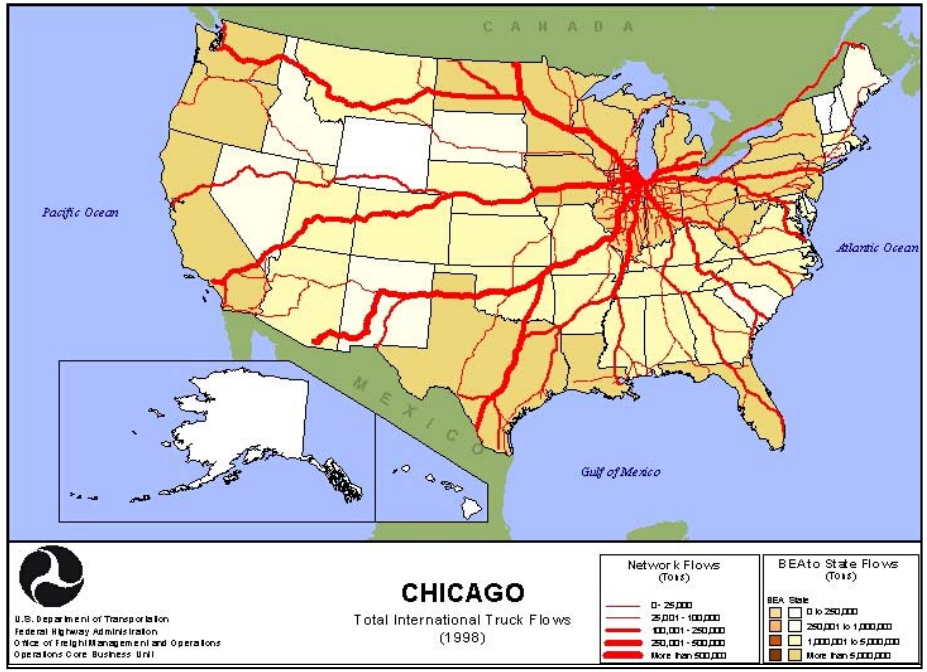






Transportation Flow Converge in the I-39 Corridor

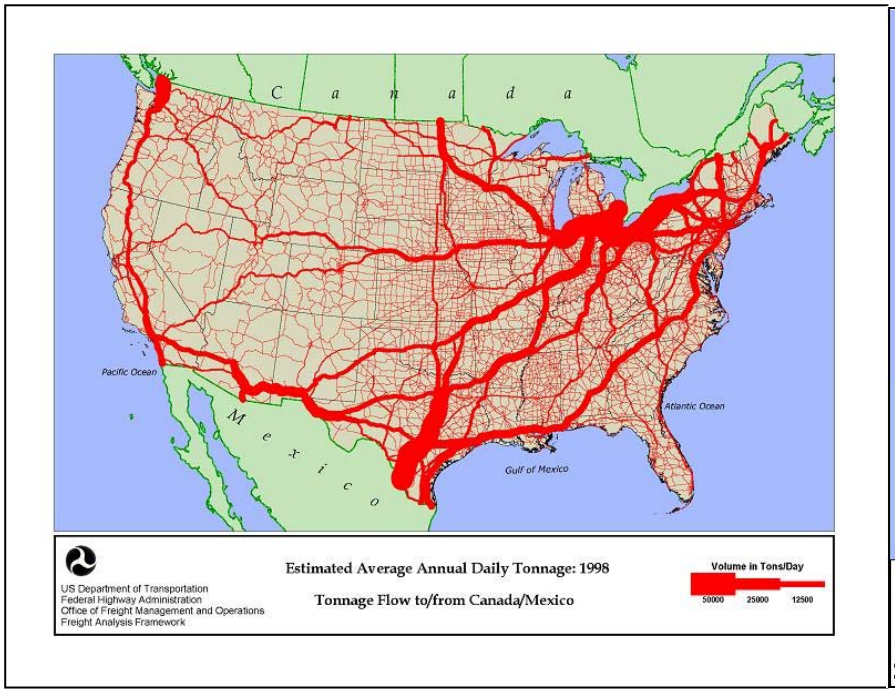




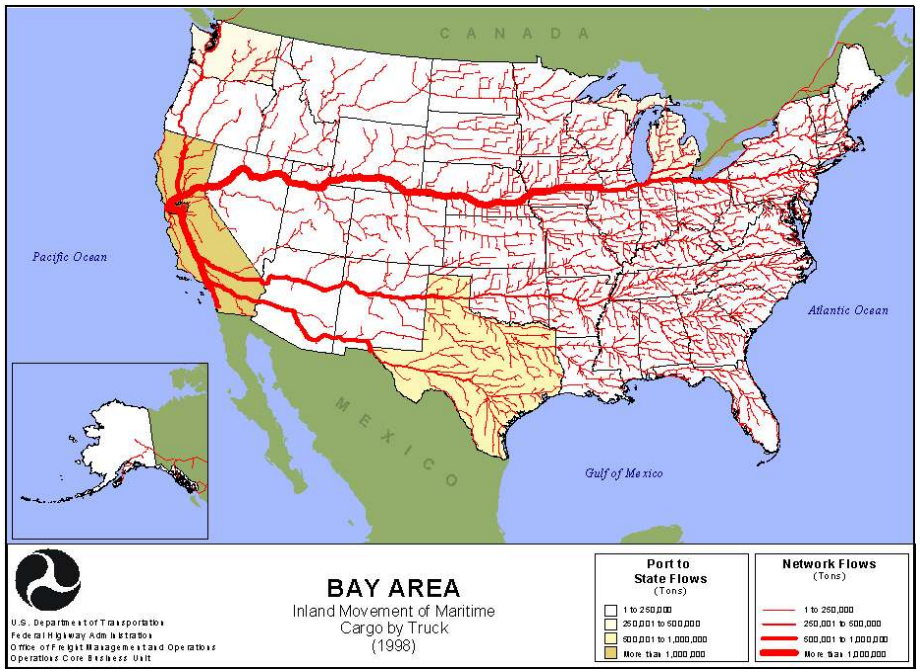
Transportation Flow Converge in the I-39 Corridor

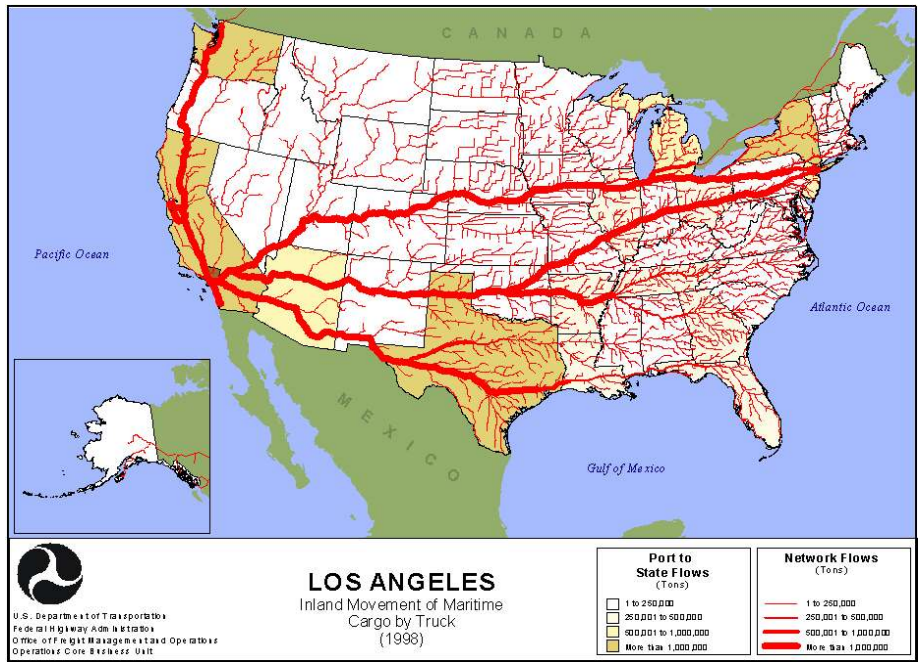
Transportation Flow Converge in the I-39 Corridor

International Flow Convergence in the I-39 Corridor

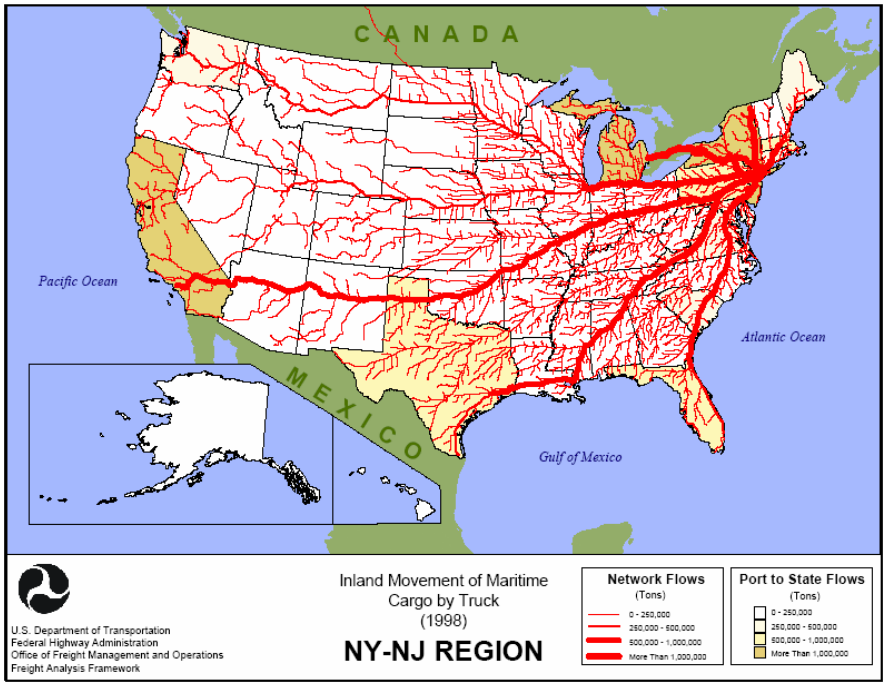


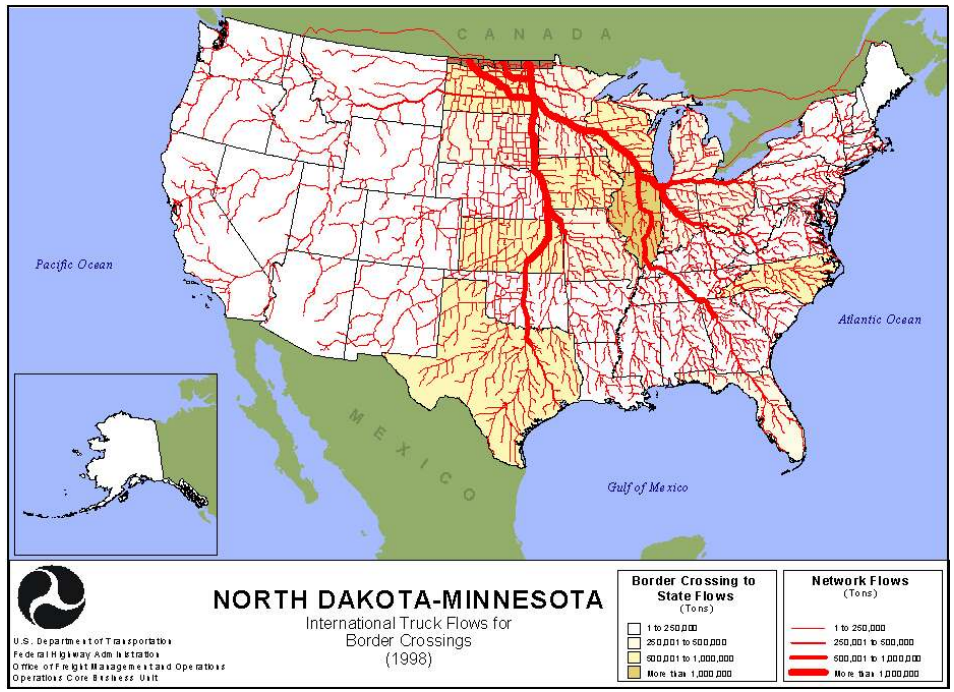
International Flow Convergence in the I-39 Corridor





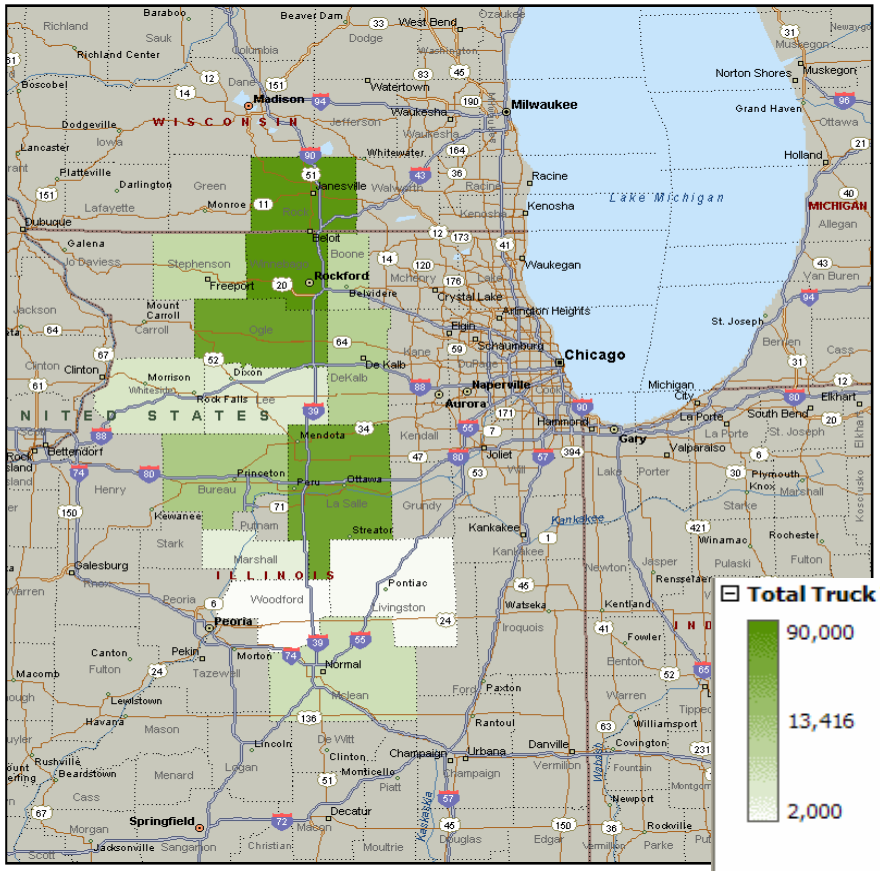
International Flow Convergence in the I-39 Corridor



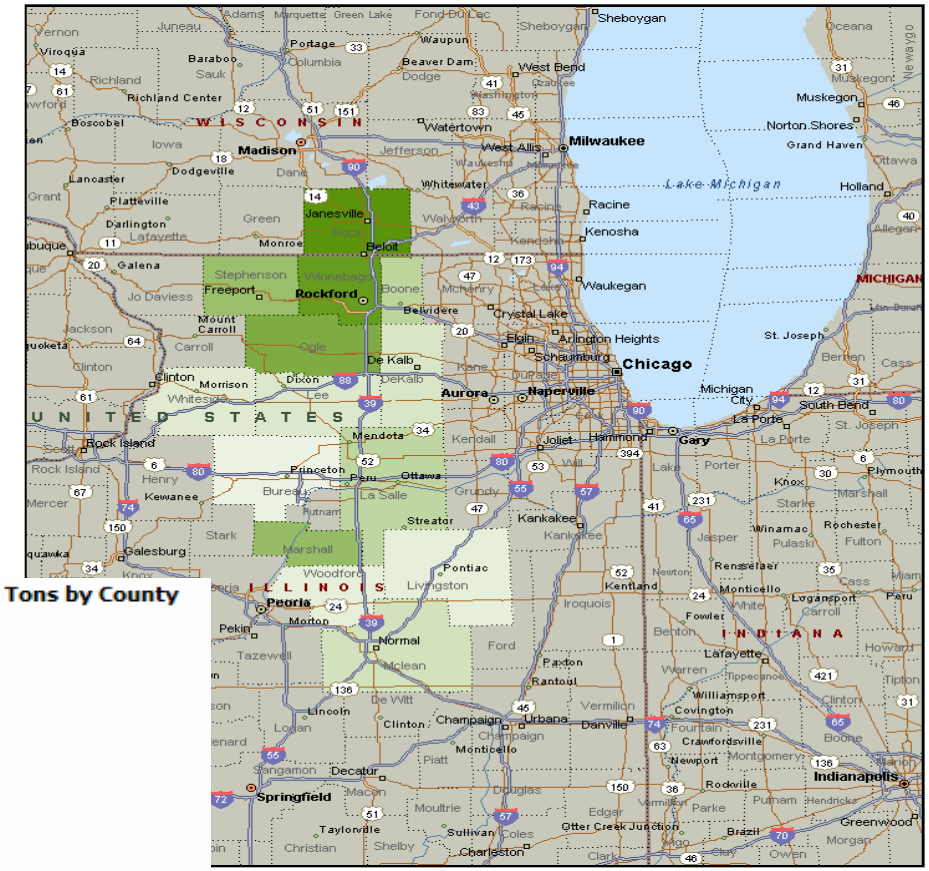


International Flow Convergence in the I-39 Corridor

Inbound NAFTA Tonnage – I-39 Only



Outbound NAFTA Tonnage – I-39 Only



Drivers for the I-39 Logistics Corridor

Exceptionally Interconnected Highway System.

Interconnected Highway System

- I-39 has the distinct advantage of being the only interstate connecting the northern cluster of interstates (I-90, I-94, I-80, I-88) with the central cluster of interstates in Illinois (I-74, I-55, I-70, I-57, I-64).
- As a result the highway system of the I-39 corridor is one of the most connected in the country for both domestic and international trade.
- Competing areas such as Will county and Indianapolis are similarly well connected. Will county is connected to the regional, domestic and international network via I-55 an I57. Indianapolis is connected via the I-65 and I-69 corridors.

Interconnected Highway System

Interconnected Highway System

- Interconnectivity includes the NAFTA superhighway

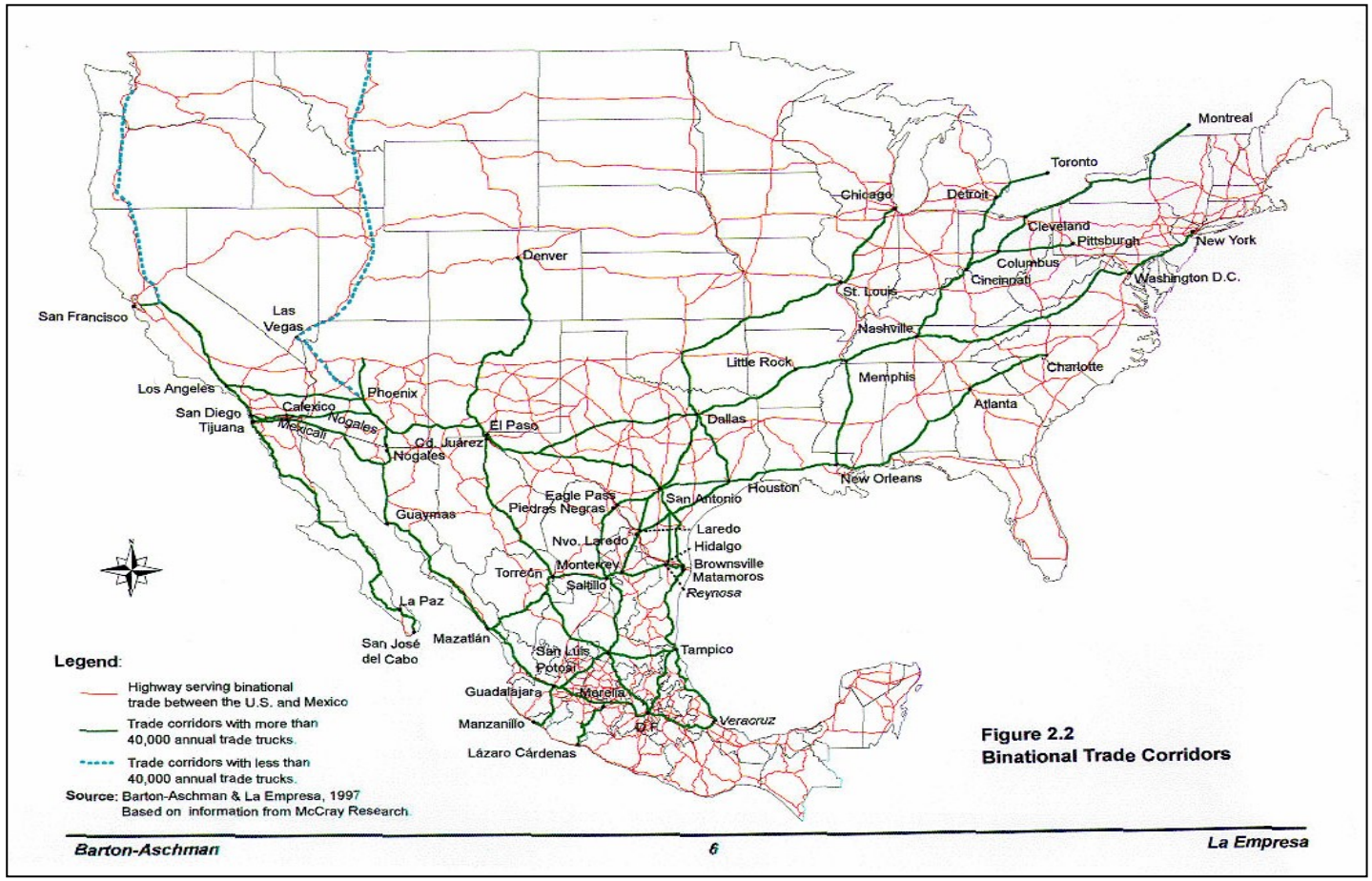


Figure 2.2
Binational Trade Corridors

Truck Volume

From Chicago Rockford BEA Truck Loads[1]

BEA	Origin	Truckload Loads	L-T-L Truck Loads	Private Truck Loads	Truck Loads
64	Total	24,371,600	780,343	15,954,414	41,350,134

From Peoria BEA Truck Loads

BEA	Origin	Truckload Loads	L-T-L Truck Loads	Private Truck Loads	Truck Loads
101	Total	2,287,450	34,461	1,664,342	3,999,581

To Chicago Rockford BEA Truck Loads

BEA	Destination	Truckload Loads	L-T-L Truck Loads	Private Truck Loads	Truck Loads
64	Total	23,484,708	746,269	15,950,087	40,297,008

To Peoria BEA Truck Loads

BEA	Destination	Truckload Loads	L-T-L Truck Loads	Private Truck Loads	Truck Loads
101	Total	2,295,298	32,968	1,662,713	4,005,380

Truck Travel on I-39

Entry_Road_Direction	Truckload Tons	Less than Truckload Tons	Private Truck Tons	Total Truck Tons	% Total Truck Tons	Cumm %
E	97,530,124	2,570,550	37,542,276	**137,642,949**	**55%**	**55%**
W	53,286,830	2,134,026	14,208,052	**69,628,907**	**28%**	**83%**
N	22,985,354	561,731	7,843,999	**31,391,083**	**13%**	**95%**
S	8,564,382	338,123	2,850,830	**11,753,335**	**5%**	**100%**
Undetermined	197,275	3,808	252,104	**453,186**	**0%**	**100%**
Exit_Road_Direction	**Truckload Tons**	**Less than Truckload Tons**	**Private Truck Tons**	**Total Truck Tons**	**% Total Truck Tons**	**Cumm %**
W	79,808,618	2,902,919	24,099,307	**106,810,844**	**43%**	**43%**
E	68,226,976	1,782,670	23,895,824	**93,905,470**	**37%**	**80%**
S	25,782,704	711,107	10,359,561	**36,853,372**	**15%**	**95%**
N	8,328,854	209,733	4,003,981	**12,542,568**	**5%**	**100%**
Undetermined	416,811	1,808	338,588	**757,207**	**0%**	**100%**

Entry Road	Number Times Route is Used	% Of Rout Entries	Exit Road	Number Times Route is Used	% Of Rout Entries
I90	450,388	69%	I90	450,647	69%
I55	78,247	12%	I55	89,697	14%
I88	22,207	3%	I88	30,879	5%
U20	21,307	3%	U20	16,123	2%
I43	20,954	3%	LRIVER	13,616	2%
LRIVER	20,045	3%	I43	13,022	2%
S81	8,050	1%	S81	6,811	1%
I39	5,364	1%	I39	5,255	1%
S64	4,729	1%	I80	4,666	1%
I80	4,539	1%	S64	4,541	1%
S251	2,831	0%	J90RM	2,658	0%
J90RM	2,259	0%	S251	2,407	0%
U51	1,961	0%	S17	1,846	0%
U34	1,684	0%	U34	1,681	0%
S17	1,507	0%	U51	1,607	0%
S116	1,101	0%	S116	1,434	0%
U24	1,029	0%	U24	1,121	0%
S71	755	0%	S71	1,105	0%
Other	344	0%	Other	222	0%
S29	42	0%	S1	22	0%
S1	36	0%	S29	22	0%
U52	17	0%	U52	14	0%

Association Involvement in Road Improvements

Road Conditions

- Highway conditions for the top 50 metropolitan areas reflect age and use.
- The Chicago metro area has more roadways needing attention than other large network metro areas.
- Illinois's highways and interstates need rehabilitation. 85% of interstate roads exceed the 20 year design cycle. 96% of the state highway system exceeds the 20 year design cycle.
- At present the I-39 and I-90 node is the most active and congested node in the corridor.
- The Illinois Tollway System is and will receive substantial reconstruction and widening and will convert to an Open Road Toll System. This will benefit nodes near I-88 and I-90 and will promote intermodal transportation at Global III.
- The Prairie Parkway project proposes a 36 mile highway to connect I-80 and I-88 between Minooka and a point just east of Kanesville. This development if it proceeds will benefit I-39 nodes at I-88.

Road Conditions

- The Association should promote interstate, local and state highway improvements throughout the corridor.

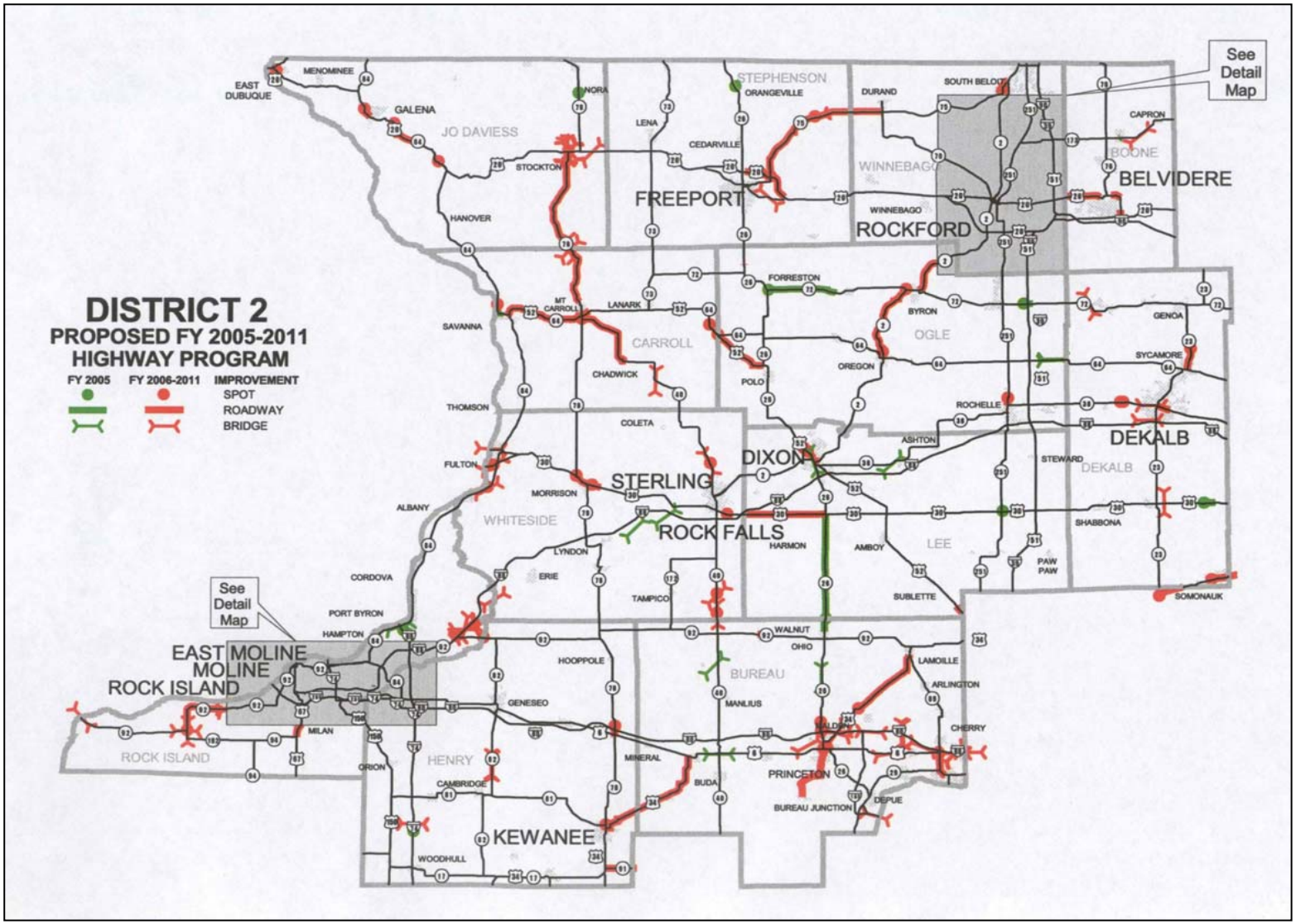
  Specifically:

  - Correction of bottlenecks at the I-39 and I-90 interchange.
  - I-39 and US 20 lane widening.
  - Problems with local routes including 90 degree turns on SR 251, substandard intersection capacities and lane widths.
  - Improvements to airport access roads at Rockford Airport.
  - Providing interchange access to Rockford Airport from I-39.
  - Repairs and resurfacing of I-43 north of I-39

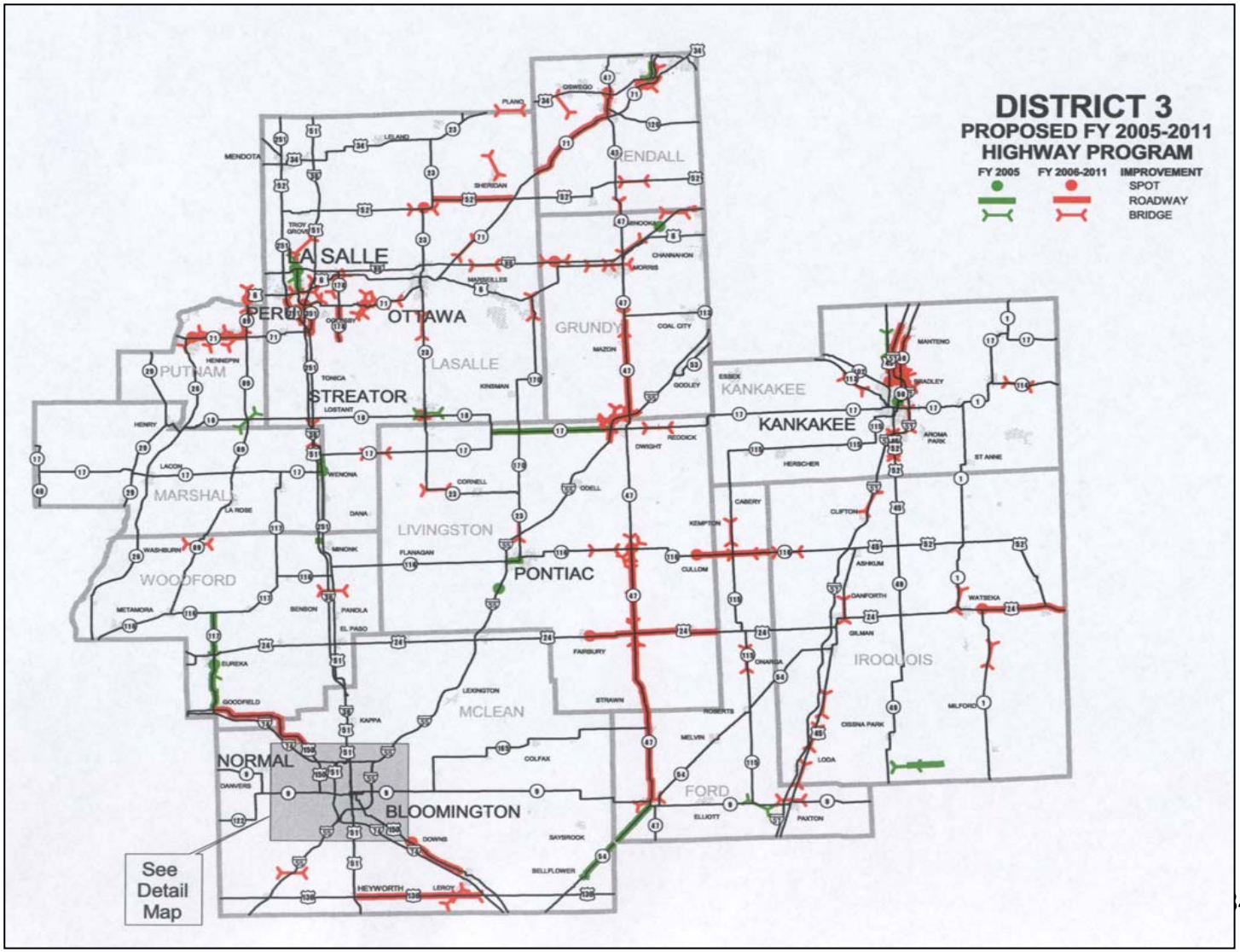
Road Conditions

- The Illinois Department of Transportation maintains a long range highway improvement program for state roads. These improvements directly affect the local infrastructure surrounding I-39.
- Counties comprising the I-39 Logistics Corridor are assigned to District 2 and 3 of the program. The program lays out planned improvements for the years 2005 through 2011.
- The Association should consider monitoring these projects and providing input on proposed projects that would enhance local infrastructure at the key nodes of the corridor.
- Additionally, there are 17 road improvement projects in Rock County that should be similarly monitored.

District 2 Road Improvements



District 3 Road Improvements



Congestion Adverse Locations For Distribution Centers

Congestion Adverse Locations In the I-39 Corridor

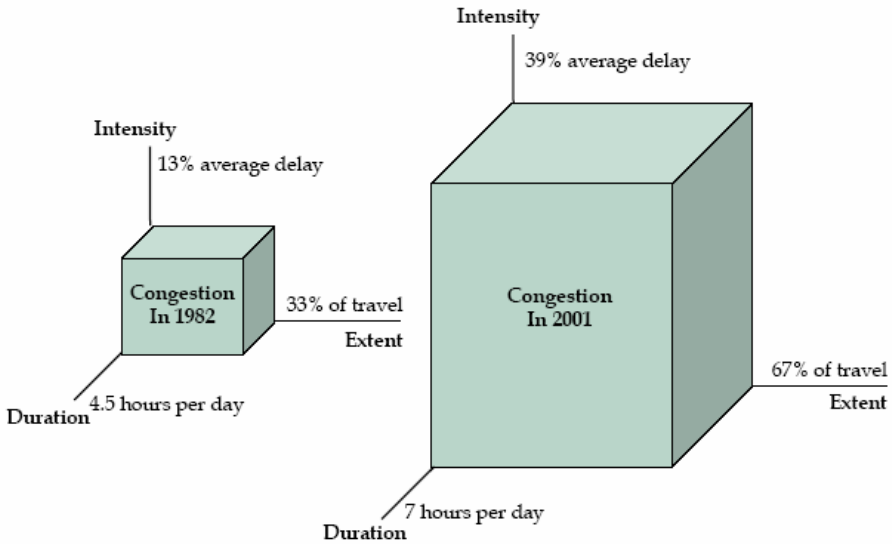
- All very large metro areas have severe congestion problems that continue to worsen over time.
- The Chicago region is the third most severe area for congestion costs in the United States.
- The reliability of transit times worsens with congestion. This affects freight and labor force travel times, time cost and fuel losses.
- Congestion is forecasted to increase on interstates, urban roads and rural highways.
- Congestion has clearly grown and affects many things including the location of distribution centers.
- The delay caused by congestion could vastly increase the costs of those freight movements that are today managed to exacting schedules. Companies are increasingly factoring this into their location decisions.

Congestion Index

Table 5. Trends—Travel Time Index, 1982 to 2002					
Urban Area	**Travel Time Index**	**Point Change in Peak-Period Time Penalty 1982 to 2002**			
2002	**2002**	**2001**	**1992**	**1982**	**Rank**
85 Area Average Very Large Area Average	1.37 1.50	1.35 1.48	1.28 1.41	1.12 1.19	
Very Large					
Los Angeles-Long Beach-Santa Ana CA	1.77	1.77	1.76	1.30	1
Chicago IL-IN	1.54	1.47	1.35	1.18	2
San Francisco-Oakland CA	1.55	1.54	1.41	1.21	4
Washington DC-VA-MD	1.50	1.46	1.37	1.18	8
Boston MA-NH-RI	1.45	1.45	1.29	1.14	9
Miami FL	1.40	1.37	1.26	1.09	9
New York-Newark NY-NJ-CT	1.40	1.38	1.27	1.13	16
Dallas-Fort Worth-Arlington TX	1.34	1.31	1.20	1.07	16
Detroit MI	1.36	1.35	1.34	1.12	19
Philadelphia PA-NJ-DE-MD	1.35	1.35	1.22	1.13	25
Houston TX	1.39	1.37	1.24	1.28	51
Large					
Indianapolis IN	1.24	1.25	1.10	1.03	27

Congestion Trends

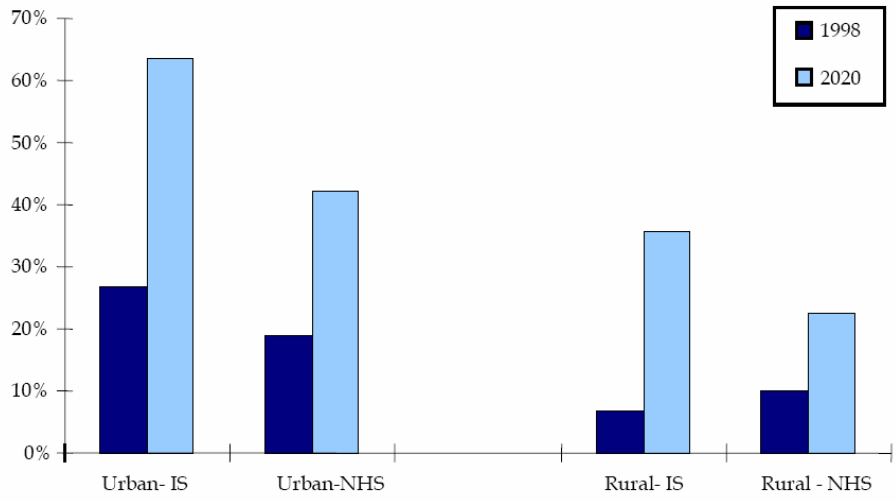
Figure ES.2 Weekday Peak-Period Congestion Has Grown in Several Ways in the Past 20 Years in Our Largest Cities



Source: Analysis of data used in *2003 Annual Urban Mobility Report*, Texas Transportation Institute.

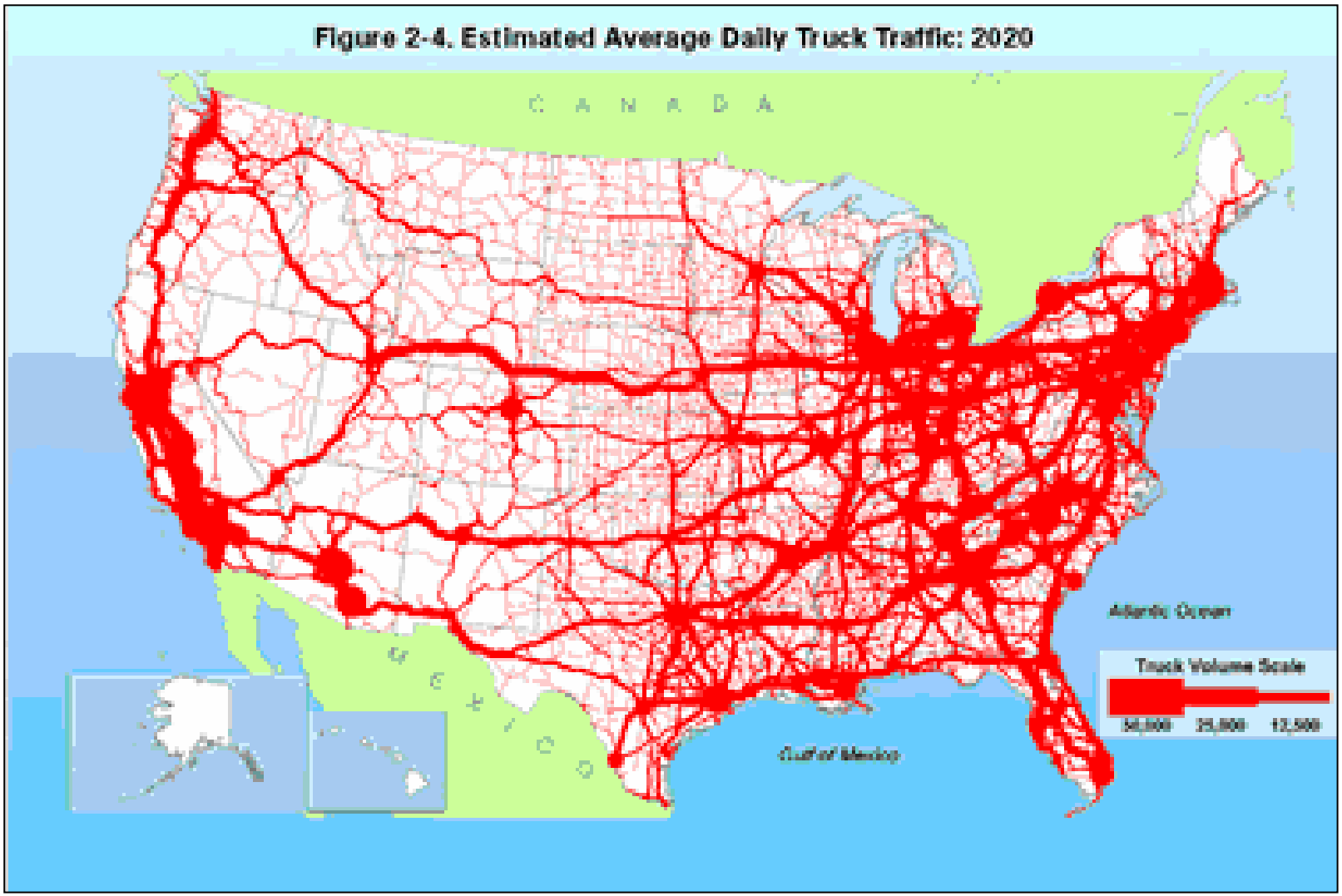
Figure ES.5 Percentage of Highway Segments with over 10,000 Trucks Per Day

Comparison of 1998 to 2020



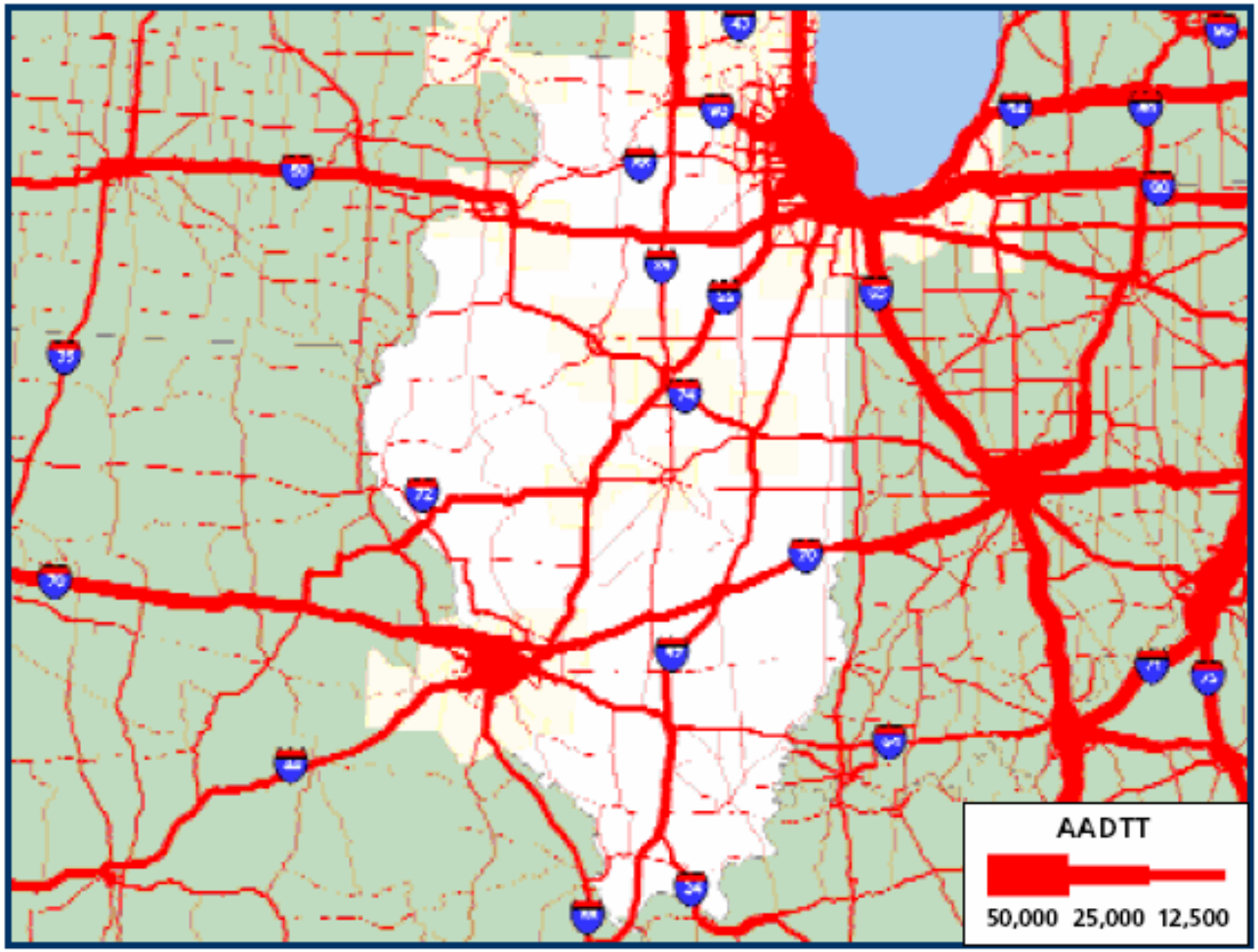
Source: Analysis of data from FHWA's Freight Analysis Framework.

Congestion Projections



Congestion Projections

Figure 4. Estimated Average Annual Daily Truck Traffic: 2020



Federal Highway Administration

Congestion Adverse Locations In the I-39 Corridor

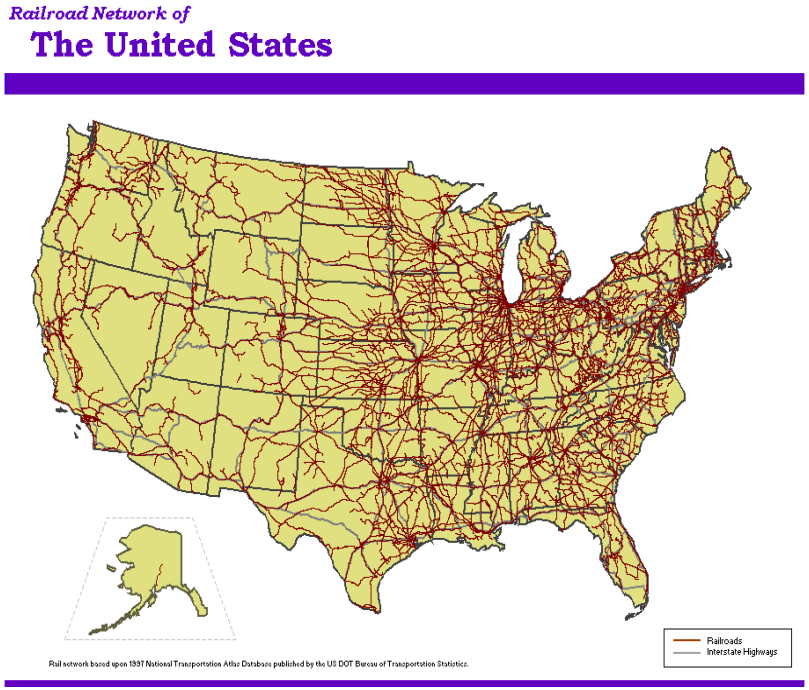
- A recent report published by the University of California has found the significant increase in foreign trade, along with the increased difficulty of locating plants and warehouses in congested and more expensive large urban areas, businesses are moving to large distribution centers in less congested areas to process inbound and outbound shipments.
- The Transportation Research Board report on the adequacy of U.S. freight movement capabilities found that “workplaces and residences will move away form congestion within metropolitan areas and from more congested to less congested regions within the United States. Some production will move from the United States to other countries if congestion costs cause the United States to lose comparative advantage in some industries.
- Increasingly, these distribution centers are moving to regions where land is cheaper, sufficient labor is available and most importantly, a less congested system of highways is available.
- These trends favor the more rural locations of the I-39 Logistics Corridor and should marketed accordingly by the Association.

Drivers for the I-39 Logistics Corridor

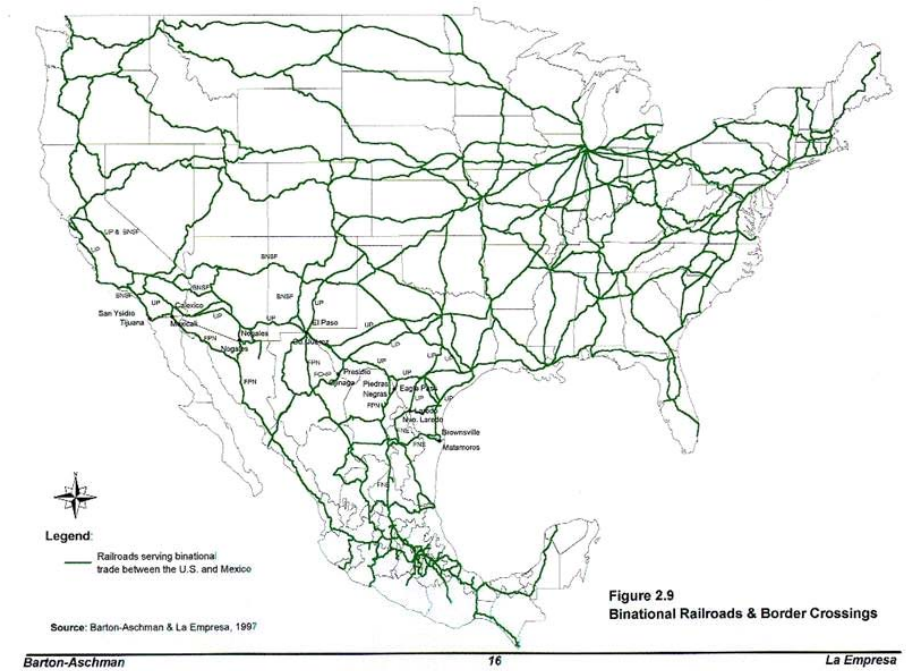
Rail and Intermodal Transportation into the Region

Railroad System

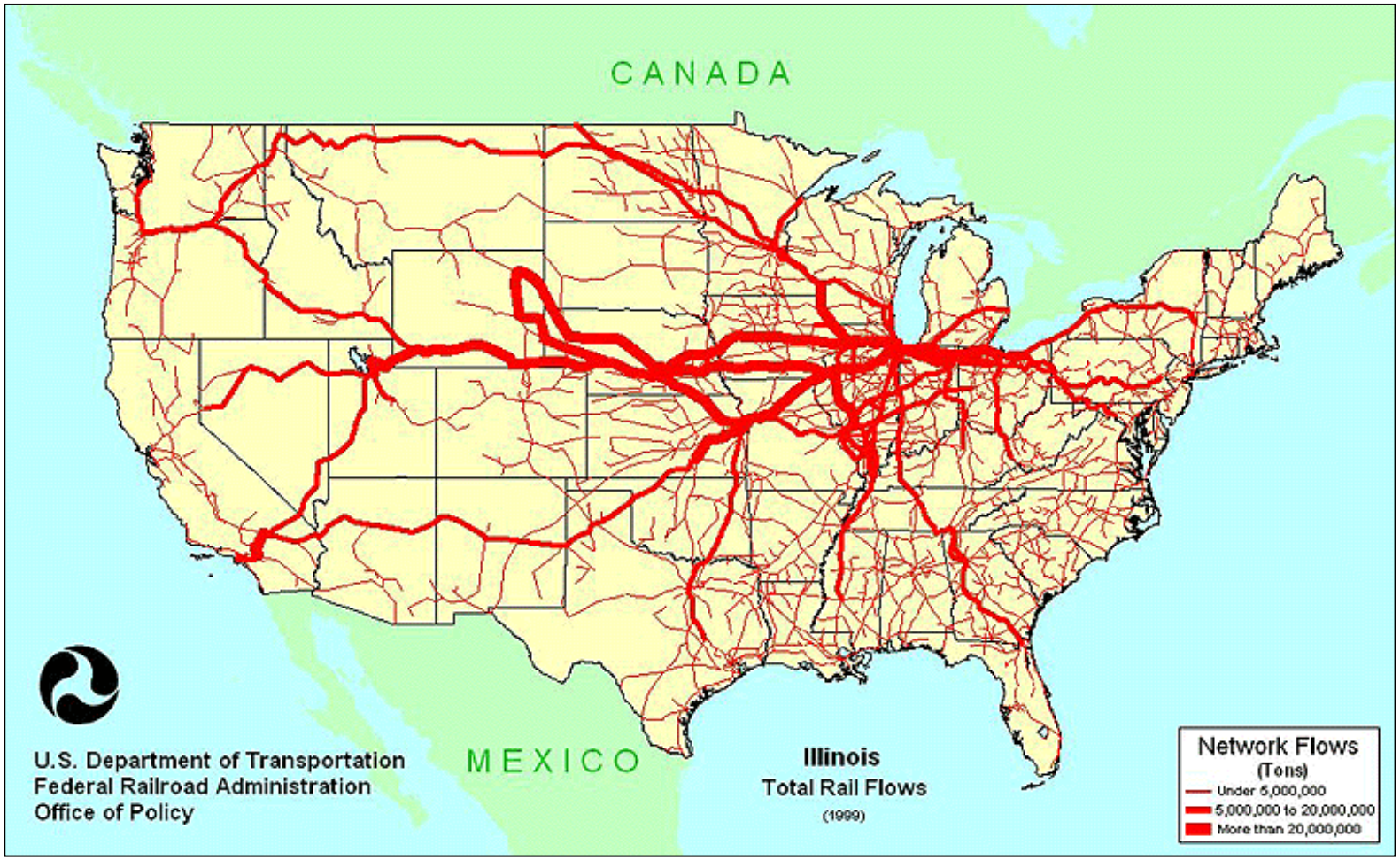
Railroad System of the United States



Bi-National Rail Corridors



Rail Flows


CANADA
MEXICO
U.S. Department of Transportation
Federal Railroad Administration
Office of Policy
Illinois
Total Rail Flows
(1999)
Network Flows
(Tons)
Under 5,000,000
5,000,000 to 20,000,000
More than 20,000,000

Rail Loads

Chicago Rockford Origin Rail Loads

BEA	Origin	State	Rail Carload Loads	Intermodal Units	Rail Load
64	Total		831,212	2,241,294	3,072,506

Chicago Rockford Destination Rail Loads

BEA	Destination	State	Rail Carload Loads	Intermodal Units	Rail Load
64	Total		1,521,523	2,125,529	3,647,052

Peoria Origin Rail Loads

BEA	Origin	State	Rail Carload Loads	Intermodal Units	Rail Loads
101	Total		32,757	70,206	102,962

Peoria Destination Rail Loads

BEA	Destination	States	Rail Carload Loads	Intermodal Units	Rail Loads
101	Peoria, IL		118,613	4,216	122,828

Intermodal Volume

- The region handles container volume rivaling the largest sea ports

Port Container Volume

Port	2003 Container Volumes (millions of TEU's)
Hong Kong	18.5 M
Singapore	17.1 M
Chicago	11.8 M
LA/Long Beach	11.7 M

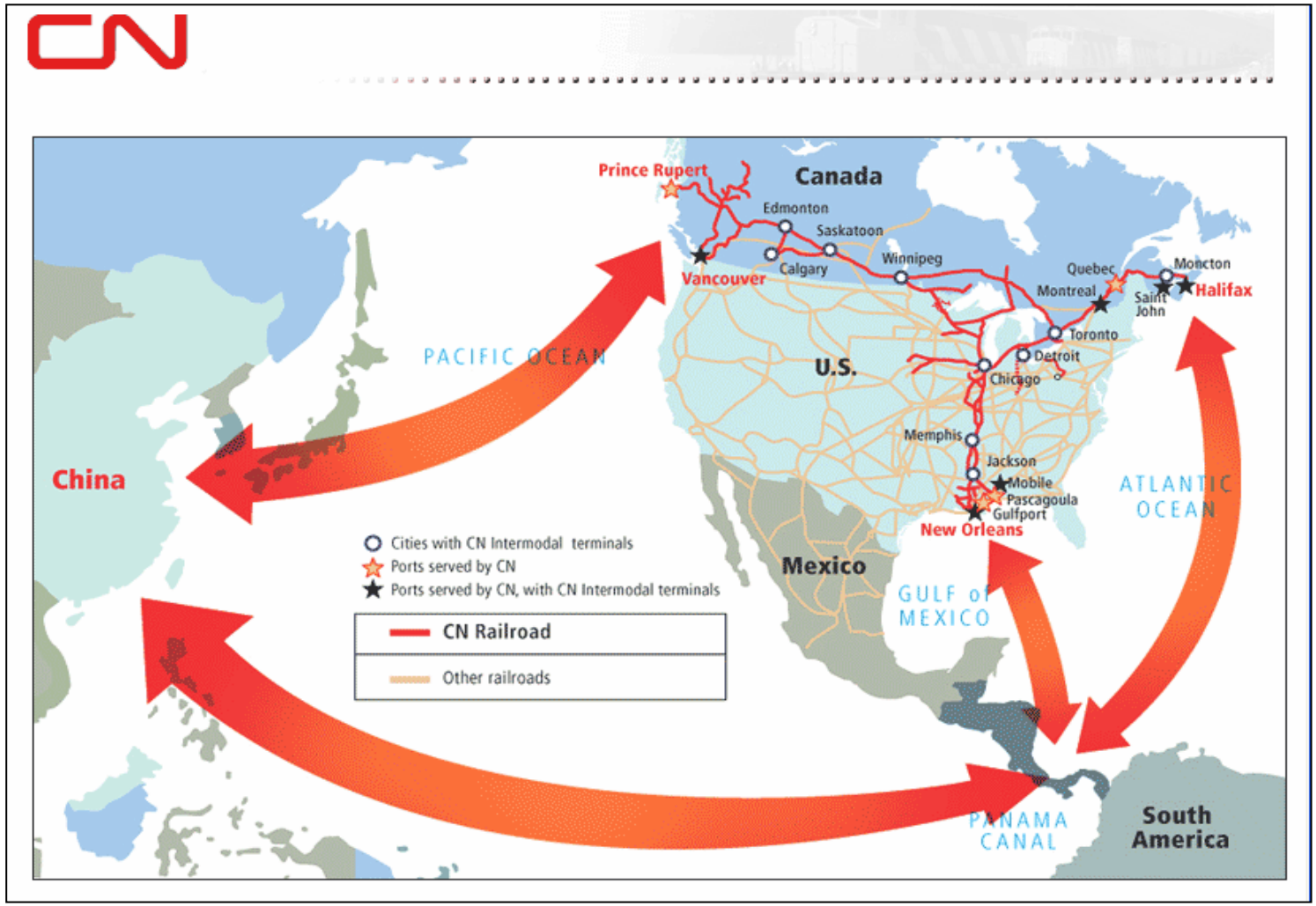
Intermodal

- Seven major carriers provide rail access along the corridor.
- The fastest growing segment of rail is intermodal.
- The highest traffic corridor for inter-modal is between California and Illinois reflecting the land portion of container shipments to the US from Asia (China).
- Chicago as a region is the largest inland intermodal center in the world.
- With the presence of Global III and CIC in the region dominance of the intermodal market will likely be maintained for the foreseeable future. These are high capacity centers.
- Leveraging these centers should be a key strategy for the corridor.
- Certain nodes could provide service to and from each of the intermodal centers.
- Organizing to provide Foreign Trade Zone and sub zone status for properties located along the corridor should be planned.
- Users get tariff relief and may receive permission form Customs to move imported goods directly from ports to the FTZ. This avoids delays at congested ports.

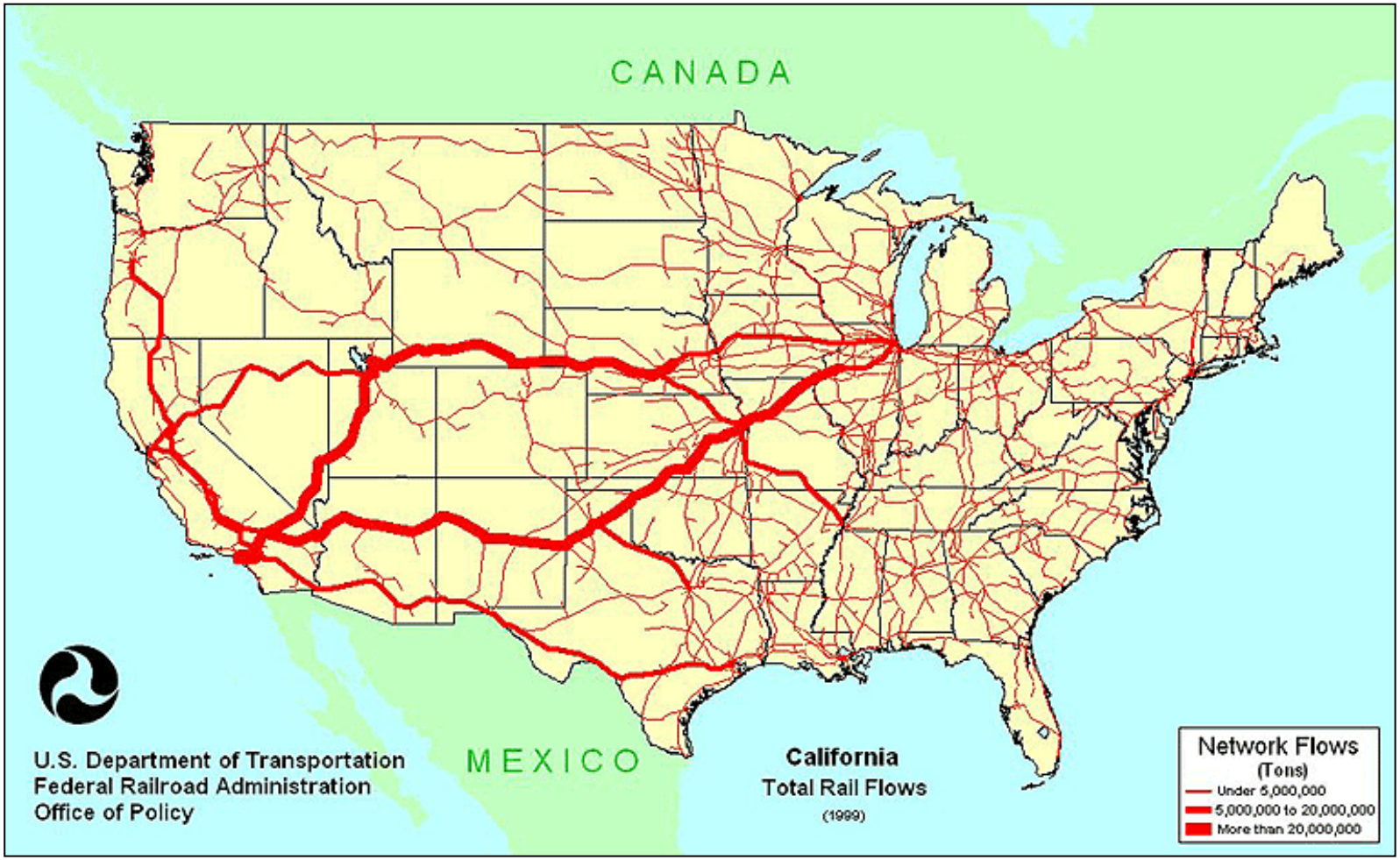
Intermodal

- CN and CP are marketing a strategy to US importers from China that by-passes US west coast ports. Goods would be routed through Chicago from Canada. (Duties, fees and labor costs are claimed to be less compared to US ports).
- CN and NS have agreed to by-pass the Chicago region in favor of Memphis for imports entering the Gulf Coast Ports and product ultimately destined for the southeast.
- The Association should market the I-39 Corridor to CN and CP as the best entry point for China imports to the US via Canadian ports.

Intermodal

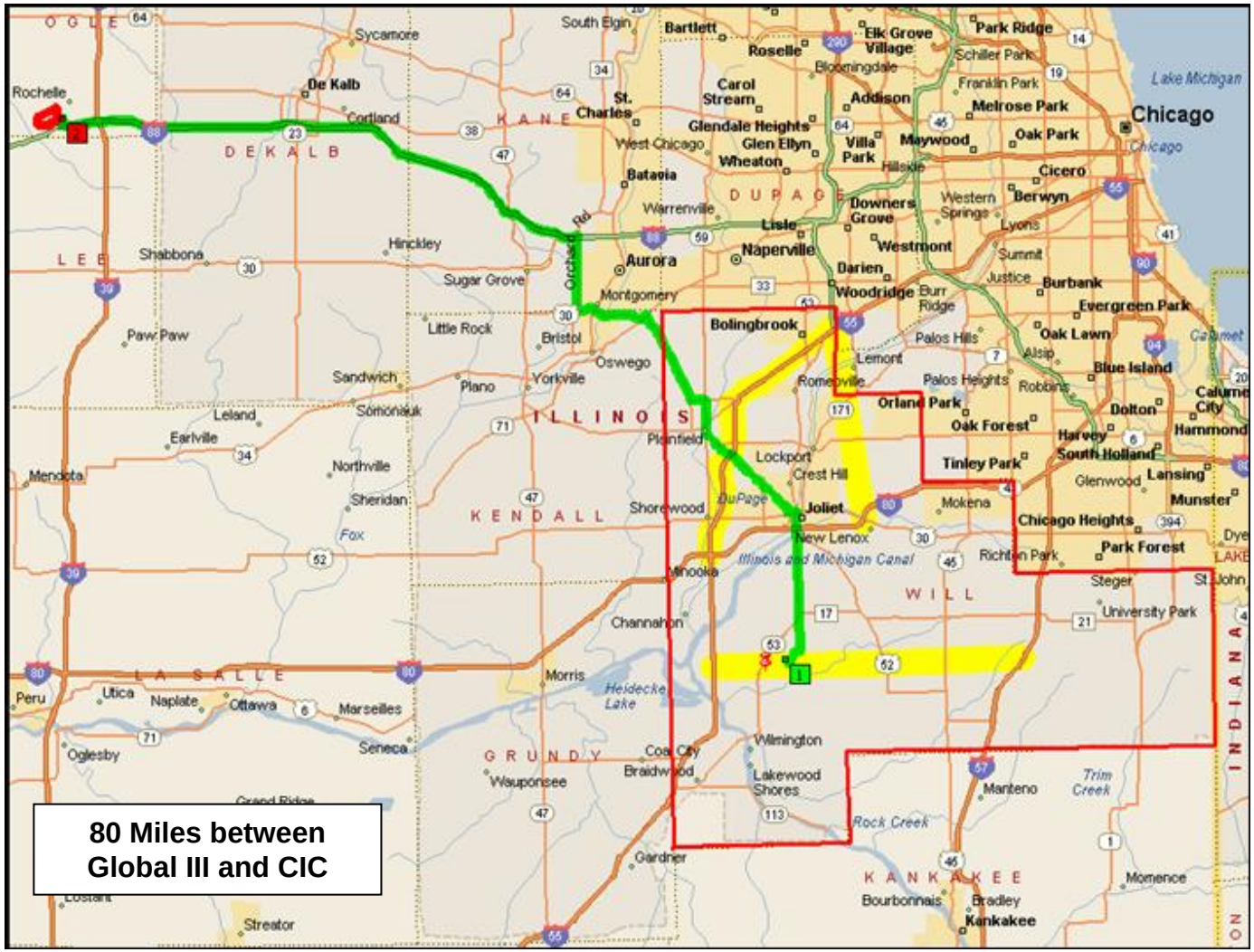

CN
Prince Rupert
Canada
Edmonton
Saskatoon
Calgary
Winnipeg
Vancouver
Quebec
Moncton
Montreal
Saint John
Halifax
Toronto
Detroit
Chicago
U.S.
PACIFIC OCEAN
China
Memphis
Jackson
Mobile
Pascagoula
Gulfport
New Orleans
ATLANTIC OCEAN
Mexico
GULF of MEXICO
Cities with CN Intermodal terminals
Ports served by CN
Ports served by CN, with CN Intermodal terminals
CN Railroad
Other railroads
PANAMA CANAL
South America

Rail Flows

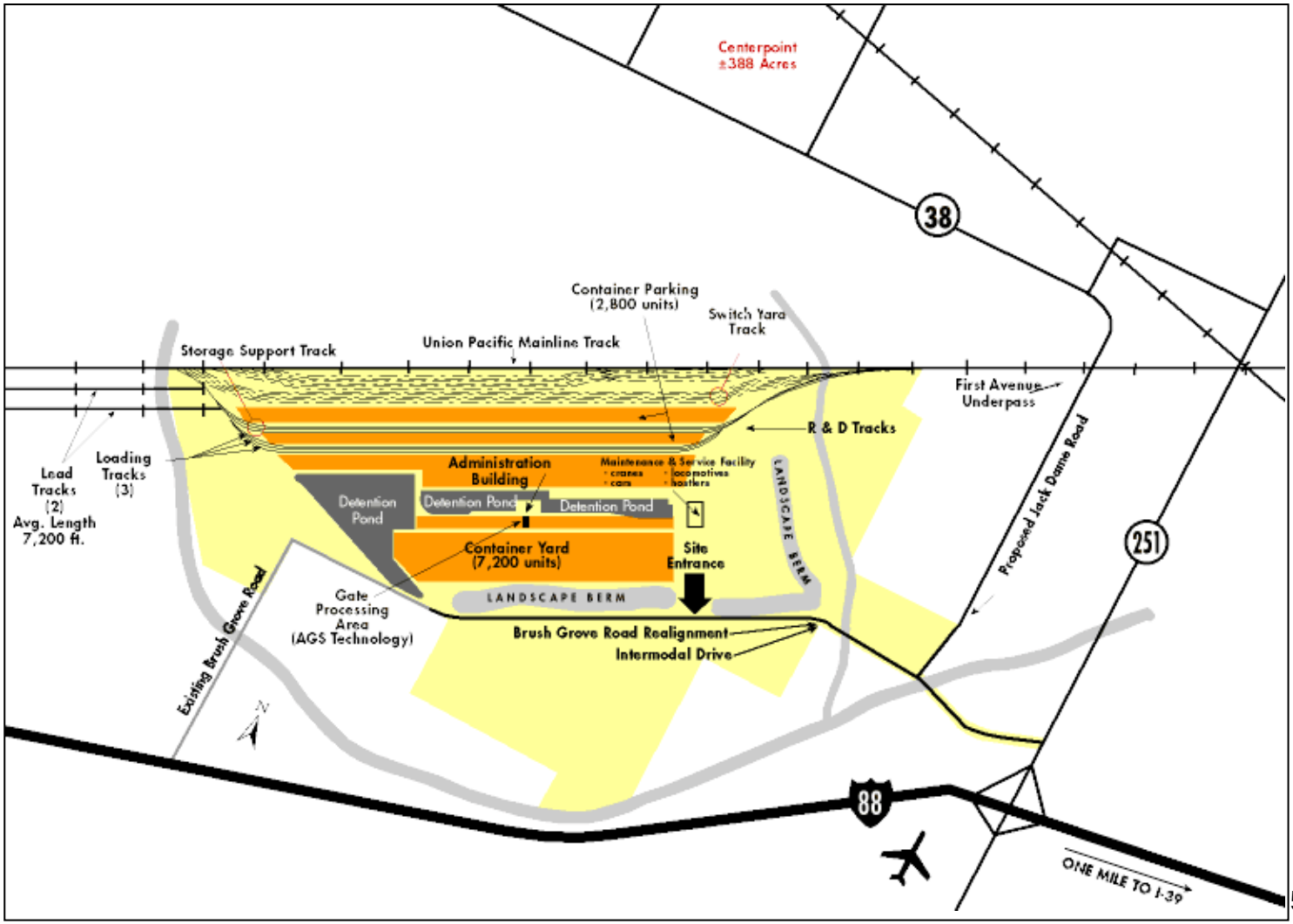


The highest traffic corridor for intermodal shipping is between California and Chicago

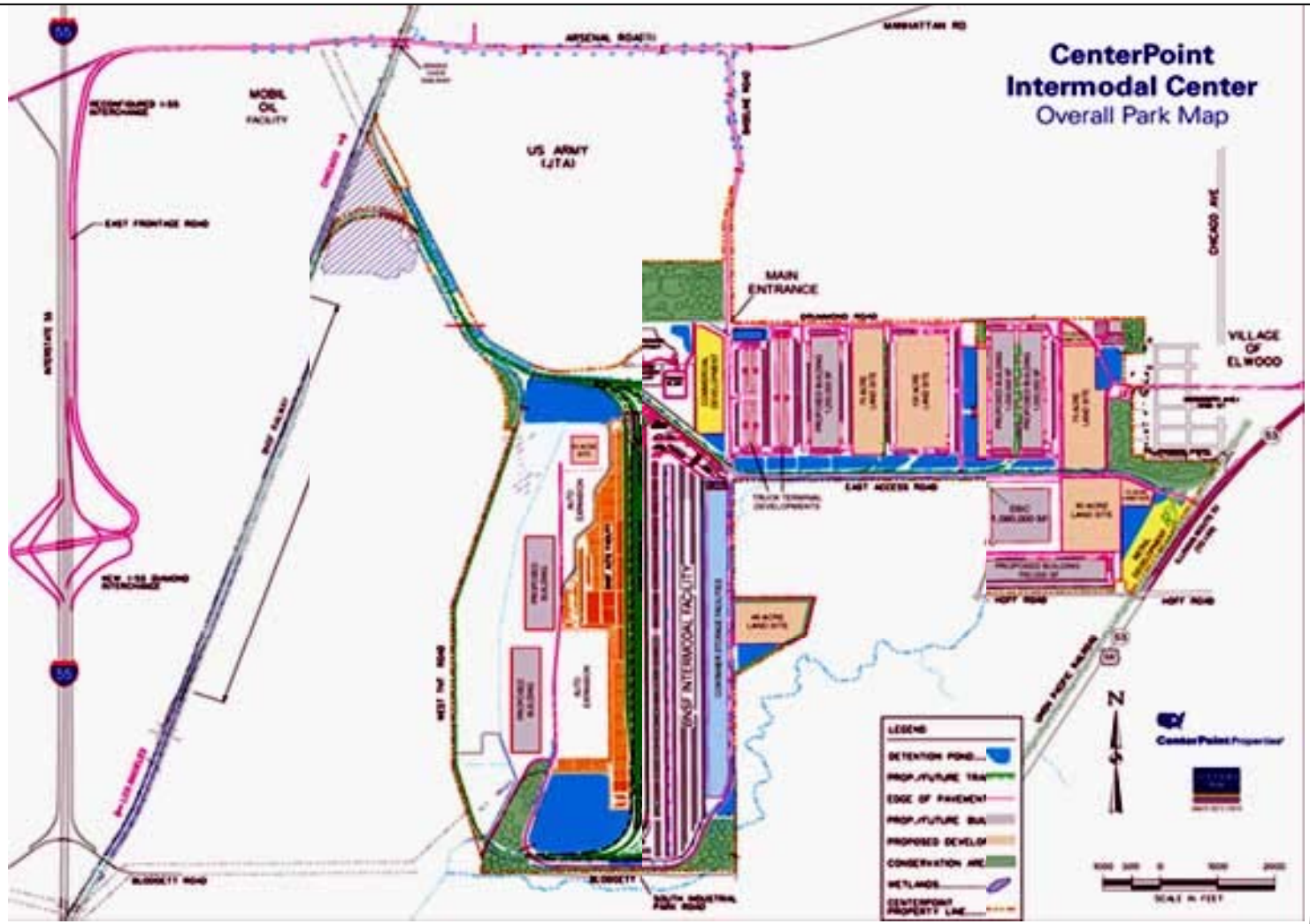
Global III and CIC



Global III Rochelle

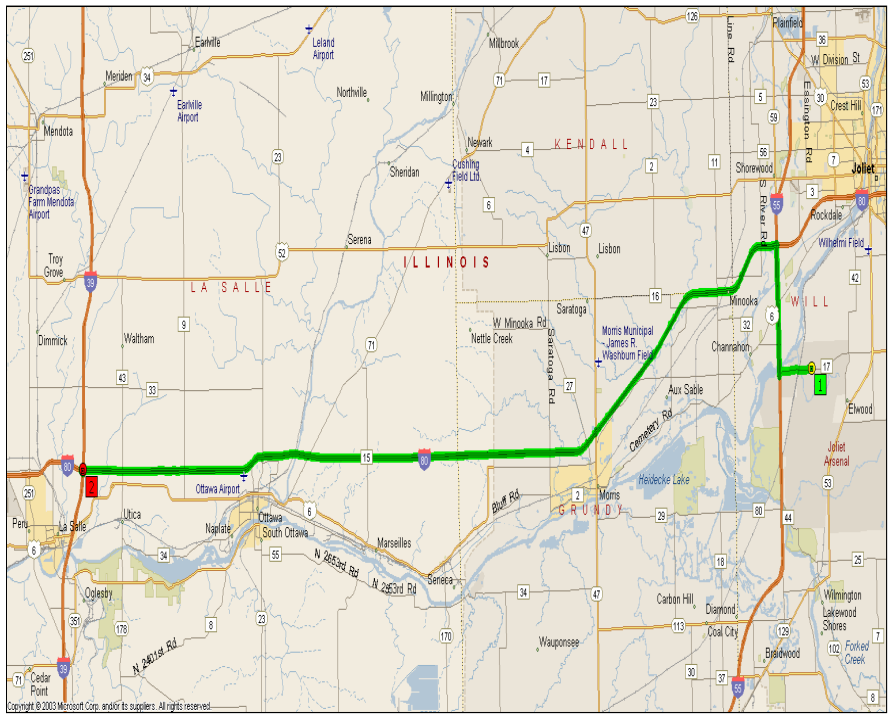


CenterPoint Intermodal Center



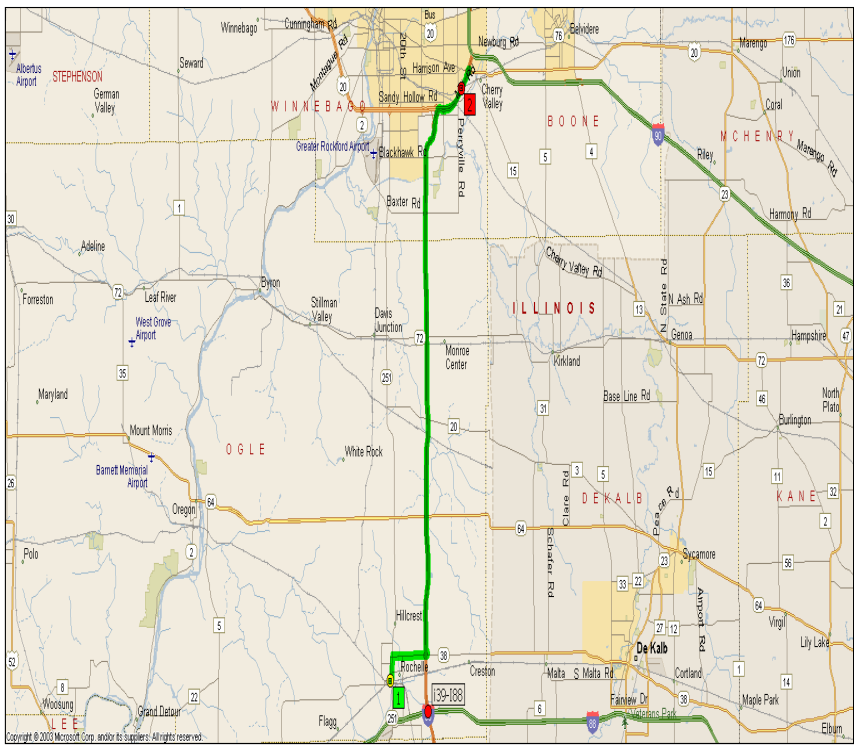
Intermodal I39/I80

- Driving time and distance to Global III from I-39 and I-80 is projected to be 43 minutes and 43 miles. To CenterPoint it is projected to be 56 miles and 53 minutes.



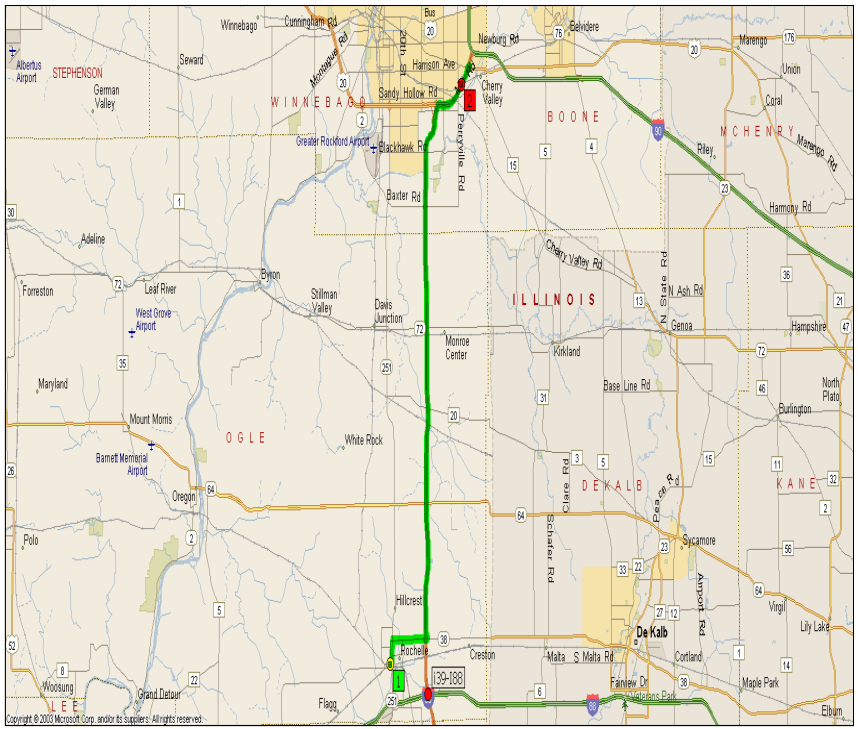
Intermodal I39/I88

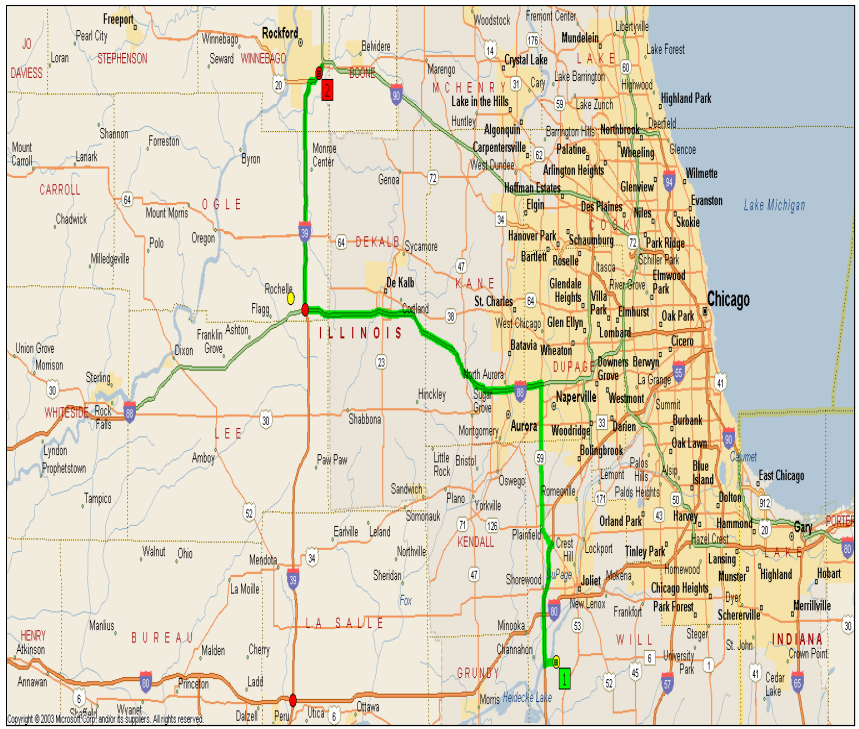
- Driving time and distance to Global III from I-39 and I-88 is projected to be 6 minutes and 8 miles. To CenterPoint it is projected to be 75 miles and 78 minutes.



Intermodal I39/I90

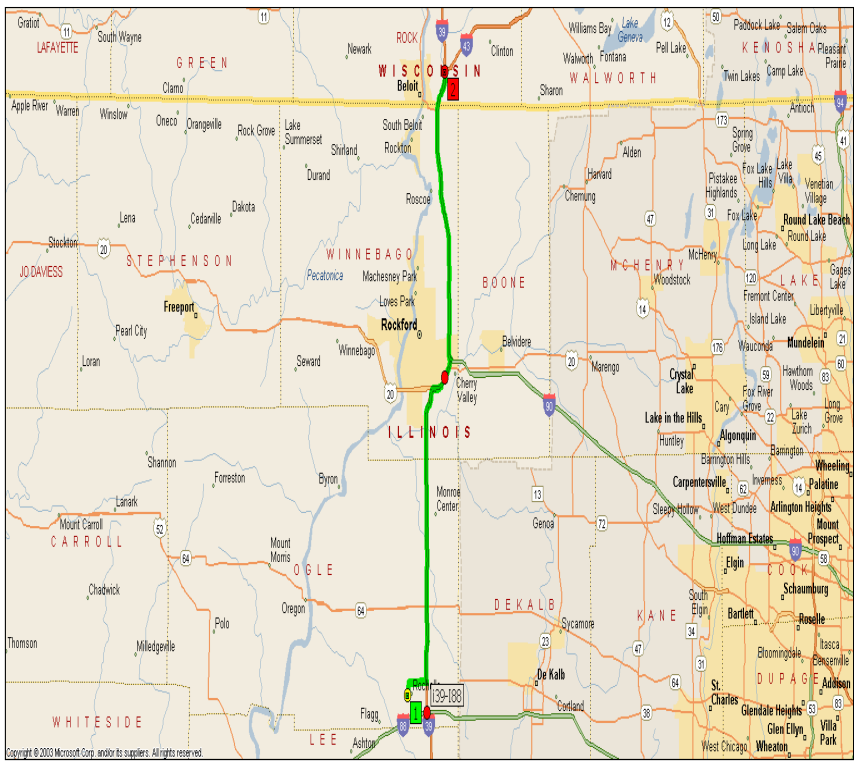
- Driving time and distance to Global III from I-39 and I-90 is projected to be 28 minutes and 30 miles. To CenterPoint it is projected to be 101 miles and 103 minutes.





Intermodal I39/I43

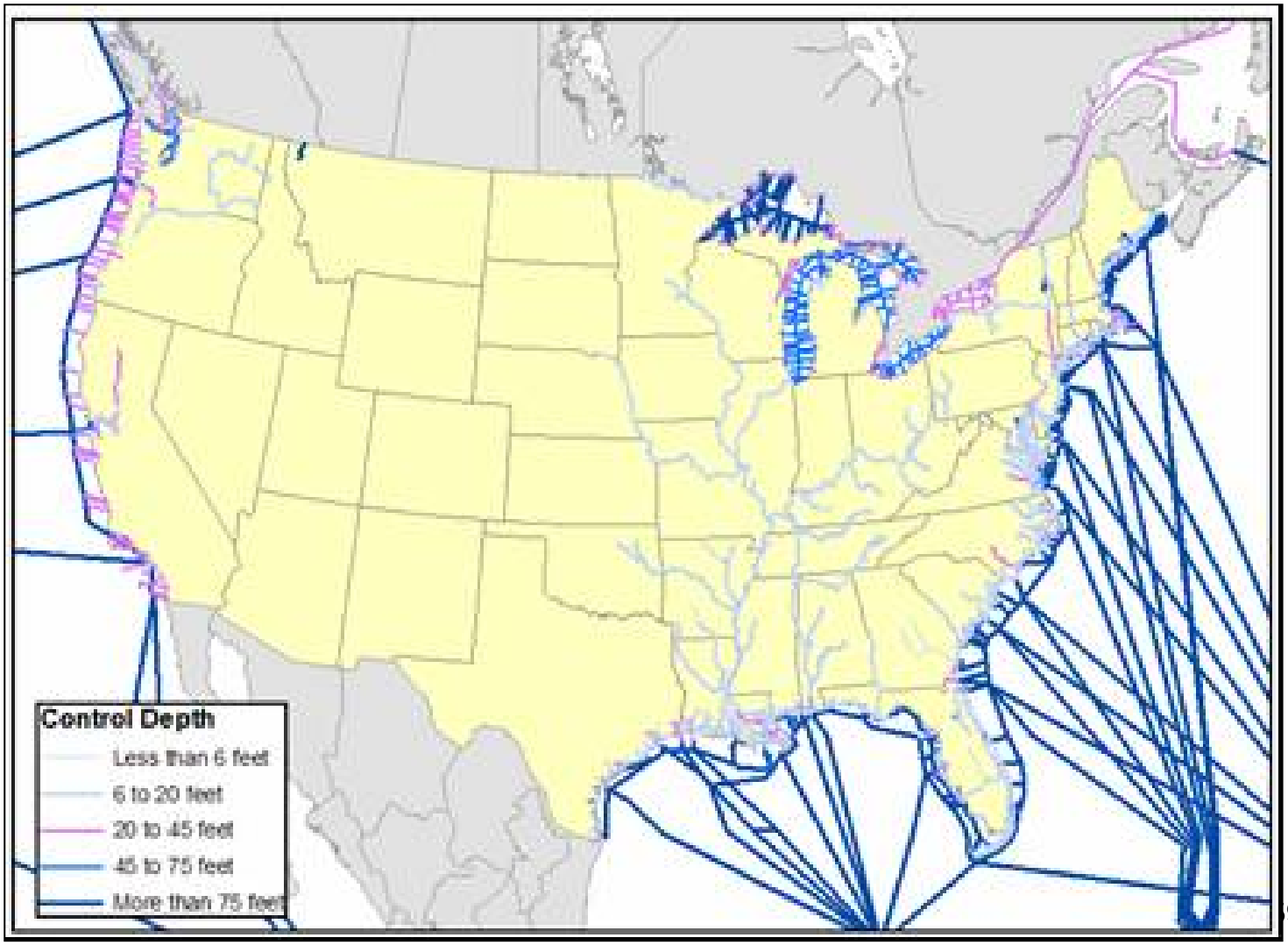
- Driving time and distance to Global III from I-39 and I-43 is projected to be 50 minutes and 48 miles. To CenterPoint it is projected to be 121 miles and 124 minutes.



Drivers for the I-39 Logistics Corridor

Waterborne Transportation on the Inland Water System

Water System Flows



Inland Water System Flows

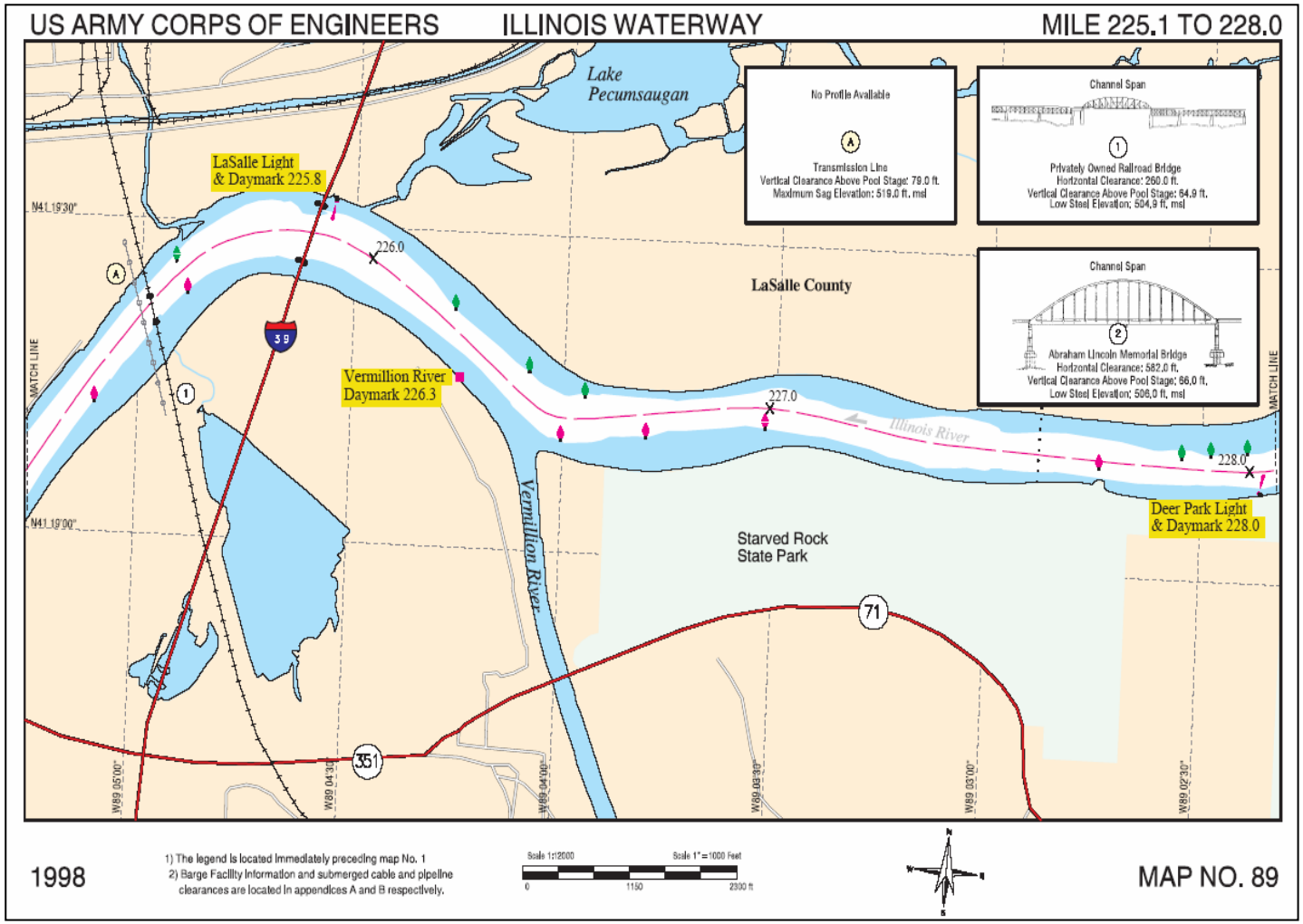
Waterborne Commerce Along the I-39 Corridor

- Chicago is ranked 29th by volume as a US water port.
- Deep water port operations are located in Lake Calumet. The Calumet harbor connects to the Calumet River and then to the Calumet Sag Channel. This channel facilitates barge traffic between Lake Michigan and the Illinois and Mississippi Rivers.

Waterborne Commerce Along the I-39 Corridor

- The Sag Channel connects to the Illinois-Michigan Channel which flows south. The Illinois River passes by the former Joliet Army Arsenal site and through LaSalle County to the Mississippi.
- Heavy industry or bulk commodities are targets for the river area.
- An interstate exchange from I-39 to the directly river would facilitate traffic flow for both water and rail in LaSalle.
- Promoting barge transportation for empty intermodal containers to sea ports would reduce user costs and help solve problems related to empty containers (storage and shipping delays at foreign ports)
- The Association should insure that there is barge drayage services available at nodes along the corridor.

Waterborne Commerce I-39 Corridor



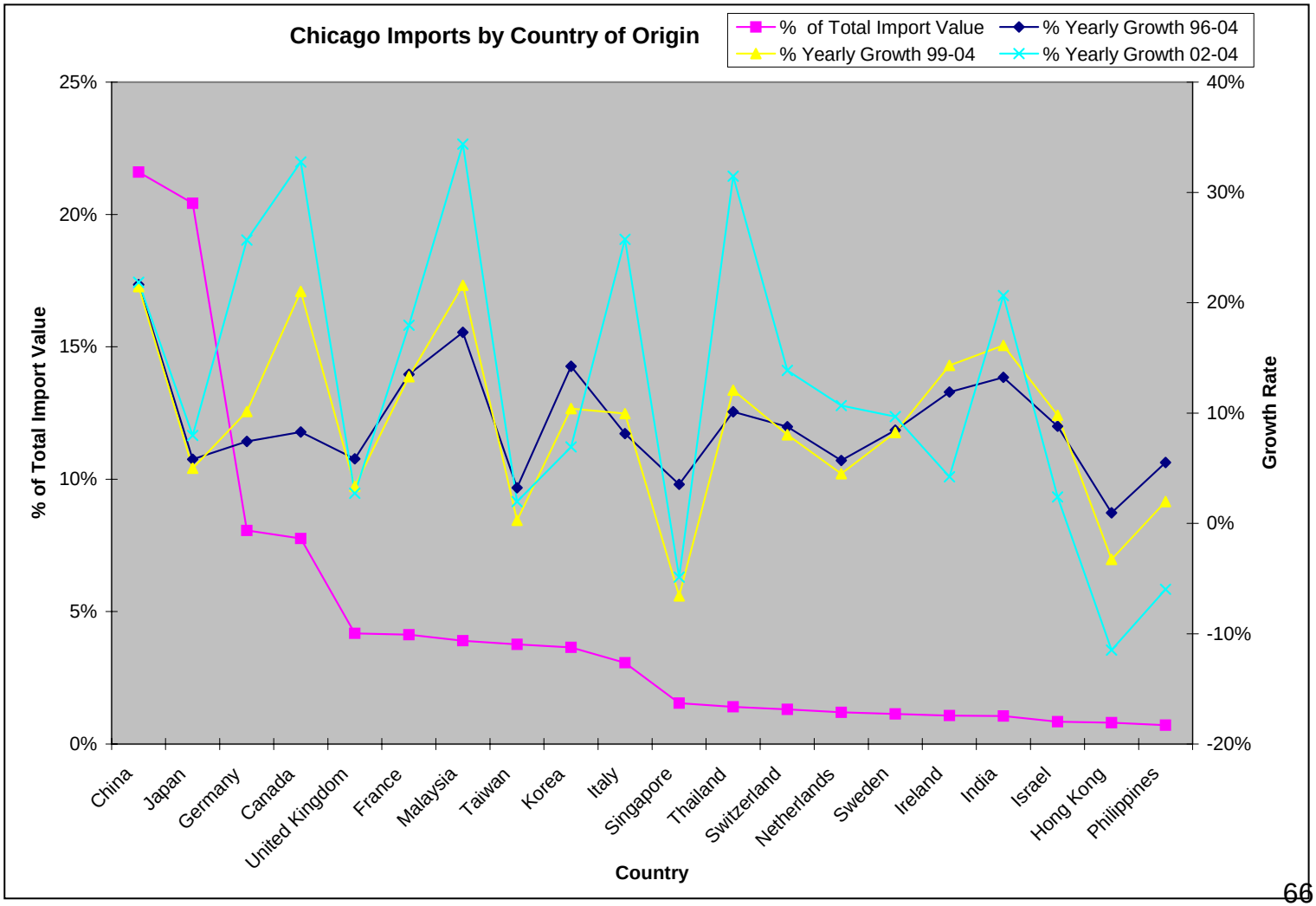
Drivers for the I-39 Logistics Corridor

Sea Ports, Land Gateways, and Related Commodity Trends

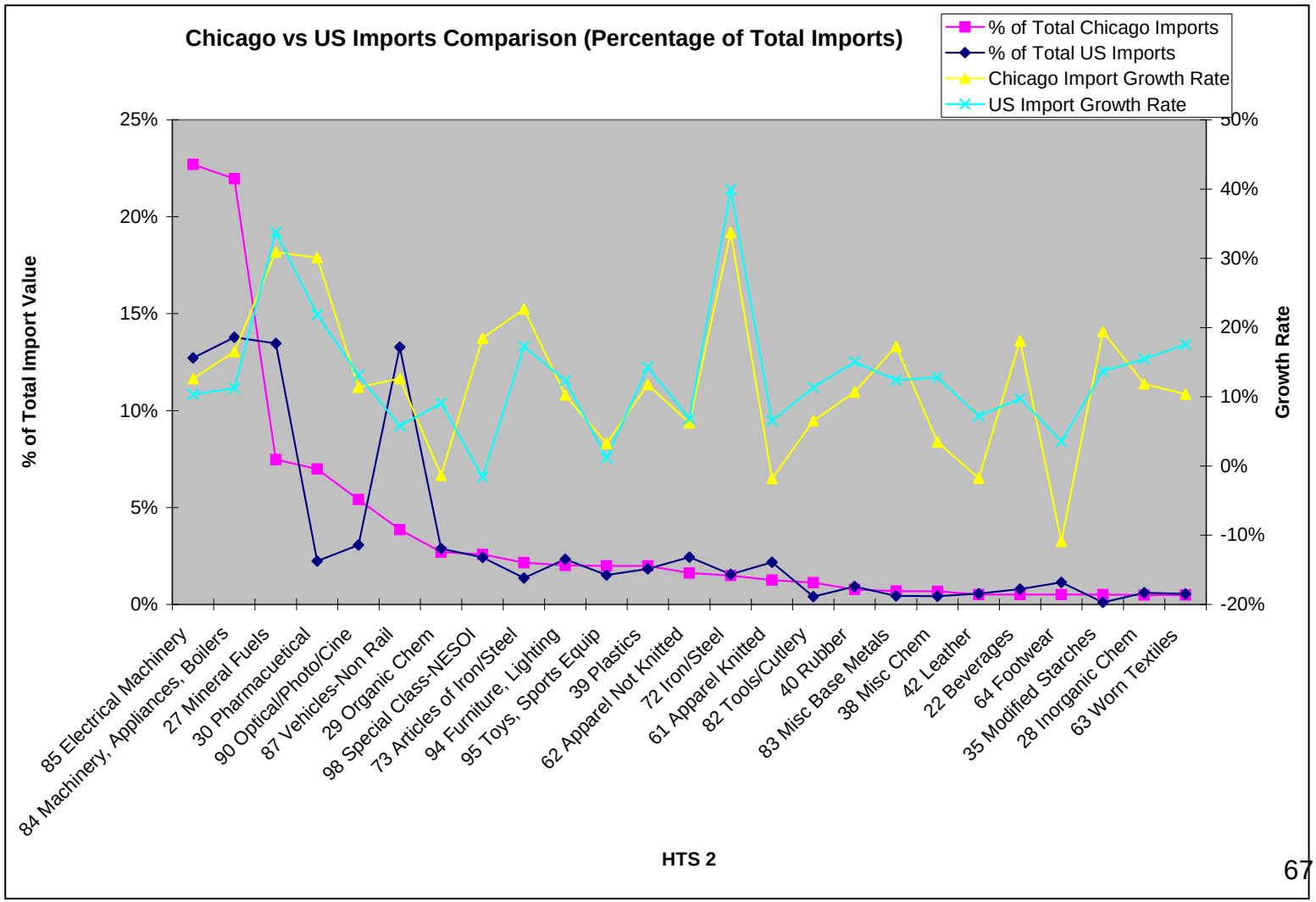
Sea Ports, Land Gateways and Related Commodity Trends

- Overall Canada, China, Mexico, Japan and Germany are the most important trading partners with the United States.
- In the Chicago region China is the most important followed by Japan, Germany and Canada.
- The top 20 trading partners show strong patterns of growth in importing to the US.
- The Association should market the corridor to users of containers, and importers of European products through the Port of NY/NJ.

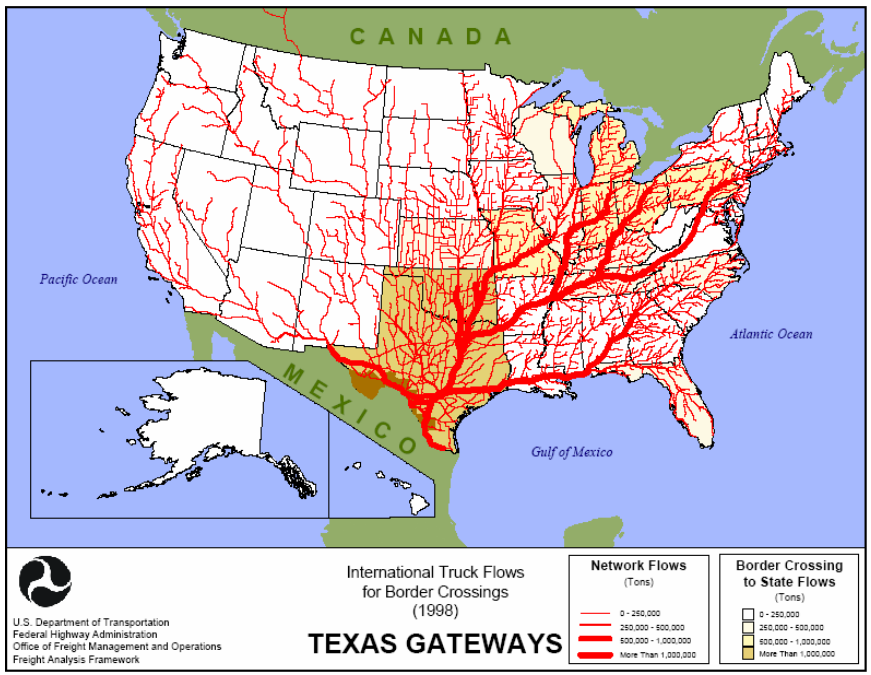
Sea Ports, Land Gateways and Related Commodity Trends



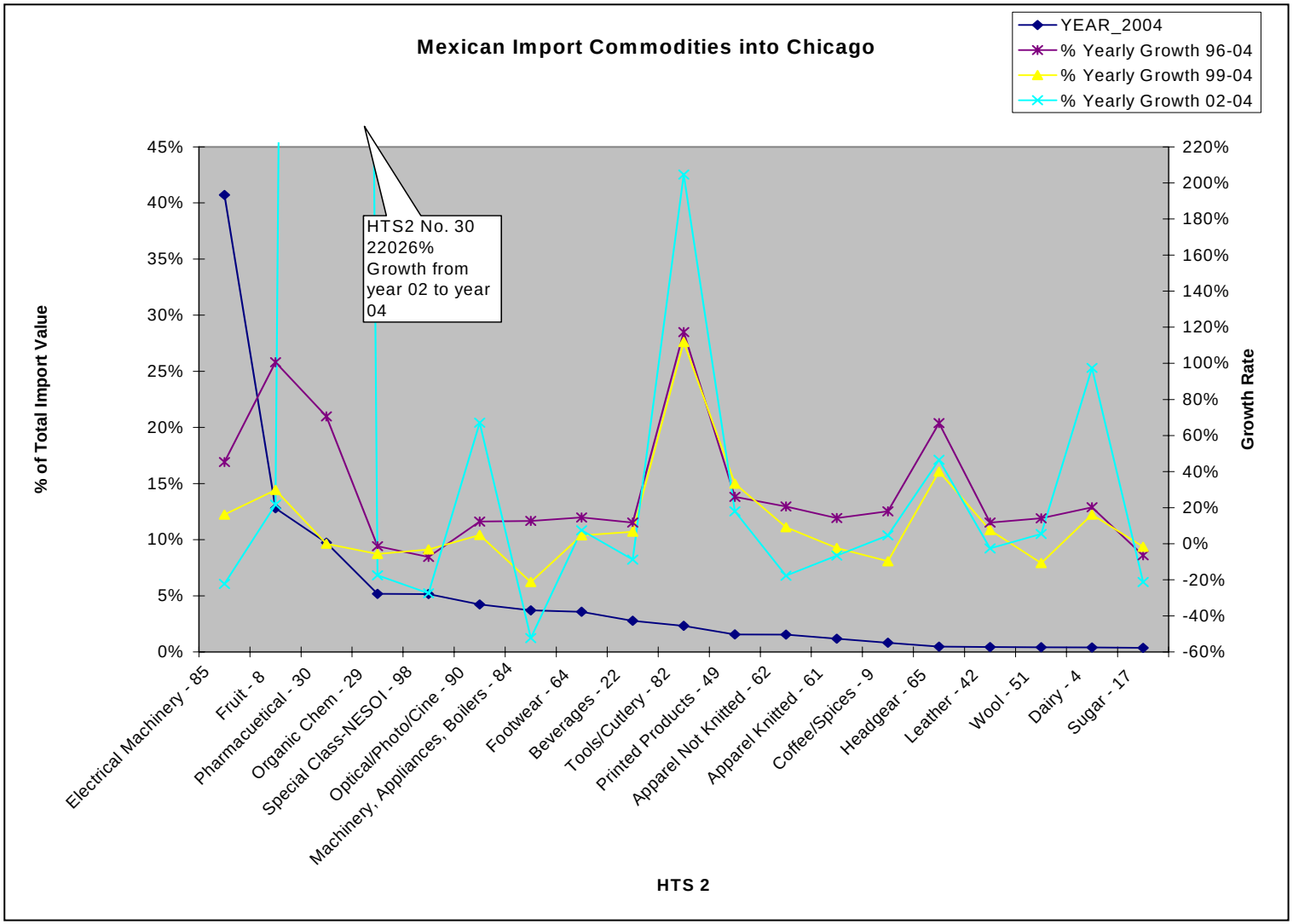
Sea Ports, Land Gateways and Related Commodity Trends



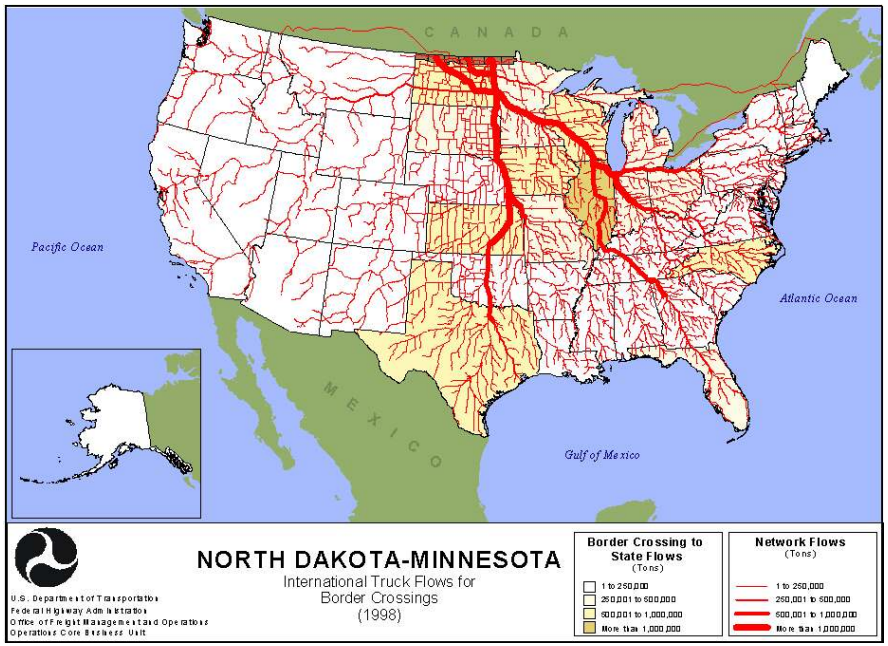
Sea Ports, Land Gateways and Related Commodity Trends Mexico



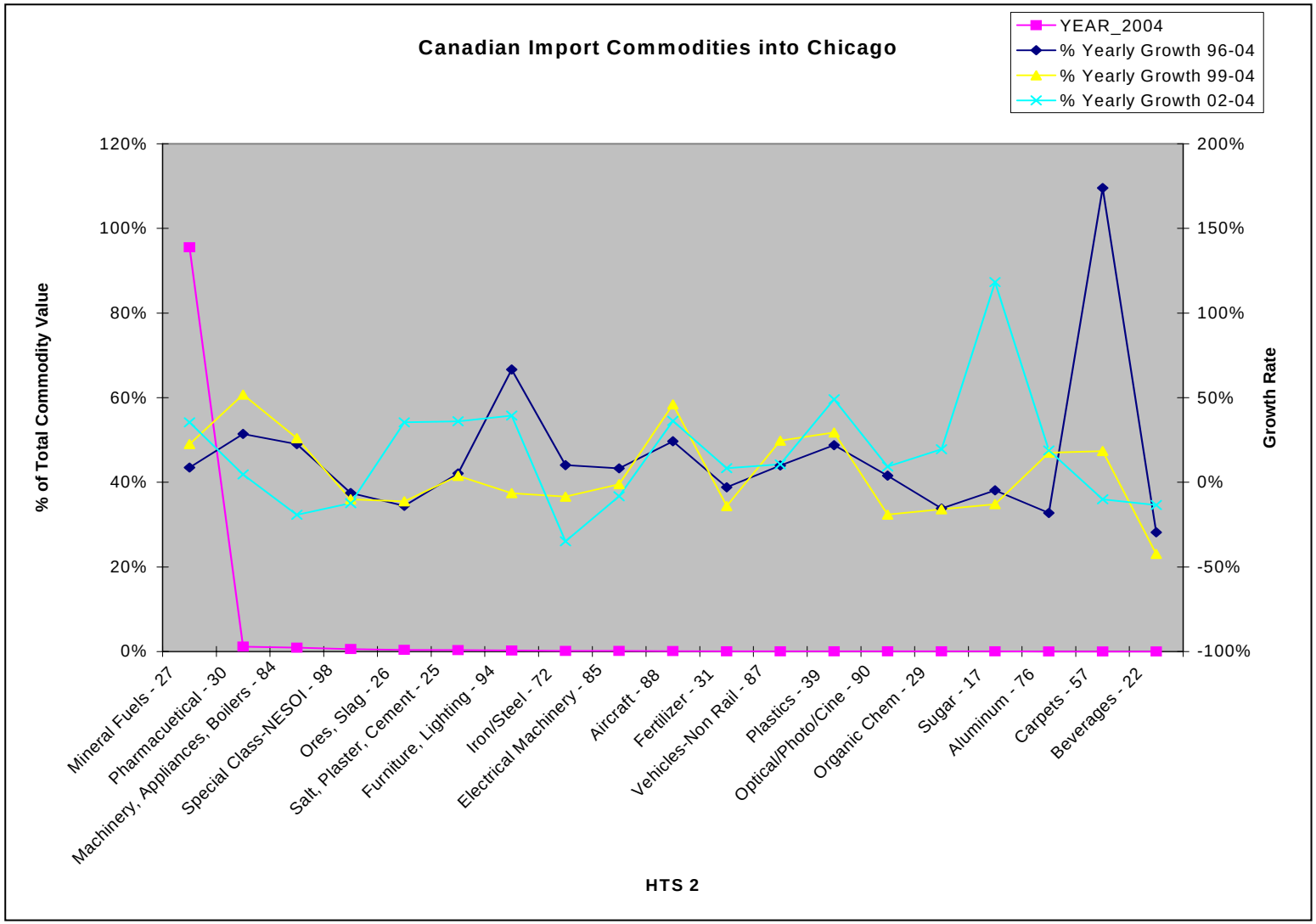
Sea Ports, Land Gateways and Related Commodity Trends Mexico



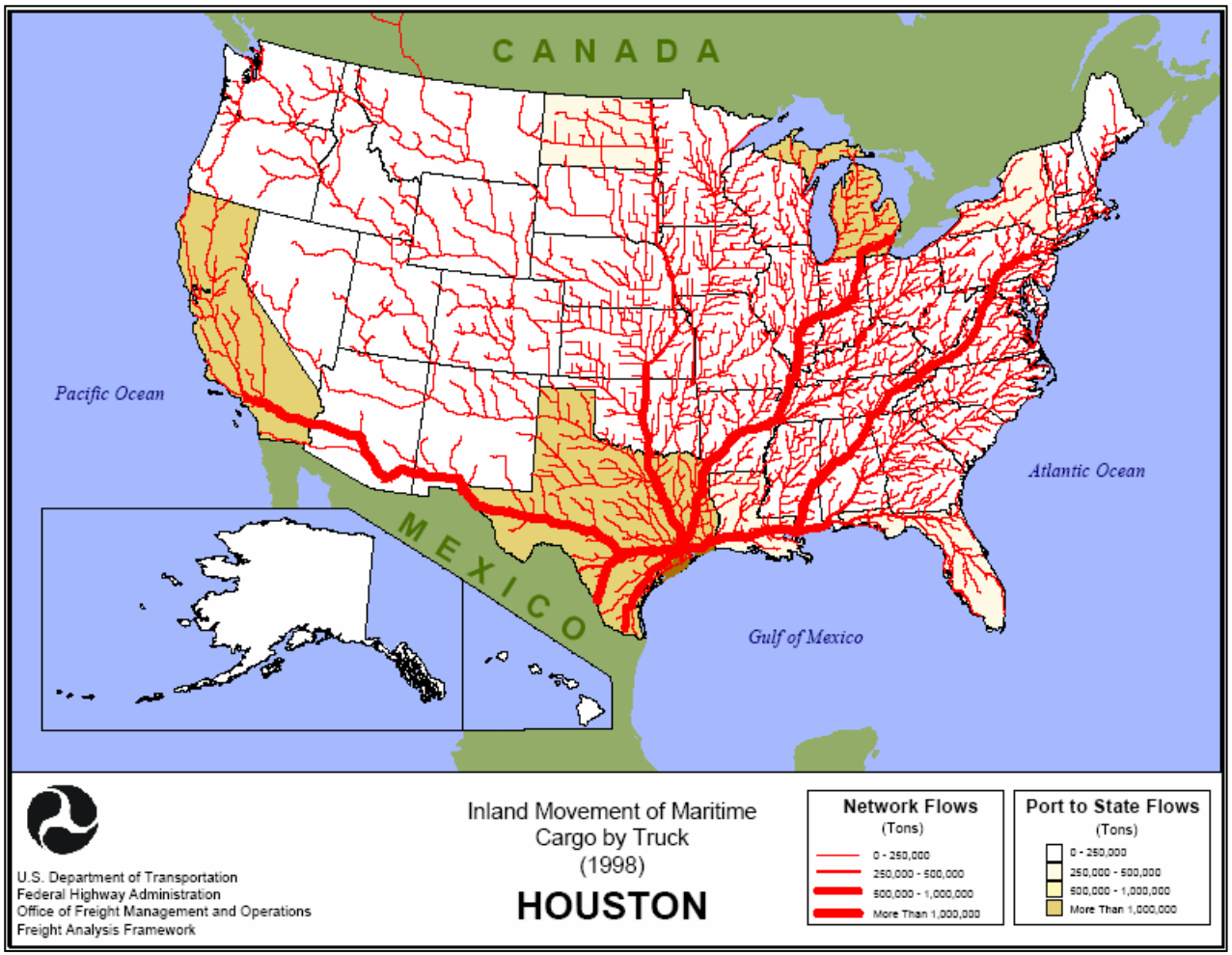
Sea Ports, Land Gateways and Related Commodity Trends Canadian Border Crossings



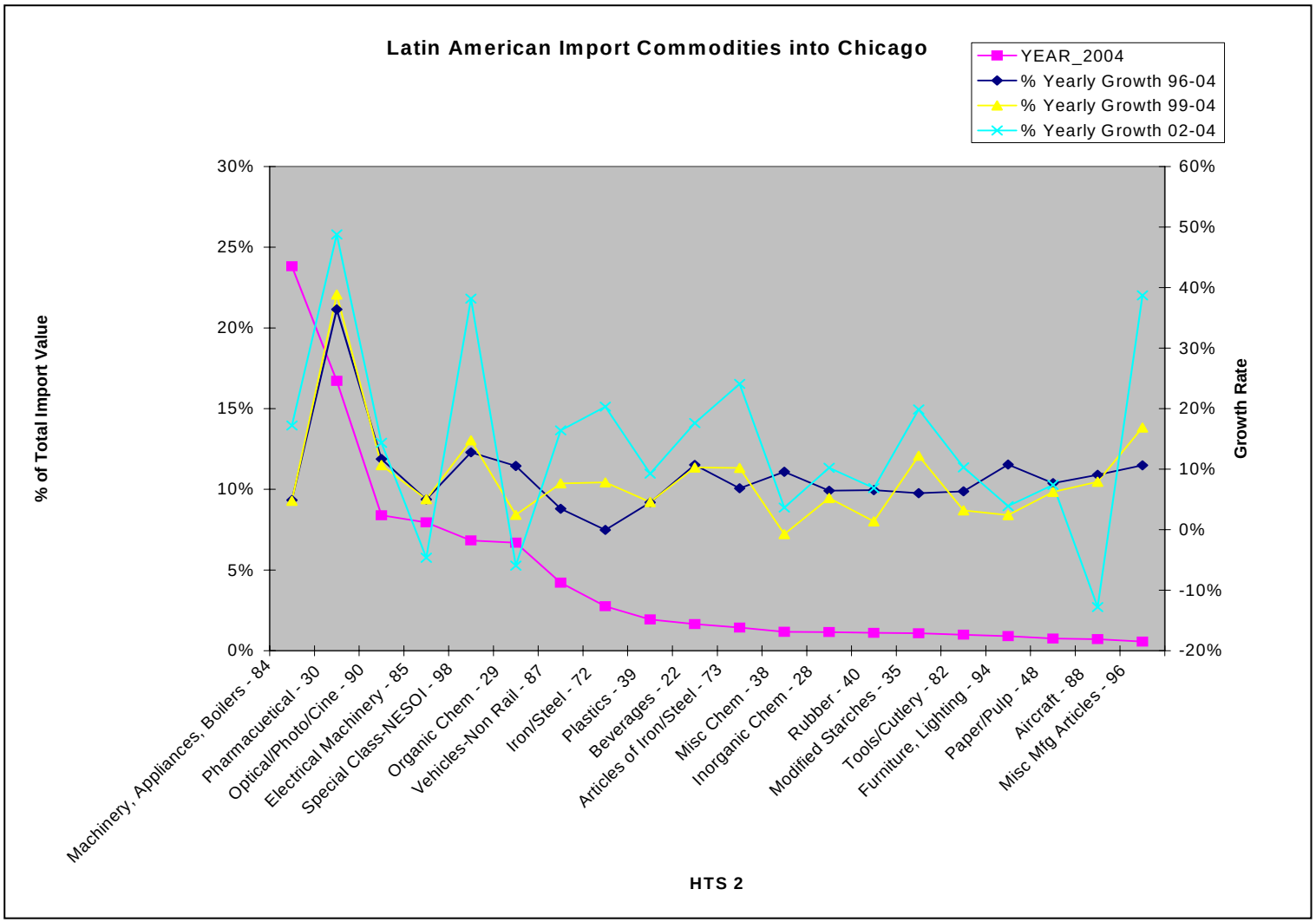
Sea Ports, Land Gateways and Related Commodity Trends Canadian Border Crossings



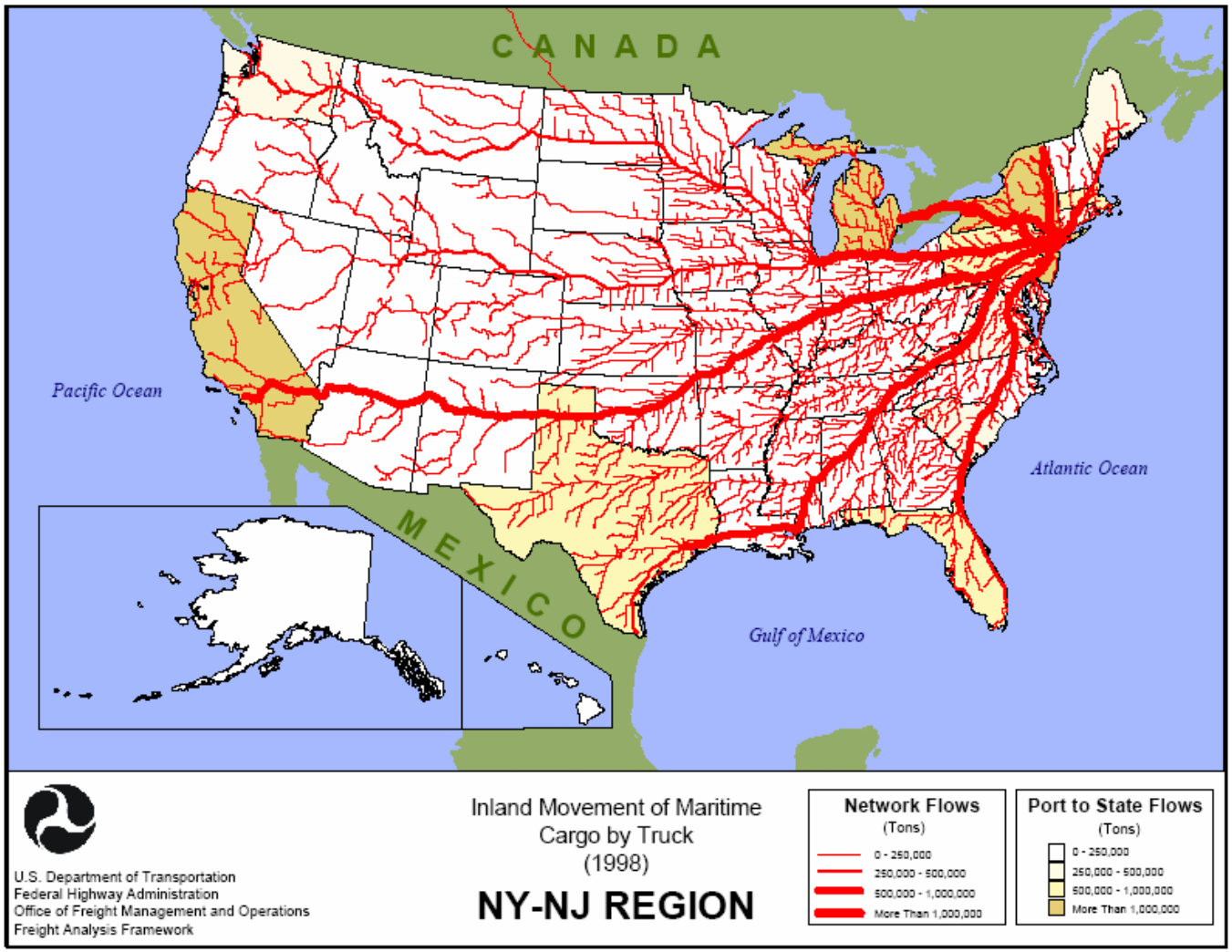
Sea Ports, Land Gateways and Related Commodity Trends Gulf Coast



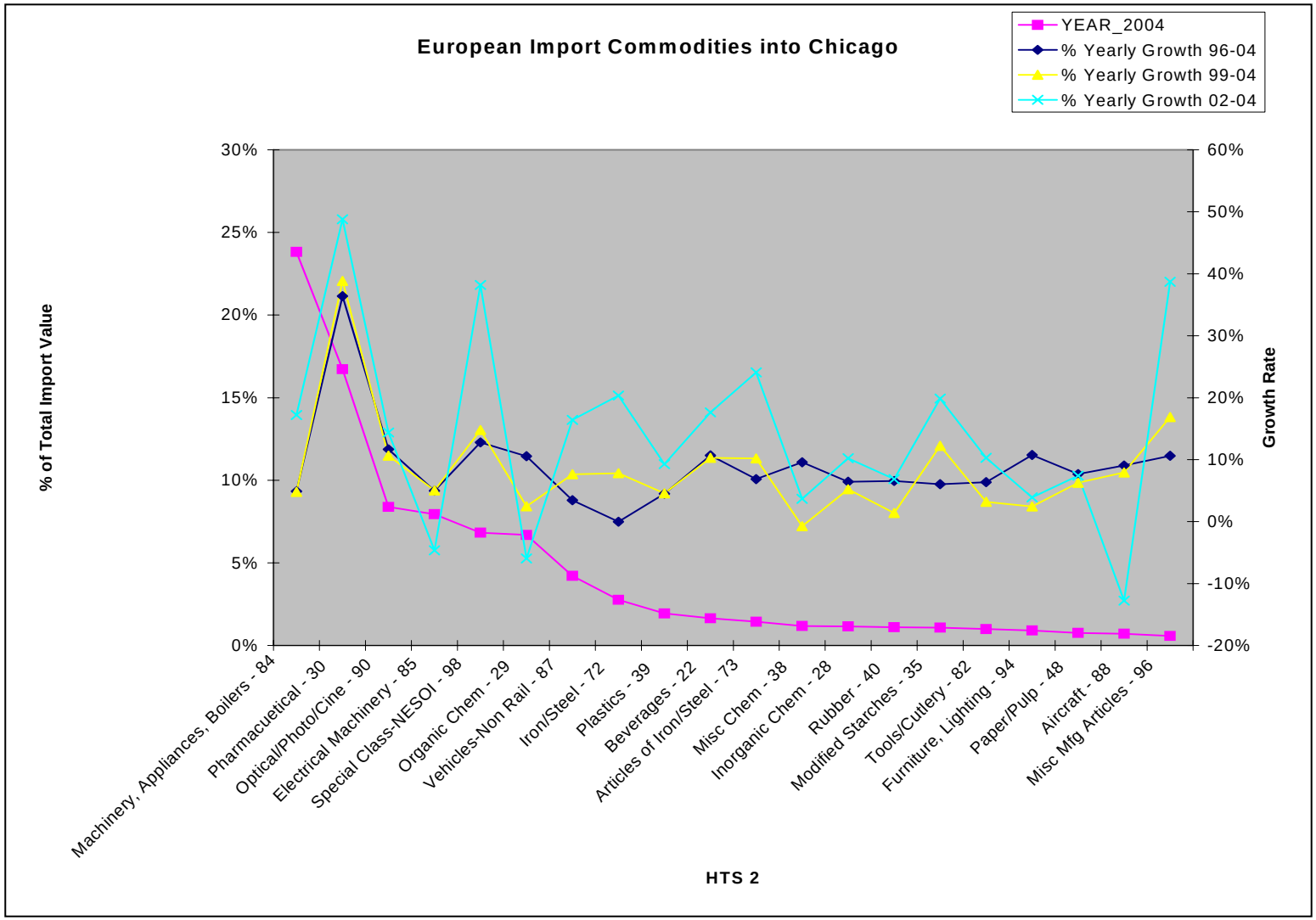
Sea Ports, Land Gateways and Related Commodity Trends Gulf Coast



Sea Ports, Land Gateways and Related Commodity Trends East Cost Ports



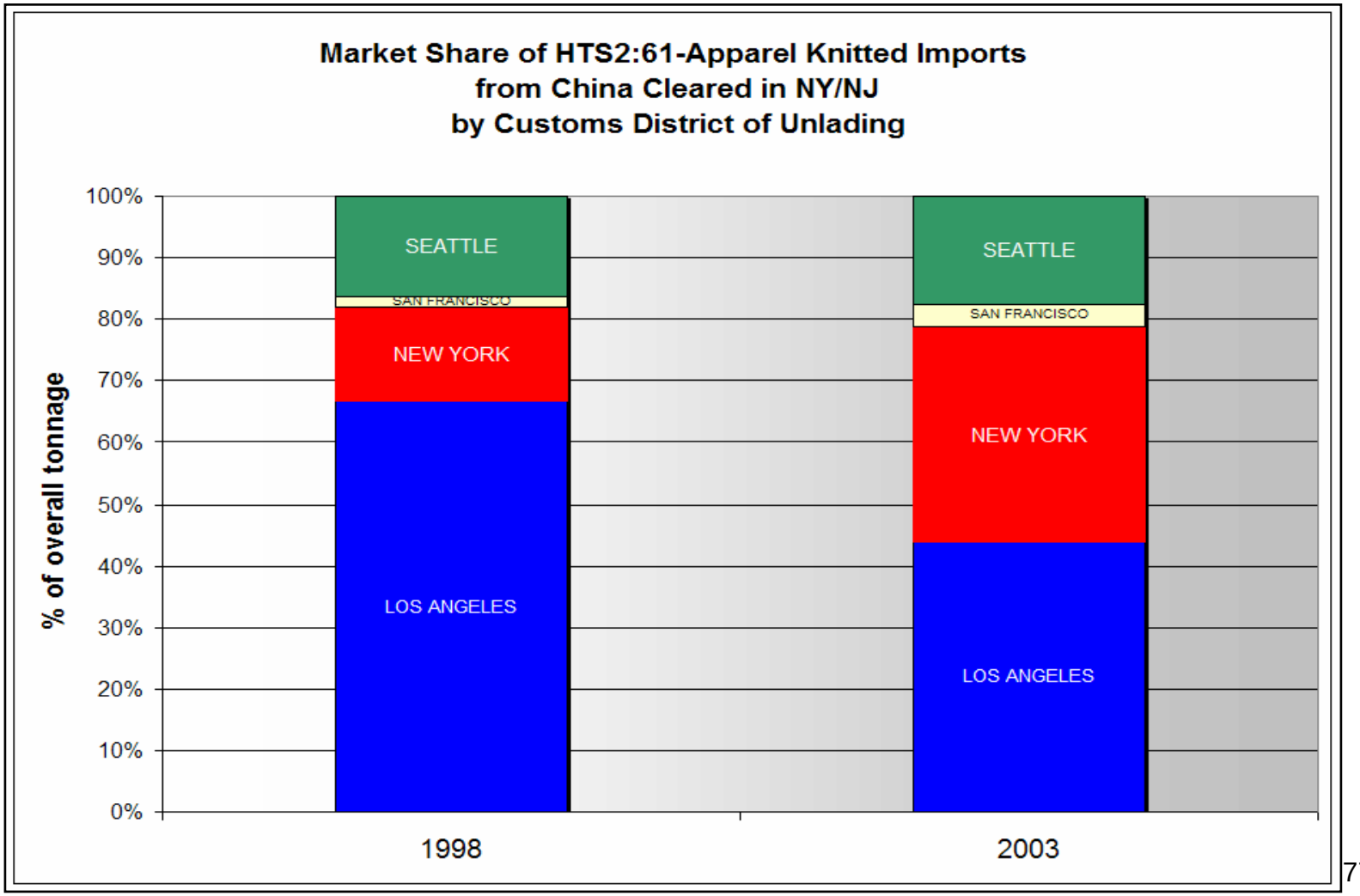
Sea Ports, Land Gateways, and Related Commodity Trends East Cost Ports



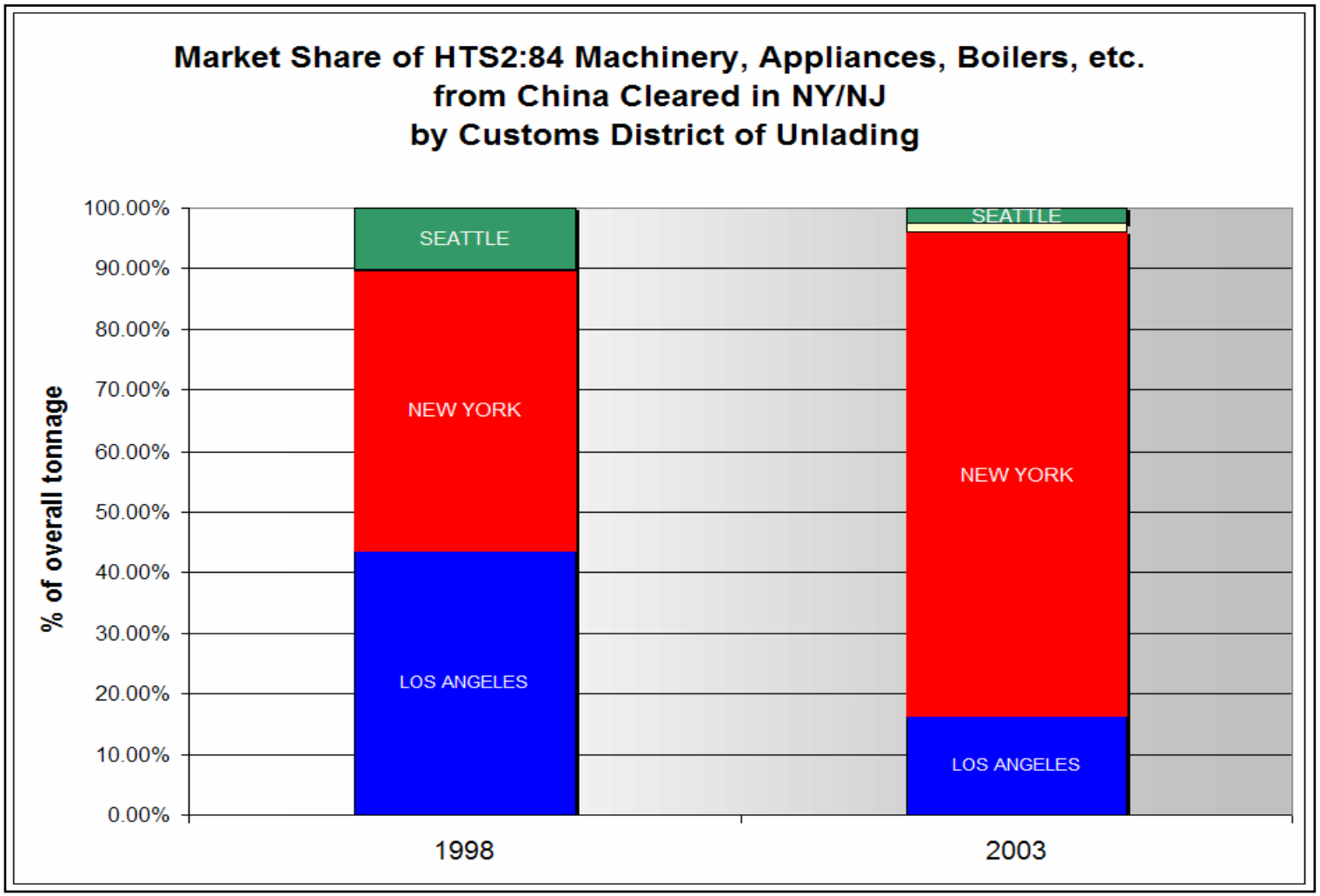
Sea Ports, Land Gateways and Related Commodity Trends East Cost Ports

- The importance of the New York New Jersey port system to the Chicago region is growing as shippers and importers seek to avoid the delays that re-occur in the west coast port system.
- Five new all-water services from Asia to the Port of New York and New Jersey were added in 2004, bringing the total all-water services to the Far East/Southeast Asia/Indian Subcontinent trade lanes to 24. Of these, 17 travel via the Panama Canal and the remaining seven via the Suez Canal.

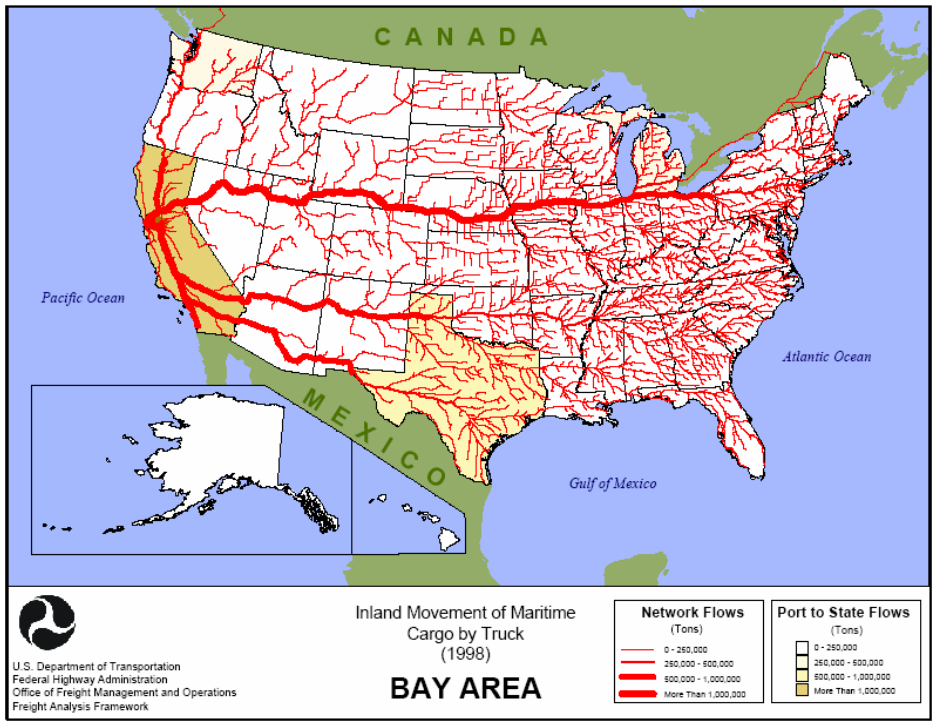
Sea Ports, Land Gateways and Related Commodity Trends East Cost Ports



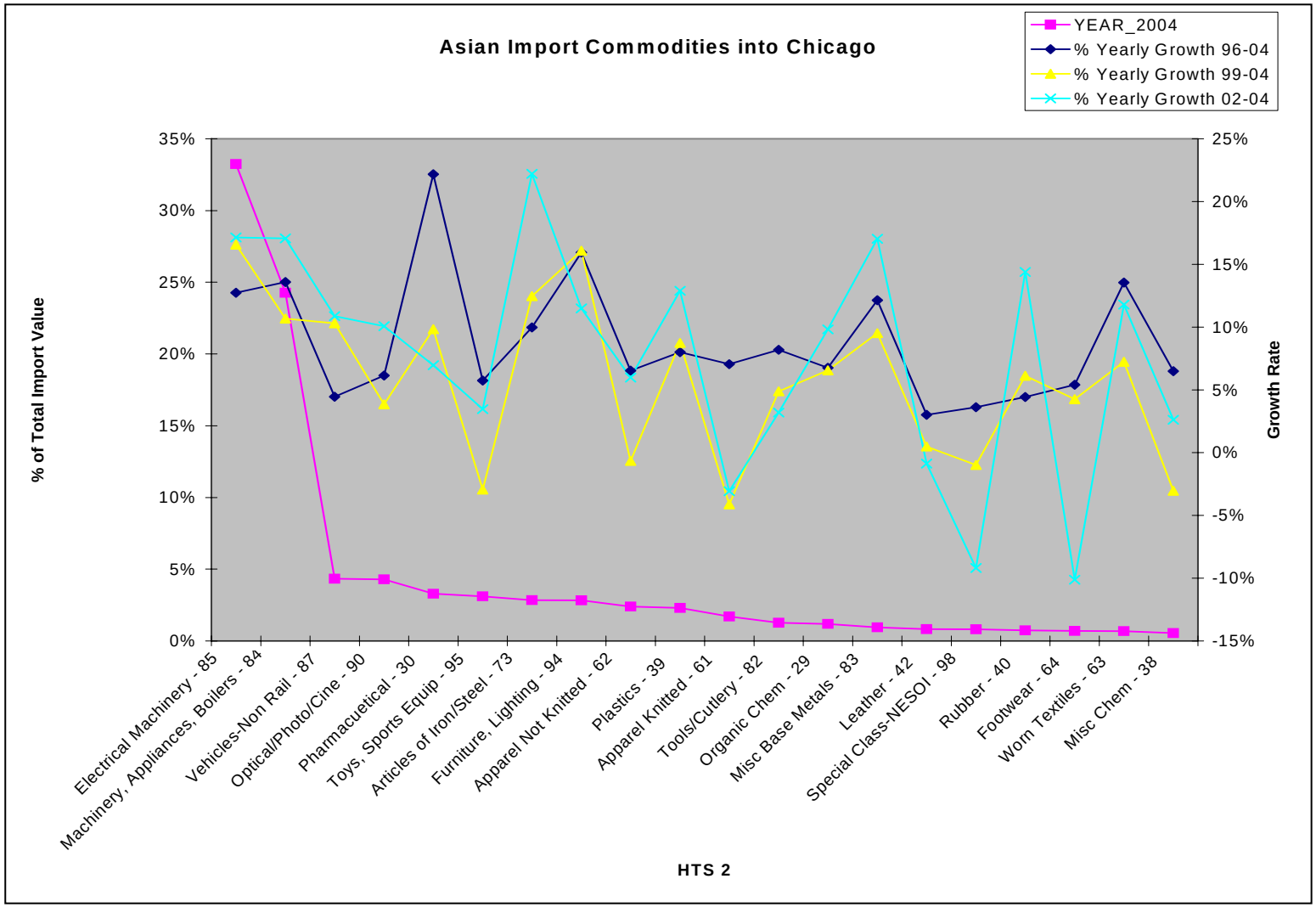
Sea Ports, Land Gateways and Related Commodity Trends East Cost Ports



Sea Ports, Land Gateways and Related Commodity Trends West Coast



Sea Ports, Land Gateways and Related Commodity Trends West Coast

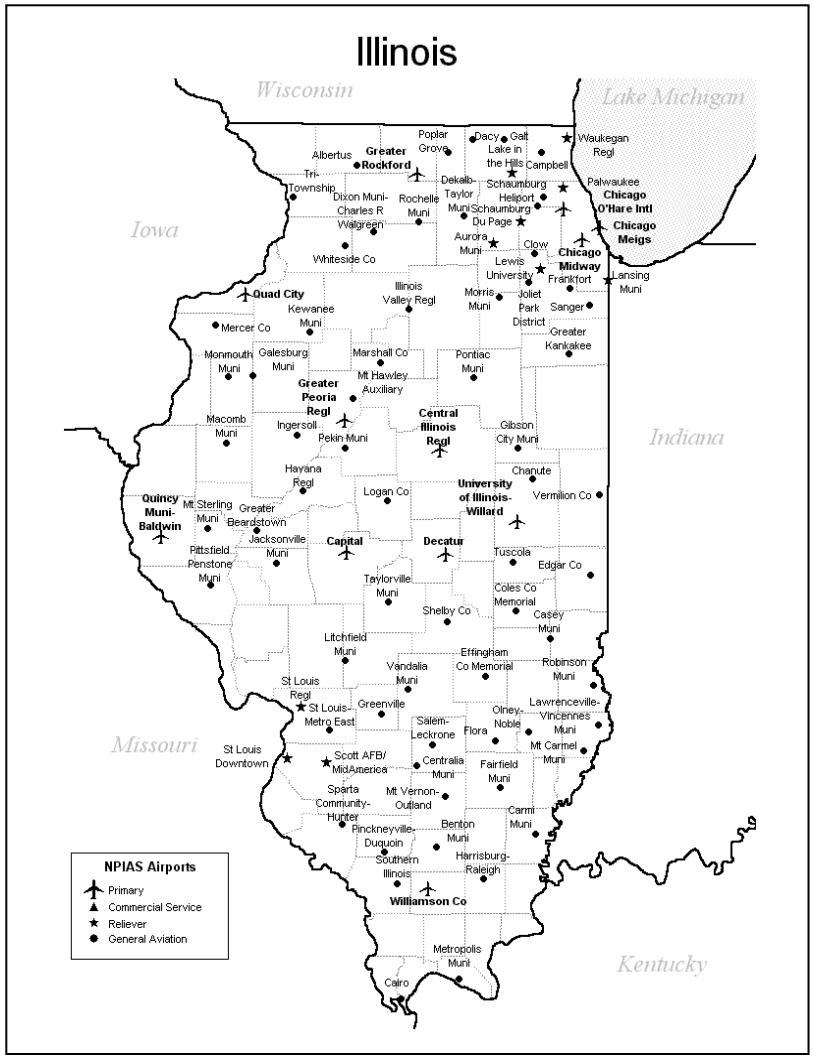


Drivers for the I-39 Logistics Corridor

Air Network and Air Cargo

Air Network I-39 Corridor

Air Network I-39 Corridor



Air Network I-39 Corridor

- Air Cargo is a growth industry.
- Chicago O'Hare is the 12th largest air cargo hub in the world.
- Air cargo is a priority for O'Hare and Midway.
- About 1 M tons ship by air in the region.
- The Greater Rockford Airport runway is sufficient to handle air cargo planes of the present and future.
- The UPS air hub is the second largest hub in the UPS network. Other parcel and express services are available in the corridor.
- The proposed SSA has identified air cargo as a priority.
- The Association should consider air cargo a priority and promote that service through Rockford and recruit air cargo commodities users.
- The Association should monitor developments in Air Cargo and promote an I-39 capability to support air cargo. This will counter capabilities in competing areas including Will County and Indianapolis.
- The association should insure that there is air and parcel drayage from all nodes in the corridor.

I-39 Corridor Transit Times to Air Cargo Services

Airport Travel Times From I-80/I-39			Rank
Airport	Miles and Minutes		
O'Hare	94.5	89	4
Midway	84.6	83	2
Peotone SSA	79.3	82	1
Rockford UPS Hub	65.8	70	4

Airport Travel Times From I-88/I-39			Rank
Airport	Miles and Minutes		
O'Hare	74	70	2
Midway	75	80	1
Peotone SSA	110	105	2
Rockford UPS Hub	29	37	3

Airport Travel Times From I-90/I-39			Rank
Airport	Miles and Minutes		
O'Hare	70	67	1
Midway	86	95	3
Peotone SSA	127	122	3
Rockford UPS Hub	4	10	1

Airport Travel Times From I-43/I-39			Rank
Airport	Miles and Minutes		
O'Hare	83	79	3
Midway	101	107	4
Peotone SSA	140	134	4
Rockford UPS Hub	23	21	2

Commodity Targets

High Growth and high Tonnage Commodities

Consolidated Commodity Flow and Growth Trend Summary

Top Import value industries with continuous growth over the past 8 years and substantial domestic tonnage

Industry Type	Commodity Examples	Inbound Domestic Category	Outbound Domestic Category	Common
Consumer Electronics	Laptop Computers	Warehouse and Dist / FAK / Drayage	Warehouse and Dist	x
	Computer Peripherals	Warehouse and Dist / FAK / Drayage	Warehouse and Dist	x
	Video Equipment / Video Displays	Warehouse and Dist / FAK / Drayage	Warehouse and Dist	x
	Radio Receivers	Warehouse and Dist / FAK / Drayage	Warehouse and Dist	x
	Office Printing Machines	Warehouse and Dist / FAK / Drayage	Warehouse and Dist	x
Housewares/Electronics	Vacuum cleaners	Appliances	Warehouse and Dist	x
	Cooking Appliances	Appliances	Warehouse and Dist	x
	Domestic Appliances	Appliances	Warehouse and Dist	x
Pharmaceutical	Therapeutical Medicaments	Warehouse and Dist / FAK / Drayage	Warehouse and Dist	x
	Immunological Products	Warehouse and Dist / FAK / Drayage	Warehouse and Dist	x
	Medicaments containing insulin	Warehouse and Dist / FAK / Drayage	Warehouse and Dist	x
BioMedical	Instruments for Chemical Analysis	Medical Instruments- Low on list	Medical Instruments- Low on list	x
	Medical Needles	Medical Instruments- Low on list	Medical Instruments- Low on list	x
	Medical Gloves	Medical Instruments- Low on list	Medical Instruments- Low on list	x
Electronics Manufacturers	Printed Circuit Assemblies	Warehouse and Dist / FAK / Drayage	Warehouse and Dist	x
	Lenses and parts for projectors	Warehouse and Dist / FAK / Drayage	Warehouse and Dist	x
	Machine Tools for Scribing Semiconductors	Warehouse and Dist / FAK / Drayage	Warehouse and Dist	x
Organic Chemicals	Aromatics Drugs	Warehouse and DC / FAK / Drayage	Organic Chemicals	x
	Non-Aromatic Drugs	Warehouse and DC / FAK / Drayage	Organic Chemicals	x
Industrial Machinery	Gas Compressors	Misc Machinery - Low on the list	Misc Machinery	
Motor Vehicles	Tractor Parts	Motor Vehicle Parts/Assemblies	Motor Vehicle Parts/Assemblies	x
	Auto Parts and Accessories	Motor Vehicle Parts/Assemblies	Motor Vehicle Parts/Assemblies	x
Marine Equipment	Vessels for pleasure sports	Marine Products- Low on the list	Marine Products- Low on the list	
	Marine Propulsion Engines	Marine Products- Low on the list	Marine Products- Low on the list	
Telecommunication Equipment	Instruments for Telecommuncation	Telephone Equipment - Low on list	Telephone Equipment - Low on list	
Sporting Goods	Equipment for General Physical Exercise	Warehouse and Dist / FAK / Drayage	Warehouse and Dist	x
Toys	Toys - Not Explicity Specified	Warehouse and Dist / FAK / Drayage	Warehouse and Dist	x
Footwear	Footwear valued over $12	Warehouse and Dist / FAK / Drayage	Warehouse and Dist	x
Personal Heathcare/Beauty	Make-up preparations	Warehouse and Dist / FAK / Drayage	Warehouse and Dist	x
Building Supplies	Building Stone - Granite	Cut Stone Products	Cut Stone Products - Top 100	x
Apparel	Female Undergarmets	Warehouse and Dist / FAK / Drayage	Warehouse and Dist	x
Beverages	Waters containing sweetening/flavor	Soft Drinks	Soft Drinks	x
	Bottling Machinery	Soft Drinks	Soft Drinks	x
Aircraft	Electric Synchros and Transducers	Aircraft Parts - Low on the list	Aircraft Parts - Low on the list	

High Tonnage Commodities

Major Commodity Flow Summary		
1	FAK & Warehousing and Distribution Including:	
	-	Pharmaceuticals
	-	Computers and Periphery Devices
	-	Photo Copiers, office Machines and Mail Equipment
	-	Telecommunications Equipment
	-	Electrical Machinery and Switching Equipment
	-	Parts and Accessories for Motor Vehicles
	-	Aircraft Parts & Associated Equipment
	-	Footwear
	-	Medical Instruments & Appliances
	-	Toys and Sporting Goods
	-	Veterinary Products
2	Rail and Intermodal Drayage	
3	Concrete	
4	Primary Iron or Steel Products	
5	Cement and Concrete	
6	Bituminous Coal	
7	Motor Vehicles	
8	Computers and Periphery Devices	
9	Automatic Data Processing and Data Recognition Equipment	
10	Computer Accessories and Parts	
11	Parts and Accessories for Motor Vehicles	
12	Video Cameras, Recorders and Other Video Equipment	
13	Over the Counter Therapeutics and Medicaments	
14	Electronic Circuits, Micro assemblies and Chips	
15	Semiconductors and related equipment	
16	Televisions Monitors and Video Projectors	
17	Telecommunications Equipment	
18	Apparel and Cotton Household Products	
19	Household and Kitchen Appliances	
20	Scientific, Medical and Hospital Equipment	

Excerpt of Top 3PL's, Containerized Importers and Targeted Commodity Companies

3rd Party Logistics Providers	Top Containerized Importers	Targeted Commodity Companies
APL Logistics	Wal-Mart	Raytheon Aircraft
Cardinal Logistics Management	Home Depot	Altria Group
CH Robinson Worldwide	Target	Cadbury Schweppes
FedEx Supply Chain Services	Dole	Starbucks Corp.
HUB Group	Lowe's	Nestle Waters
Maersk Logistics	K-Mart	Dell Computer
Menlo Worldwide Logistics	Heineken	VF Corporation
Penske Logistics	Interbrew	LG Electronics
Schneider Logistics	IKEA	McKesson Corp.
Exel Logistics	Ashley Furniture	Advance Auto Parts
TNT Logistics	Sony	Office Depot
UPS Supply Chain Solutions	General Electric	Bed Bath & Beyond
…	PIER I	Granite Construction Inc.
	…	…

An exhaustive list can be found in the deliverable

Drivers for the I-39 Logistics Corridor

Attractive Logistics Quotients for the Region and Most Subsets

Logistics Quotient

- Overall, the Chicago and Peoria MSA areas are rated as logistically friendly locations. This was the finding of a major survey of 328 cities conducted for this purpose by Transportation and Distribution Management Magazine each year from 2001 through 2004.
- Ten criteria areas were evaluated. These criteria were treated equally and no consideration was provided for site location.
- The criteria include business climate for logistics (T&D Industry Metro rank) , labor costs and supply, road and highway spending, road density and congestion, road conditions, interstate access, rail access, water port capability, transportation taxes, and air service availability.
- Recent improvements in ratings for Chicago, Rockford and Peoria appear to be largely related to improvements in rail service. This is likely to be attributable to the new intermodal centers at Rochelle and Joliet.

Logistics Quotient

- Over the years Chicago's ranking has ranged from 4-43 consistently in the "5 star" category. Peoria has ranked 42–94 consistently in the "4 star" range". Rockford has ranked 69-151st most recently 84th and in the "4 star" category.
- Recent improvements in ratings for Chicago, Rockford and Peoria appear to be largely related to improvements in rail service. This is likely to be attributable to the new intermodal centers at Rochelle and Joliet.
- Janesville-Beloit has been poorly rated over the years with poor scores related to workforce labor, road infrastructure, density, congestion, taxes & fees and air cargo.
- Bloomington-Normal has been rated consistently near but not at the cut off for a "4star" rating.
- Indianapolis has ranked 15-25. The most recent rankings favor Chicago and Peoria at 4th and 53rd respectively. Indianapolis is ranked 23rd.

Logistics Quotient

METROPOLITAN AREA	1 T&D INDUSTRY METRO RANK	2 WORK FORCE LABOR METRO RANK	3 ROAD INFRA. METRO RANK	4 ROAD D/C/S METRO RANK	5 ROAD CONDITION METRO RANK	6 INTERSTATE HIGHWAYS METRO RANK	7 TAXES & FEES METRO RANK	8 RAIL-ROAD METRO RANK	9 WATERBORNE COMMERCE METRO RANK	10 AIR CARGO METRO RANK	Year	METRO RANK
Chicago, Ill.	12	44	258	284	173	173	6	27	14	2	2001	16
Chicago, Ill.	7	105	254	212	198	2	237	102	20	8	2002	35
Chicago, Ill.	24	129	253	203	168	2	303	26	20	18	2003	43
Chicago, Ill.	6	154	107	320	35	2	195	1	33	3	2004	4

METROPOLITAN AREA	1 T&D INDUSTRY METRO RANK	2 WORK FORCE LABOR METRO RANK	3 ROAD INFRA. METRO RANK	4 ROAD D/C/S METRO RANK	5 ROAD CONDITION METRO RANK	6 INTERSTATE HIGHWAYS METRO RANK	7 TAXES & FEES METRO RANK	8 RAIL-ROAD METRO RANK	9 WATERBORNE COMMERCE METRO RANK	10 AIR CARGO METRO RANK	Year	METRO RANK
Peoria-Pekin, Ill.	91	27	61	192	173	173	6	203	124	114	2001	42
Peoria-Pekin, Ill.	81	80	55	119	198	114	237	102	197	135	2002	68
Peoria-Pekin, Ill.	104	159	63	152	168	114	303	26	197	134	2003	94
Peoria-Pekin, Ill.	118	181	107	119	35	54	195	4	165	116	2004	53

METROPOLITAN AREA	1 T&D INDUSTRY METRO RANK	2 WORK FORCE LABOR METRO RANK	3 ROAD INFRA. METRO RANK	4 ROAD D/C/S METRO RANK	5 ROAD CONDITION METRO RANK	6 INTERSTATE HIGHWAYS METRO RANK	7 TAXES & FEES METRO RANK	8 RAIL-ROAD METRO RANK	9 WATERBORNE COMMERCE METRO RANK	10 AIR CARGO METRO RANK	Year	METRO RANK
Rockford, IL	30	167	74	266	173	173	6	203	121	85	2001	69
Rockford, IL	26	236	66	197	198	85	237	102	197	129	2002	120
Rockford, IL	53	211	75	260	168	85	303	26	197	207	2003	151
Rockford, IL	94	71	107	223	35	100	195	39	165	178	2004	84

Logistics Quotient

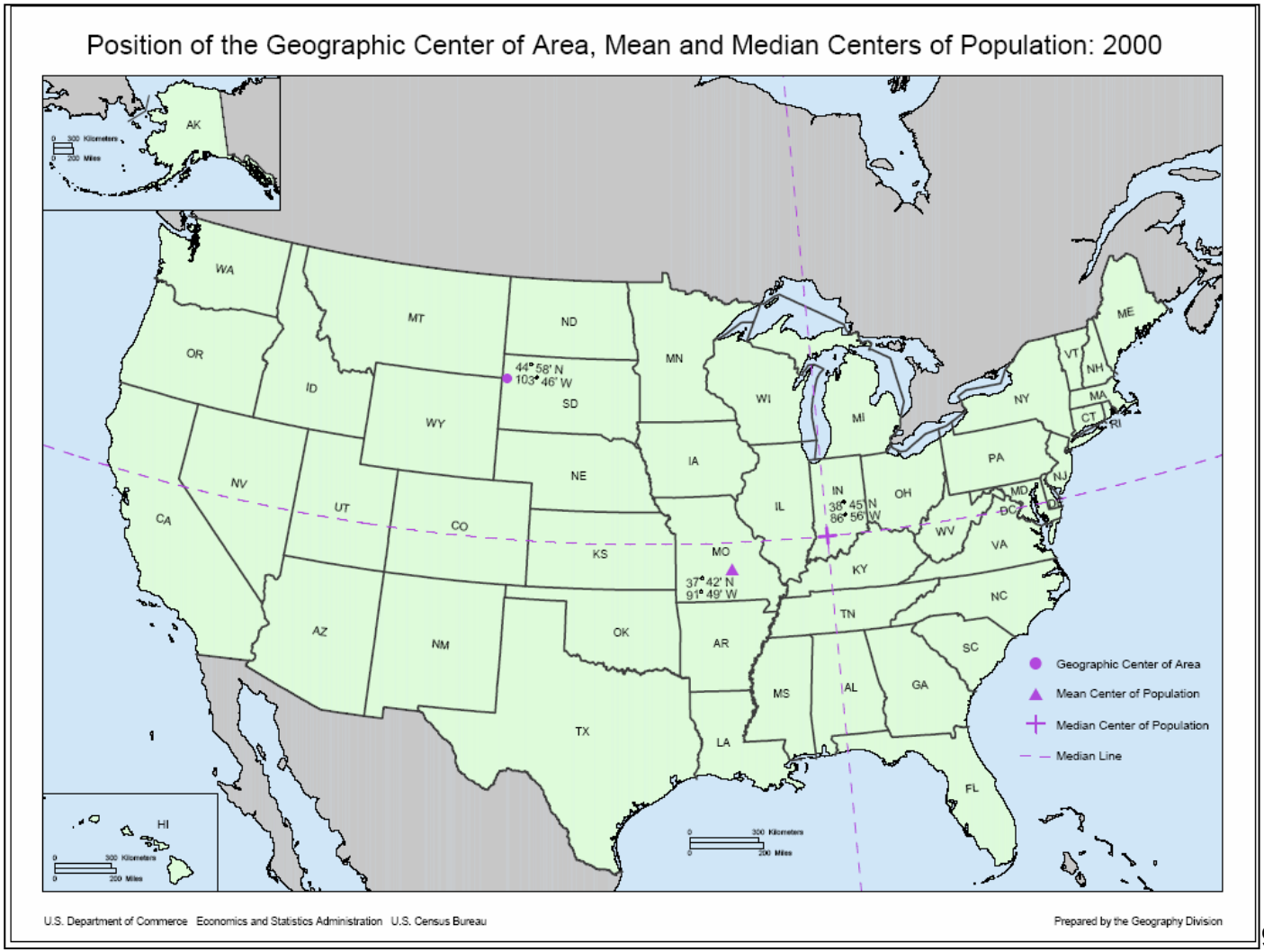
METROPOLITAN AREA	1 T&D INDUSTRY METRO RANK	2 WORK FORCE LABOR METRO RANK	3 ROAD INFRA. METRO RANK	4 ROAD D/C/S METRO RANK	5 ROAD CONDITION METRO RANK	6 INTERSTATE HIGHWAYS METRO RANK	7 TAXES & FEES METRO RANK	8 RAIL-ROAD METRO RANK	9 WATERBORNE COMMERCE METRO RANK	10 AIR CARGO METRO RANK	Year	METRO RANK
Janesville-Beloit	162	236	50	77	224	301	154	203	275	85	2001	226
Janesville-Beloit	126	270	295	188	154	85	307	192	197	193	2002	298
Janesville-Beloit	100	275	246	131	129	85	316	174	197	289	2003	265
Janesville-Beloit	204	277	229	269	65	100	314	126	165	299	2004	269

METROPOLITAN AREA	1 T&D INDUSTRY METRO RANK	2 WORK FORCE LABOR METRO RANK	3 ROAD INFRA. METRO RANK	4 ROAD D/C/S METRO RANK	5 ROAD CONDITION METRO RANK	6 INTERSTATE HIGHWAYS METRO RANK	7 TAXES & FEES METRO RANK	8 RAIL-ROAD METRO RANK	9 WATERBORNE COMMERCE METRO RANK	10 AIR CARGO METRO RANK	Year	METRO RANK
Bloomington-Normal	162	210	20	163	173	173	6	203	170	36	2001	74
Bloomington-Normal	141	267	29	70	198	36	237	102	197	193	2002	117
Bloomington-Normal	194	227	27	147	168	36	303	26	197	143	2003	111
Bloomington-Normal	218	203	107	71	35	54	195	18	165	259	2004	112

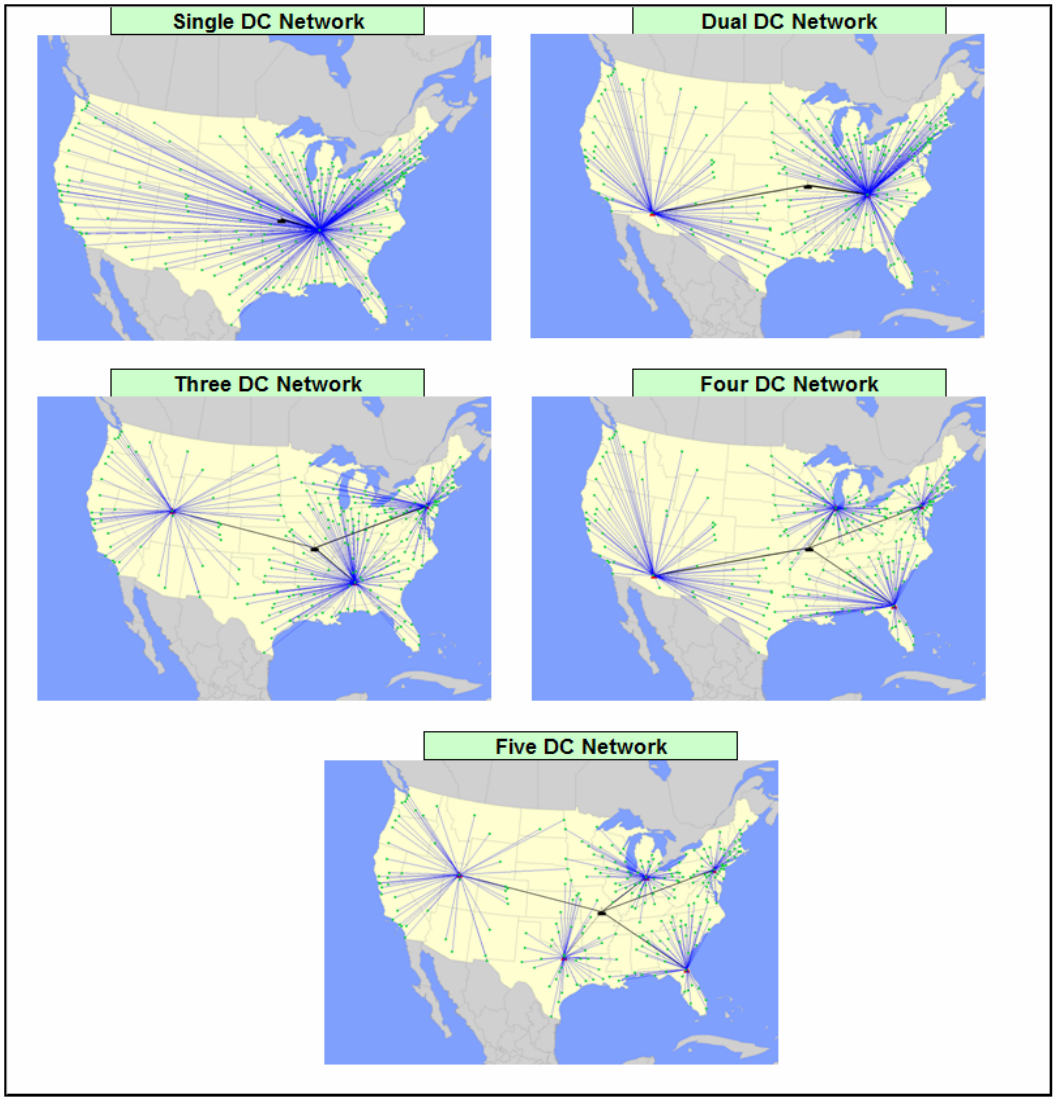
METROPOLITAN AREA	1 T&D INDUSTRY METRO RANK	2 WORK FORCE LABOR METRO RANK	3 ROAD INFRA. METRO RANK	4 ROAD D/C/S METRO RANK	5 ROAD CONDITION METRO RANK	6 INTERSTATE HIGHWAYS METRO RANK	7 TAXES & FEES METRO RANK	8 RAIL-ROAD METRO RANK	9 WATERBORNE COMMERCE METRO RANK	10 AIR CARGO METRO RANK	Year	METRO RANK
Indianpolis, Ind.	107	53	196	324	96	38	13	203	6	11	2001	23
Indianpolis, Ind.	40	74	205	117	314	13	173	13	3	1	2002	12
Indianpolis, Ind.	52	84	197	58	329	13	329	6	3	15	2003	**30**
Indianpolis, Ind.	6	83	100	238	90	11	168	65	197	12	2004	**15**

Distribution Network Compatibility

I-39 is Distribution Center Network Compatible

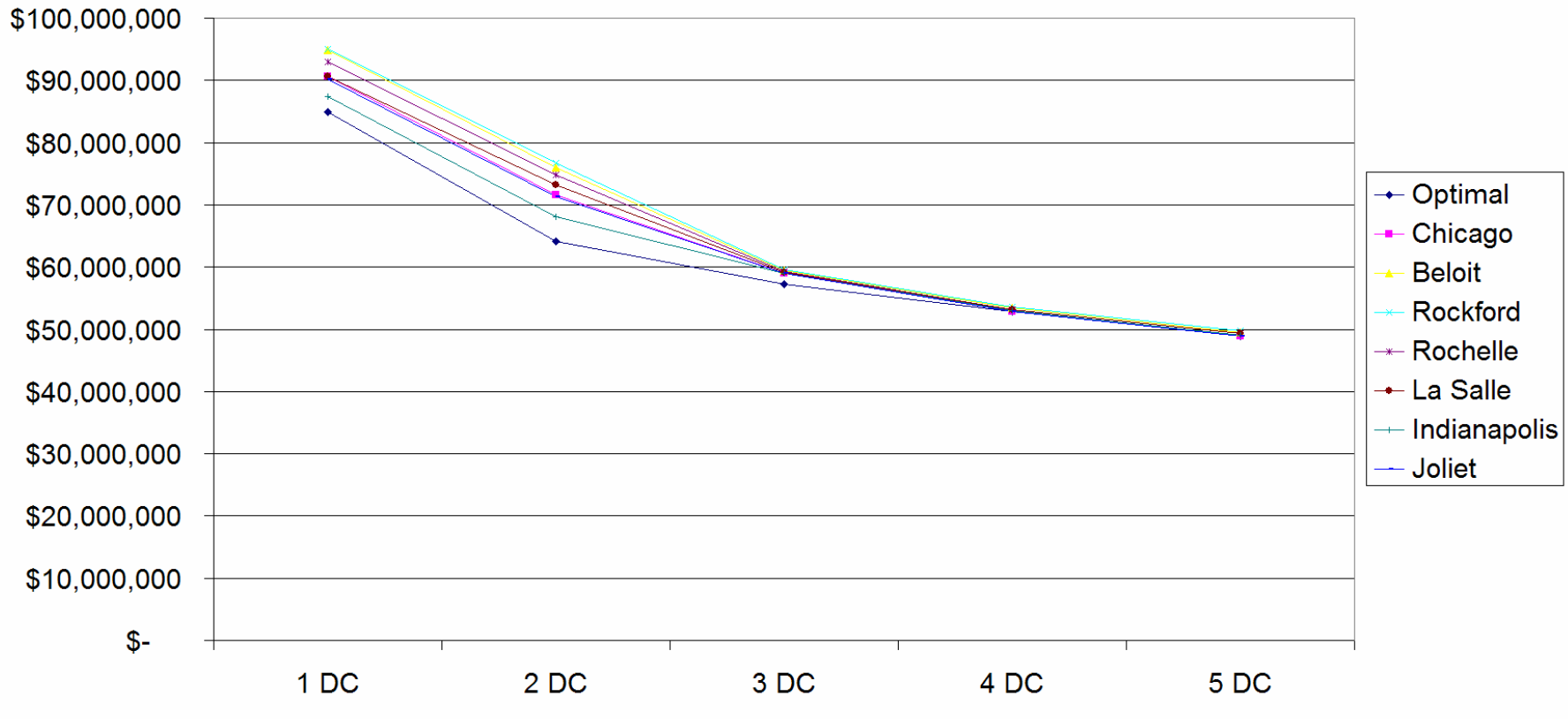


Optimal Network Locations



I-39 is Distribution Center Network Compatible

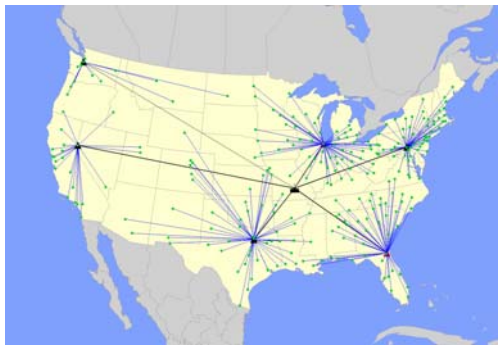
Trsp$	Optimal	Chicago	Deviation	Beloit	Deviation	Rockford	Deviation	Rochelle	Deviation	La Salle	Deviation	Joliet	Deviation	Indianapolis	Deviation
1 DC	$84,856,338	$90,612,926	$ (5,756,588)	$94,942,243	$ (10,085,906)	$94,974,044	$ (10,117,707)	$92,917,470	$ (8,061,132)	$90,596,657	$ (5,740,319)	$90,222,238	$(5,365,901)	$87,471,707	$(2,615,369)
2 DC	$64,059,865	$71,612,586	$ (7,552,721)	$76,035,238	$ (11,975,373)	$76,650,412	$ (12,590,547)	$74,832,708	$ (10,772,842)	$73,248,253	$ (9,188,387)	$71,317,329	$(7,257,463)	$68,028,729	$(3,968,863)
3 DC	$57,203,612	$58,941,942	$ (1,738,330)	$59,468,311	$ (2,264,699)	$59,596,489	$ (2,392,877)	$59,224,744	$ (2,021,132)	$59,080,007	$ (1,876,395)	$58,953,227	$(1,749,615)	$59,033,029	$(1,829,417)
4 DC	$52,878,272	$52,878,272	$ -	$53,420,460	$ (542,188)	$53,607,847	$ (729,575)	$53,193,799	$ (315,527)	$53,080,096	$ (201,823)	$52,894,510	$ (16,237)	$53,002,587	$ (124,315)
5 DC	$48,912,123	$48,930,444	$ (18,322)	$49,496,161	$ (584,039)	$49,713,373	$ (801,250)	$49,321,172	$ (409,050)	$49,306,392	$ (394,270)	$48,960,426	$ (48,303)	$49,089,336	$ (177,213)



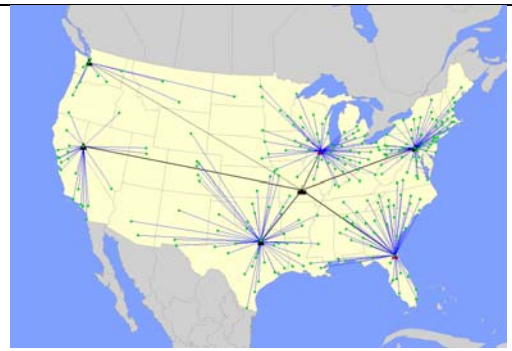
I-39 is Distribution Center Network Compatible

Location	LTL Volume	TL Volume	Total Volume (lb)	LTL Cost	TL Cost	Total Cost	Cost Per Lb
Chicago, IL	***91,544,636***	***213,604,151***	***305,148,787***	***5,730,644***	***4,395,222***	***$ 10,125,866***	***$ 0.03***
Dallas, TX	71,617,836	167,108,283	238,726,119	5,019,443	4,626,059	$ 9,645,502	$ 0.04
Harrisburg-Lebanon-Carlisle, PA	95,603,793	223,075,518	318,679,311	7,073,976	5,346,112	$ 12,420,089	$ 0.04
Jacksonville, FL	***74,788,365***	***174,506,184***	***249,294,549***	***4,384,270***	***3,003,866***	***$ 7,388,136***	***$ 0.03***
Reno, NV	58,341,604	136,130,410	194,472,014	4,166,639	2,897,549	$ 7,064,188	$ 0.04
Seattle-Bellevue-Everett, WA	15,759,315	36,771,735	52,531,050	805,993	878,363	$ 1,684,357	$ 0.03
Total	***407,655,549***	***951,196,281***	***1,358,851,830***	***$ 27,180,965***	***$ 21,147,171***	***$ 48,328,137***	***$ 0.04***

Optimal Six DC Network for Specialty Coffee



I-39 Corridor Network for Specialty Coffee

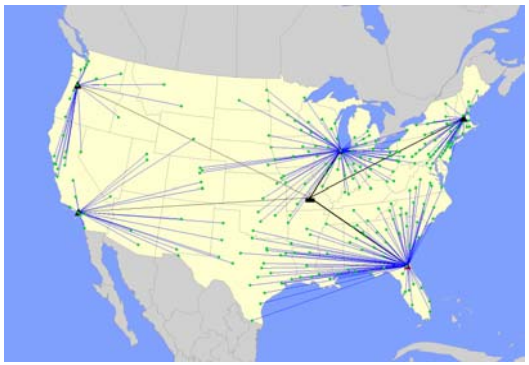


Location	LTL Volume	TL Volume	Total Volume (lb)	LTL Cost	TL Cost	Total Cost	Cost Per Lb
Dallas, TX	71,247,485	166,244,132	237,491,617	4,987,222	4,607,019	$ 9,594,241	$ 0.04
Harrisburg-Lebanon-Carlisle, PA	99,723,626	232,688,461	332,412,087	7,420,502	5,570,414	$ 12,990,917	$ 0.04
Jacksonville, FL	***74,788,365***	***174,506,184***	***249,294,549***	***4,384,270***	***3,003,866***	***$ 7,388,136***	***$ 0.03***
Reno, NV	58,341,604	136,130,410	194,472,014	4,166,639	2,897,549	$ 7,064,188	$ 0.04
Seattle-Bellevue-Everett, WA	15,759,315	36,771,735	52,531,050	805,993	878,363	$ 1,684,357	$ 0.03
La Sall, IL	***87,795,154***	***204,855,360***	***292,650,514***	***5,626,336***	***4,330,879***	***$ 9,957,215***	***$ 0.03***
Total	***407,655,549***	***951,196,281***	***1,358,851,830***	***$ 27,390,963***	***$ 21,288,090***	***$ 48,679,053***	***$ 0.04***

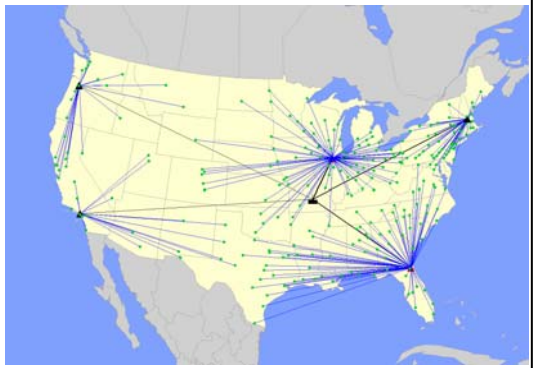
I-39 is Distribution Center Network Compatible

Location	LTL Volume	TL Volume	Total Volume (lb)	LTL Cost	TL Cost	Total Cost	Cost Per Lb
Chicago, IL	***117,396,395***	***273,924,922***	***391,321,317***	***8,104,736***	***6,779,277***	***$ 14,884,013***	***$ 0.04***
Jacksonville, FL	***118,718,051***	***277,008,785***	***395,726,835***	***8,481,615***	***6,873,953***	***$ 15,355,568***	***$ 0.04***
Los Angeles-Long Beach, CA	54,177,425	126,413,991	180,591,416	4,236,672	3,817,633	$ 8,054,305	$ 0.04
Nashua, NH	82,736,692	193,052,281	275,788,973	6,761,035	4,652,508	$ 11,413,543	$ 0.04
Portland-Vancouver, OR-WA	34,626,987	80,796,303	115,423,289	2,202,747	2,006,881	$ 4,209,628	$ 0.04
Total	***407,655,549***	***951,196,281***	***1,358,851,830***	***$ 29,786,805***	***$ 24,130,252***	***$ 53,917,057***	***$ 0.04***

Optimal 5 DC Network Footwear



I-39 5 DC Network Footwear

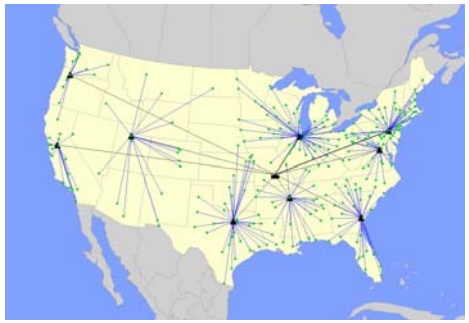


Location	LTL Volume	TL Volume	Total Volume (lb)	LTL Cost	TL Cost	Total Cost	Cost Per Lb
Jacksonville, FL	***115,929,207***	***270,501,483***	***386,430,690***	***8,268,977***	***6,694,512***	***$ 14,963,488***	***$ 0.04***
La Sall, IL	***119,782,426***	***279,492,328***	***399,274,754***	***8,424,483***	***7,116,892***	***$ 15,541,375***	***$ 0.04***
Los Angeles-Long Beach, CA	*52,187,900*	*121,771,766*	*173,959,666*	*4,015,298*	*3,534,801*	*$ 7,550,099*	*$ 0.04*
Nashua, NH	85,129,029	198,634,402	283,763,431	6,971,904	4,810,651	$ 11,782,554	$ 0.04
Portland-Vancouver, OR-WA	34,626,987	80,796,303	115,423,289	2,202,747	2,006,881	$ 4,209,628	$ 0.04
Total	***407,655,549***	***951,196,281***	***1,358,851,830***	***$ 29,883,408***	***$ 24,163,737***	***$ 54,047,145***	***$ 0.04***

I-39 is Distribution Center Network Compatible

Location	LTL Volume	TL Volume	Total Volume (lb)	LTL Cost	TL Cost	Total Cost	Cost Per Lb
Allentown-Bethlehem-Easton, PA	75,579,618	-	75,579,618	5,395,087	-	$ 5,395,087	$ 0.07
Fort Worth-Arlington, TX	44,679,695	-	44,679,695	2,796,838	-	$ 2,796,838	$ 0.06
Joliet, IL	***78,453,997***	***-***	***78,453,997***	***4,850,922***	***-***	***$ 4,850,922***	***$ 0.06***
Memphis, TN-AR-MS	32,278,665	-	32,278,665	1,680,440	-	$ 1,680,440	$ 0.05
Portland-Vancouver, OR-WA	14,971,735	-	14,971,735	714,296	-	$ 714,296	$ 0.05
Salt Lake City-Ogden, UT	27,663,828	-	27,663,828	2,060,538	-	$ 2,060,538	$ 0.07
Savannah, GA	51,322,493	-	51,322,493	2,810,201	-	$ 2,810,201	$ 0.05
Stockton-Lodi, CA	49,548,798	-	49,548,798	4,517,142	-	$ 4,517,142	$ 0.09
Virginia-Northern, VA	33,156,720	-	33,156,720	2,213,907	-	$ 2,213,907	$ 0.07
Total	***407,655,549***	***-***	***407,655,549***	***$ 27,039,370***	***$ -***	***$ 27,039,370***	***$ 0.07***

Nine DC Network for Discount Retailer



Nine DC Network for Discount Retailer I-39

Location	LTL Volume	TL Volume	Total Volume (lb)	LTL Cost	TL Cost	Total Cost	Cost Per Lb
Allentown-Bethlehem-Easton, PA	81,807,629	-	81,807,629	5,961,349	-	$ 5,961,349	$ 0.07
Fort Worth-Arlington, TX	43,262,757	-	43,262,757	2,633,344	-	$ 2,633,344	$ 0.06
Memphis, TN-AR-MS	29,898,781	-	29,898,781	1,540,129	-	$ 1,540,129	$ 0.05
Portland-Vancouver, OR-WA	14,971,735	-	14,971,735	714,296	-	$ 714,296	$ 0.05
Rochelle, IL	***73,467,240***	***-***	***73,467,240***	***4,566,087***	***-***	***$ 4,566,087***	***$ 0.06***
Salt Lake City-Ogden, UT	27,663,828	-	27,663,828	2,060,538	-	$ 2,060,538	$ 0.07
Savannah, GA	52,613,582	-	52,613,582	2,906,878	-	$ 2,906,878	$ 0.06
Stockton-Lodi, CA	49,548,798	-	49,548,798	4,517,142	-	$ 4,517,142	$ 0.09
Virginia-Northern, VA	34,421,199	-	34,421,199	2,333,628	-	$ 2,333,628	$ 0.07
Total	***407,655,549***	***-***	***407,655,549***	***$ 27,233,389***	***$ -***	***$ 27,233,389***	***$ 0.07***

I-39 is Distribution Center Network Compatible

- The corridor is a near to optimal location for multiple distribution center networks.
- Refer to report for a complete explanation of the analysis and for other examples.

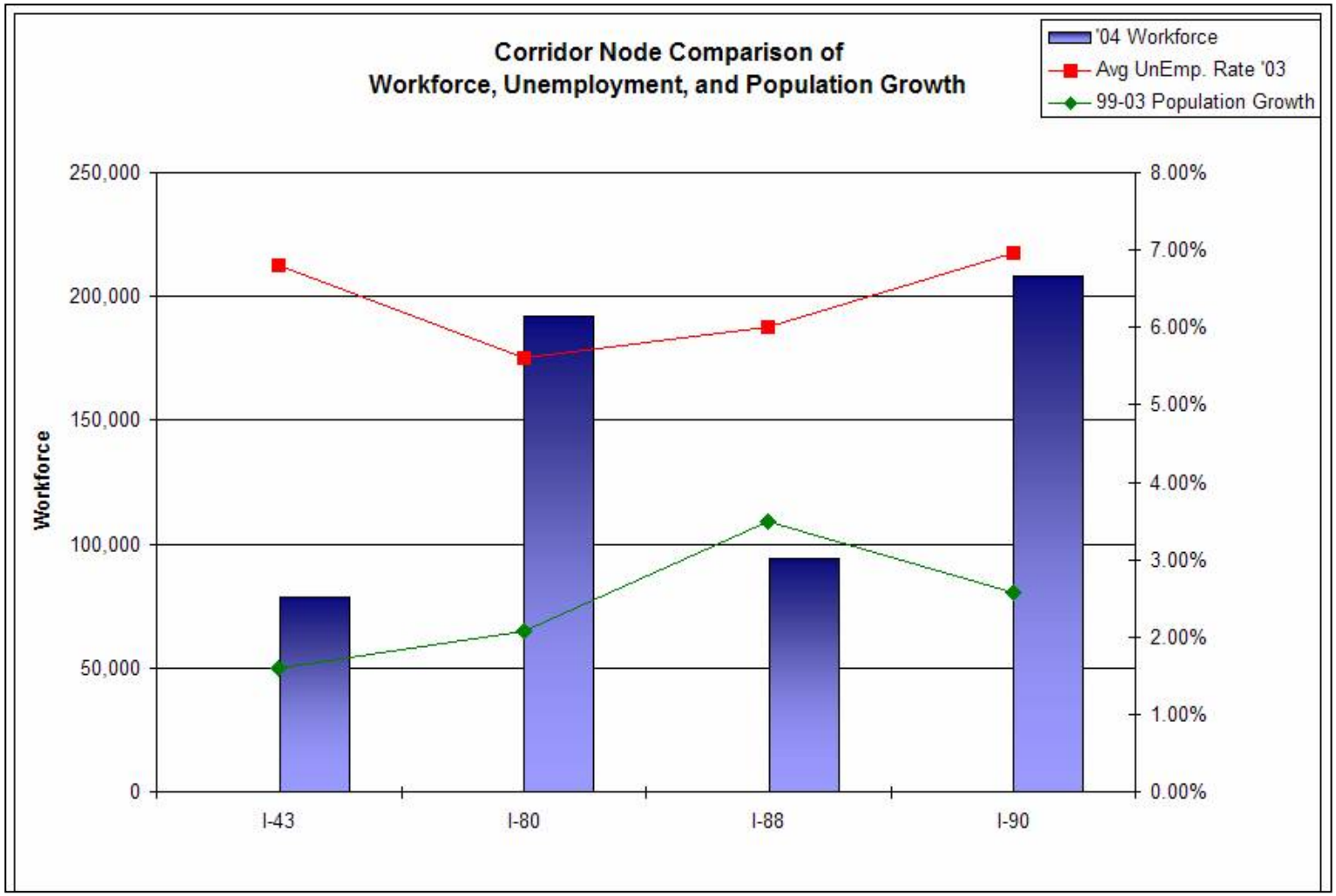
Reasonable Labor Costs
and
Labor Market

Labor Considerations

	Positon Title	Warehouse Material Handler		Warehouse Worker		Fork Lift Operator		Packer Shipper		Truck Driver	
		SOC: 537199		SOC: 519198		SOC: 537051		SOC: 435071		SOC: 533032	
	Area	Annual Salary	Hrly Rate	Annual Salary	Hrly Rate	Annual Salary	Hrly Rate	Annual Salary	Hrly Rate	Annual Salary	Hrly Rate
1	90th Percnetile	27,475	$ 13.21	31,133	$ 14.97	30,110	$ 14.48	22,741	$ 10.93	36,295	$ 17.45
2	Chicago, Illinois	25,699	$ 12.36	28,969	$ 13.93	28,375	$ 13.64	24,622	$ 11.84	33,803	$ 16.25
3	Joliet, Illinois	24,813	$ 11.93	28,049	$ 13.49	27,457	$ 13.20	23,805	$ 11.44	32,818	$ 15.78
4	Bolingbrook, Illinois	24,353	$ 11.71	27,560	$ 13.25	26,972	$ 12.97	23,381	$ 11.24	32,282	$ 15.52
5	Rockford, Illinois	24,176	$ 11.62	27,294	$ 13.12	26,735	$ 12.85	22,711	$ 10.92	31,931	$ 15.35
6	De Kalb, Illinois	24,129	$ 11.60	27,310	$ 13.13	26,726	$ 12.85	23,173	$ 11.14	31,993	$ 15.38
7	Lowes Park, Illinois	23,899	$ 11.49	26,994	$ 12.98	26,439	$ 12.71	22,463	$ 10.80	31,594	$ 15.19
8	Machesney Park, Illinois	23,899	$ 11.49	26,994	$ 12.98	26,439	$ 12.71	22,463	$ 10.80	31,594	$ 15.19
9	St Louis, Missouri	23,903	$ 11.49	27,460	$ 13.20	26,411	$ 12.70	22,861	$ 10.99	31,498	$ 15.14
10	US Mean	24,026	$ 11.55	27,178	$ 13.07	26,410	$ 12.70	19,256	$ 9.26	31,234	$ 15.02
11	Indianapolis, Indiana	23,702	$ 11.40	27,321	$ 13.14	26,142	$ 12.57	22,539	$ 10.84	31,099	$ 14.95
12	Belvidere, Illinois	23,366	$ 11.23	26,425	$ 12.70	25,875	$ 12.44	21,986	$ 10.57	30,968	$ 14.89
13	Peoria, Illinois	23,035	$ 11.07	27,095	$ 13.03	25,531	$ 12.27	22,005	$ 10.58	30,581	$ 14.70
14	Bloomington, Illinois	23,071	$ 11.09	26,608	$ 12.79	25,501	$ 12.26	22,268	$ 10.71	30,418	$ 14.62
15	Janesville, Wisconsin	23,006	$ 11.06	26,648	$ 12.81	25,389	$ 12.21	22,016	$ 10.58	30,210	$ 14.52
16	Louisville, Kentucky	22,940	$ 11.03	26,300	$ 12.64	25,332	$ 12.18	21,881	$ 10.52	30,188	$ 14.51
17	Normal, Illinois	22,917	$ 11.02	26,417	$ 12.70	25,322	$ 12.17	22,125	$ 10.64	30,188	$ 14.51
18	Memphis, Tennessee	22,809	$ 10.97	25,931	$ 12.47	25,205	$ 12.12	21,882	$ 10.52	30,065	$ 14.45
19	Beloit, Wisconsin	22,757	$ 10.94	26,345	$ 12.67	25,106	$ 12.07	21,783	$ 10.47	29,859	$ 14.36
20	Nashville, Tennessee	22,459	$ 10.80	25,846	$ 12.43	24,763	$ 11.91	21,699	$ 10.43	29,443	$ 14.16
21	La Salle, Illinois	21,703	$ 10.43	25,019	$ 12.03	24,025	$ 11.55	20,922	$ 10.06	28,722	$ 13.81
22	Ottawa, Illinois	21,535	$ 10.35	24,828	$ 11.94	23,841	$ 11.46	20,766	$ 9.98	28,508	$ 13.71
23	Peru, Illinois	21,522	$ 10.35	24,812	$ 11.93	23,827	$ 11.46	20,754	$ 9.98	28,490	$ 13.70
24	10th Percentile	20,748	$ 9.98	23,479	$ 11.29	22,517	$ 10.83	16,378	$ 7.87	26,793	$ 12.88

Data as of: 4/1/2005

Labor Force and Population



Drivers for the I-39 Logistics Corridor

A Technology Infrastructure for The Future

I-39 Technology Infrastructure

- Lack of north south fiber optic capability is a concern for possible future needs to transmit voice, video, multimedia and data at high speeds.
- The Association should consider forming a service alliance for dark fiber installation and leasing with Sunesys, Inc.
- Sunesys, Inc. is a provider of high-speed, dedicated fiber optic networks and is regulated as a public utility.
- Sunesys has facilities throughout Delaware, Maryland, New Jersey and Pennsylvania, with expansion plans for the District of Columbia, Virginia, New York, Connecticut, Ohio, and Illinois. The Association needs may align well with Sunesys expansion plans.
- A dark fiber alliance provides speed, flexibility, control, affordability, security, stability and global connectivity.

Service Alliances For Logistics

Third Party Logistics Providers

- The I-39 Corridor Association should consider marketing the corridor to these providers.
- The providers frequently are required to secure facilities for distribution in order to service their customers.
- Top 100 in appendix

Outsourced Functions	2004	2003	2002	2001	2000
Warehousing	72%	73%	65%	74%	63%
Outbound Transportation	66%	71%	68%	68%	61%
Customs Brokerage and Clearance	57%	-	-	-	-
Cross Docking/Shipment Consolidation	55%	-	-	-	-
Freight Bill Auditing/Payment	53%	54%	48%	61%	60%
Inbound Transportation	54%	62%	52%	56%	45%
Freight Consolidation/Distribution	-	37%	30%	40%	32%
Cross-Docking	-	37%	31%	39%	25%
Product Marking/Labeling/Packaging	25%	20%	24%	33%	20%
Selected Manufacturing Activities	-	23%	24%	30%	39%
Product Returns and Repair	22%	28%	17%	23%	18%
Inventory Management	16%	19%	12%	21%	11%
Traffic Management/Fleet Operations	16%	12%	11%	19%	21%
Information Technology	19%	16%	17%	18%	9%
Product Assembly/Installation	16%	9%	11%	18%	9%
Order Fulfillment	35%	23%	23%	16%	11%
Order Entry/Order Processing	8%	10%	2%	5%	3%
Customer Service	8%	9%	4%	4%	5%
93 companies surveyed.					

Service Alliances for Logistics

- The I-39 Corridor Association should consider establishing shared service alliances on behalf of the membership to support various logistics needs of potential customers along the corridor. These should include:
  - Third party labor management services providing a shared labor pool for work balancing and surge period staffing.
  - Third party services for maintenance and sanitation.
  - Third party operations management services (see next section).
  - Third party reverse logistics services.
  - Pallet management services.
  - Professional services:
    - Logistics and operations design consulting services
    - Architecture and Engineering services
    - Construction management
    - Implementation management services for material handling equipment and Warehouse Management Systems
    - State of the art work force training services

Closing Remarks

- The association should focus it's efforts on attracting clients to the overall corridor recognizing that each node has it's own strengths and weaknesses
- Efforts should focus on developing an optimal marketing strategy for the entire corridor while simultaneously addressing the needs of individual nodes

Corridor Node Overview

I – 80

Strengths	Weaknesses	Areas for Improvement
• Access to 6 rail lines • Truck care facilities along I-80 • La Salle County: leader in overall tonnage • Existing barge service • Chicago Trans Study shows improved est. pop. to employment ratio • Shortest travel time to SSA and 2nd to Midway • Shortest distance to CIC • Near to optimal distribution network location for multiple DC networks based modeling	• Longest travel time to O'Hare and UPS Hub • 3rd in distance to Global III	• State and Local Highway road conditions initiative • Interchange near rail/river would improve accessibility • Market more truck services on I-39 • Logistics Services Alliances

I – 88

Strengths	Weaknesses	Areas for Improvement
• Roads in serviceable condition and repairs planned • Expected daily truck volume >2,000 • Shortest transit time to Midway • 2nd shortest travel time to O'Hare and SSA • Shortest distance to Global III and 2nd in distance to CIC • Near to optimal distribution network location for multiple DC networks based modeling	• 3rd in travel time to UPS Hub	• State and Local Highway road conditions initiative • Initiate a study of I-88 to determine heavy truck traffic modifications • Market more truck services on I-39 • Logistics Services Alliances

I – 90

Strengths	Weaknesses	Areas for Improvement
• Highly ranked road conditions and rail access • High ranking labor force based on Logistics Quotient • Excellent truck services • Existing tonnage on I-90 exceeds other nodes • 2nd highest IL destination for NAFTA tonnage • Shortest distance to O'Hare and closest to Rockford UPS Hub • 2nd closest to Global III • Near to optimal distribution network location for multiple DC networks based modeling	• 2nd furthest from Peotone SSA • 3rd in distance to CIC	• Local routes & SR251 have substandard intersection capacities and line widths • State and Local Highway road conditions • No interchange access to Rockford Airport • US 20 widening required • Logistics Services Alliances

I – 43

Strengths	Weaknesses	Areas for Improvement
• 17 road repair projects are planned • Significantly improved road conditions • Multiple truck service facilities exist • 2nd closest to Rockford UPS Hub • Near to optimal distribution network location for multiple DC networks based modeling	• Furthest from Midway and SSA • Furthest from CIC and Global III	• State and Local Highway road conditions • Low labor workforce ranking and relatively high taxes and fees based on the Logistics Quotient • I-43 road conditions northeast of I-39 • Logistics Services Alliances