

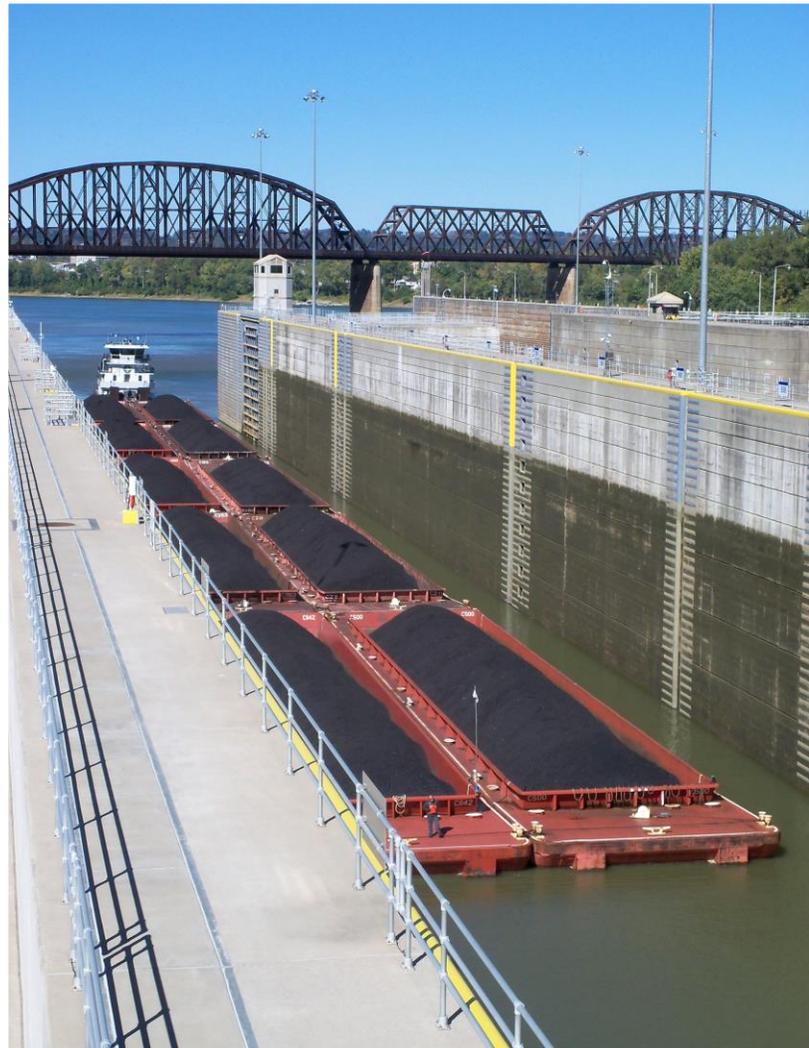
# Question and Answer Document Freight Summit #3

## *Statewide Strategy for Riverport Investment*

September 2021



**KENTUCKY RIVERPORTS, HIGHWAY  
& RAIL FREIGHT STUDY**





## Question and Answer Document- Summit 3

1. Introduction.....	1
2. Session 1: Opening Session.....	2
3. Session 2: Connecting Ports to Global and Domestic Trade: A Conversation with Inland Barge Operators .....	2
4. Session 3: Anticipating the Evolution of Freight Commodities: A Conversation with Corn, Soy, and Aluminum Representatives .....	7
5. Session 4: Modeling Scenarios and Riverport Investment Strategies.....	8
6. Session 5: Funding Programs: Riverport Capital Improvement Needs .....	10
7. Session 6: Economic Development: Advancing our State's Riverports .....	11
8. Session 7: Closing Session.....	11

## 1. INTRODUCTION

The Kentucky Transportation Cabinet (KYTC) and Kentucky Cabinet for Economic Development (CED) held the third summit for the *Kentucky Riverports, Highway and Rail Freight Study* during August 31 to September 2, 2021. Titled *Statewide Strategy for Riverport Investment*, the virtual summit provided an opportunity for the project team to engage with port leaders, economic development staff, industry representatives, and other stakeholders to focus on opportunities to leverage the riverports, highways, and rail system to promote economic development.

Seven sessions were held over three days. Sessions were approximately 90 minutes each, and expanded on the following topics:

- Opening Session
- Connecting Ports to Global and Domestic Trade: A Conversation with Inland Barge Operators
- Anticipating the Evolution of Freight Commodities: A Conversation with Corn, Soy, and Aluminum Representatives
- Modeling Scenarios and Riverport Investment Strategies
- Funding Programs: Riverport Capital Improvement Needs
- Economic Development: Advancing our State's Riverports
- Closing Session

This document lists all the questions and responding answers listed during the summit sessions. They are separated by the session headings.

## 2. SESSION 1: OPENING SESSION

After opening remarks, there was an opportunity for questions from attendees.

- **After the passing of the Infrastructure Bill, has the team relooked at the models and impacts of infrastructure improvements?**

The team is definitely looking at the new federal infrastructure bill; the amount is significant, and we are looking at how it will impact opportunities to fund transportation infrastructure at all modal levels. What strategy can the ports attract customers, generate revenues, stimulate jobs and optimizing the available funding?

The bill carries a lot of opportunities which will be addressed in the preferred investment package. It does not define what we can achieve, but what we can invest in. It will be a big part of our conversation about the study's recommendations.

- **Comment from Rich Thoma: \$3 Billion in EDA Funds with application due October 31.**

Rich provided his insights on the upcoming EDA grant opportunity.<sup>1</sup> The American Rescue Plan Act allocated funds to assist communities nationwide in their efforts to build back better by accelerating the economic recovery from the coronavirus pandemic and building local economies that will be resilient to future economic shocks.

He noted that impoverished areas near ports and along waterways promote industrial site selections, promoting workforce and economic development opportunities especially for reuse of former coal-based areas. Recent flooding in Tennessee also presents an opportunity to deploy flood mapper software for areas along the floodplain.

## 3. SESSION 2: CONNECTING PORTS TO GLOBAL AND DOMESTIC TRADE: A CONVERSATION WITH INLAND BARGE OPERATORS

For the remainder of the session, Ken moderated questions for Steve.

- **An unfolding challenge for resiliency, how do you see the situation in the Gulf impacting the inland waterway system?**

About five days before the storm hit, Ingram started looking at our floating assets, risk levels, and prioritizing what to shift. Where can we relocate boats safely? What can ride out the storm with minimal crew? With the late change in tracking, Ida didn't give us the 10-14 days of planning we hope to get. Some people say Ida is worse than Katrina; it may be from an industry perspective though we thankfully haven't seen the same scale of devastation for residents. Post-Katrina investments in levies have proven effective.

Our first priority is our people. We have one individual with a broken leg, but all other personnel are accounted for. We've had staff working around the clock, coming in from other regions to give the locals a chance to tend to their families and homes. We have been relying on landline telephones, radios, and other old school technology to coordinate, really seeing people pull together.

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<sup>1</sup> Online at <https://www.eda.gov/funding-opportunities/>

➤ **How has it affected upriver shippers?**

We had to declare *force majeure*—no one’s coming into the Gulf-area ports for a while. We are probably still a few days out from start to load along upriver ports because there’s nowhere to go until we get a handle on the current situation. Our focus is keeping our people safe and protecting our cargo; with the early harvest this year, timing isn’t great. Industry-wide, we can recover rapidly, as soon as we get the green light from the Coast Guard and Army Corps.

➤ **How does the industry work with the Coast Guard and Army Corps?**

The collaboration with these agencies has improved over the last few years. Everyone is involved right now: the Coast Guard is in the lead while the Army Corps is checking out infrastructure. Drone technology has been an incredible asset for safe, timely imagery for video inspections, locating personnel, tracking hazardous cargo, etc. Once the river is back to a usable level, we can hit the ground running with floating generators, supplies, and living quarters to mobilize our recovery efforts.

While we try to build resiliency into the industry, each event is unique and inherently reactive. The storm shifting north a few degrees made a huge difference on its impacts. We were lucky; some people are still looking for employees, vessels, etc. Again, it is amazing how well the industry cooperates to pick up the pieces.

➤ **With power outages, long term closures of at least one large grain elevator, and standstills at upriver ports, what happens to the competitiveness of the inland system short term? When the gates reopen, we certainly hope the cargo is still there and hasn’t diverted to a competitor or different mode.**

Some things you can plan for—like the increase in exported quarried stones from Kentucky mines. It’s paused now. Consistent with national trends, we’ve struggled to find employees and are trying to incentivize deckhands. People can work in an indoor, air-conditioned warehouse for \$25/hour, compared to being out in the elements. But we work 6 months on/6 months off, and it’s a great career if you like it.

We usually have 110,000 employees in Kentucky tied to the inland waterway system. It generates \$1.2 billion in state/local tax revenues. Kentucky has the fourth largest waterway miles in the country. It’s inland waterway network and 11 public ports are a huge asset for the Commonwealth with worldwide importance. Crops, chemicals, steel production—it’s part of why so many carriers are present in Paducah.

➤ **Why is Paducah so well set up for operations?**

It is a crossroads, right at the confluence of the Upper Mississippi, Lower Mississippi, Ohio, Cumberland, and Tennessee rivers. The Mississippi is massive heading south—like a huge parking lot—with no locks or impediments. Tows can run with 30-40 barges to the south—up to 70 or 80 even—then break down to smaller units heading upriver. On the Ohio, tows typically run 15-20 barges at a time with smaller groupings on the smaller rivers. Ingram has its major repair facility in Paducah, engineering, parts/warehousing, training center, etc.

Combining 2-3 smaller barge sets into a single southbound trip on the Lower Mississippi runs 60,000 tons of cargo—the same scale as a container ship in the Gulf. The scale of waterborne commerce cannot be topped by other modes (**Figure 1**); it removes many trucks from the interstate network, with less congestion, fewer emissions, lower costs, etc.

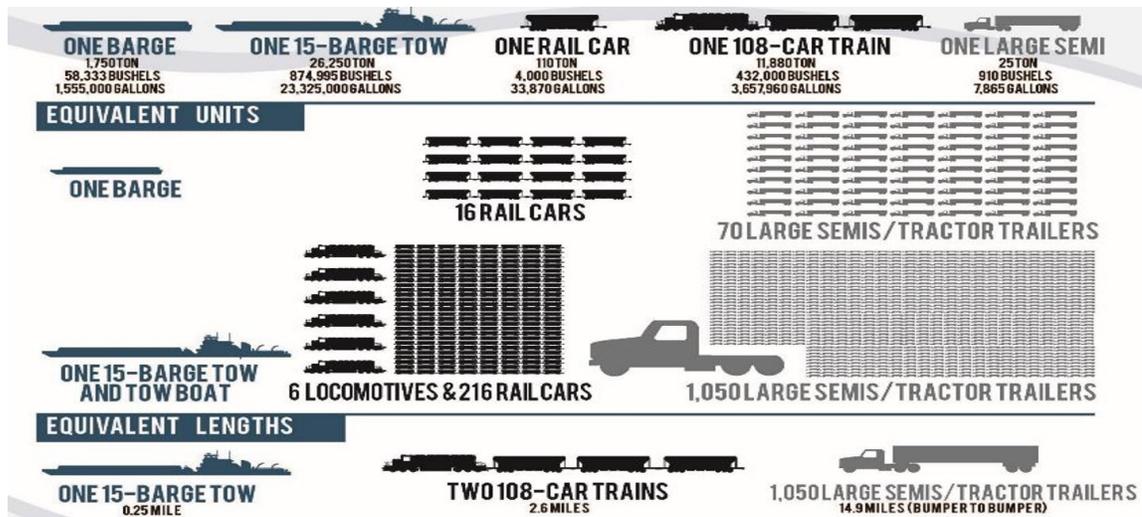


Figure 1. Marine Highway Economies of Scale

- Sustainability is a key topic these days, as we'll discuss further during Wednesday's commodities panel.

Environmental sensitivity is critical to reduce our carbon footprint and improve the future. Liquid transport is also important; barge movements are so much safer than putting hazardous trucks on highways and in residential areas.

- In light of the system's age, where do you think future investment is needed moving forward to keep the system resilient?

Operational locks/dams are critical. While the Ohio River has been a question for years with the declining coal industry, Kentucky has a phenomenal location to attract other commodities to its waterway system. Its public terminals have an advantage over other states with the economic development team in Frankfort. Working together, we can do amazing things for the state. We're one of the few that have developable property available and accessible to public ports.

- What kind of information is important to share between port directors and economic development advocates?

Exactly what we are doing today—bringing port directors and economic development folks into the same conversation. This hasn't happened under previous administrations. Kentucky is well located for access throughout the Midwest. We have developable industrial sites near active, public ports—an advantage over other states in the region. Our opportunities to attract industry have been changing the past few years. I expect areas west of Paducah will be grabbed up in the next 3-5 years.

- What is the missing piece to position ports to capture future opportunities?

Getting money can be a challenge. If I get a contact from someone looking for a logistics solution, I put them in contact with the nearest port director. If our public ports are overwhelmed, it shouldn't be hard to get them more funding.

- Can you speak to container-on-barge (COB) opportunities as an option to replace commodities that have slowed down, like coal?

COB is already happening; we are currently changing our business model with Ingram Logistical Solutions focusing on building packages to create logistics solutions. We are moving COB internationally though opportunities are limited with incredibly high container values today. Mostly empty containers move on the river today.

High steel prices are also leading to a reduction in new barges built, with older vessels selling for scrap. There is plenty of horsepower in the industry but the reduction in available barges will likely impact the supply side moving forward.

➤ **Is the current equipment adequate to handle anticipated demands—timely loading and turnarounds?**

Operationally, we are adjusting some things. Some customers won't accept bids for equipment older than a certain threshold. Whereas we used to run barge tows from New Orleans and make a few drops along the route northbound, now we run "smart runs" straight to Columbus with no interim stops. It puts more pressure on ports to turn around loads quickly, prioritize discharges, work overtime, etc.

➤ **What are you seeing from a statewide multimodal perspective?**

We are doing business today with many clients we weren't even three years ago: plane parts, refrigerators, etc. Some of these partners are using a just-in-time delivery model and relying on barges as floating warehouses. We're bringing waste paper to Northern Kentucky, offloading it to truck it to Ohio, and turn it into cardboard for Amazon—another new market for river traffic. It could be a huge potential.

➤ **What about smaller quantities and commodities? Can a barge be competitive?**

Today, you're paying trucks to move small loads but we're starting to see combined loads of different products on a single barge. Manufacturers prefer not to maintain a truck fleet; they would rather get it to the river, load it, and go. If we can reach delivery timelines and a reliability threshold, we can compete and save them a bunch of money—especially if the customer is going to a warehouse anyway. The idea of a floating warehouse is new and concerning to some, but it could make financial sense.

Moving raw rubber from Malaysia to Eddyville via barge to Paducah saved \$1.5 million in transportation costs. Big trucks from auto plants can't fit on flatbed haulers but could move by rail or barge. We are working to change minds and get people thinking outside the box.

➤ **How do you bring diverse stakeholders—port directors, shippers, economic developers—into the same conversation?**

Everyone has to come together to figure out what you're trying to accomplish. What do you need? What processes are in place and at what price point? Where are you trying to get your product, what modes are available, and who has the tools to connect you? Big companies can take time to change but things that were unheard of yesterday are taking place today. People with a logistical background who are willing to think creatively are making new opportunities. Our industry will not look the same 20 years from now; we won't just be moving bulk cargo A to B.

➤ **What tools do you see Departments of Transportation using to identify these origin-destination movements? What tools are lacking?**

There's been a fear or protective element when we talk about economic development. We have to lose that mindset—knock down the wall and have open dialogues in Frankfort and along the riverfront to identify opportunities and competitive solutions. Many states aren't there yet; this study is a big step forward.

With UPS and Amazon, aerospace is one of the Commonwealth's biggest industries. How do we position ourselves to feed it? Most of the products to build Amazon's hub were shipped by river; I expect their products will be too within the next five years. We are already seeing it with paper for their boxes.

- **From a logistics standpoint, do you see commodity shipments from Kentucky to global growth markets becoming more or less competitive with other domestic or foreign suppliers? What can we do to preserve and/or grow these markets?**

I don't believe the world knows what Kentucky has to offer. They need to know we have available resources. We are competitive. We are modern. We are intelligent. Port directors are running day-to-date but have to think globally too. We have a phenomenal interface. The products are here. The opportunity is here. We just need to get the word out.

- **Thinking about Kentucky's different regions, particularly with the downturn in coal, how do you see the eastern areas transforming?**

The western and central regions are more industry friendly with the focus shifting west, likely from Maysville/Ashland and further west. That's where the people are and that's where products are headed. Improvements on one side of the river naturally impact opportunities on the other side: as they say, a rising tide lifts all boats. In some cases, we're seeing—or at least talking about—cargo crossing rivers by barge instead of bridge.

- **What other state examples are recognizing waterways as a key transportation resource for growth in economic development, jobs, and expansion of freight logistics? What should the ports do collectively to achieve the greatest shift in focus and investment from the State?**

Alabama has been doing this for years; Missouri is trying but the river isn't set up for large volumes of traffic. Arkansas is industry-friendly but the Arkansas River is terrible to operate on. Mississippi has been fairly quiet. Indiana has a vibrant program but is tied to a public-private partnership. Kentucky has the biggest opportunity.

We need to work hand-in-hand with the Economic Development team in Frankfort and get an advertising firm on-board to promote state-operated facilities. The revenues should far outweigh the costs. We need to think like a private business, with 11 different profit centers collaborating to make one another more profitable. We need to talk regularly, come up with a marketing plan, then present it to industry representatives worldwide.

- **How can the inland waterway shippers collaborate for the inland waterway markets?**

Reach out to Bill Kinzeler about what Northern Kentucky, Ohio, and Indiana have done through CORVA. It's become a massive entity that links private docks in multiple states to market. The Port at Huntington follows a similar setup.

## 4. SESSION 3: ANTICIPATING THE EVOLUTION OF FREIGHT COMMODITIES: A CONVERSATION WITH CORN, SOY, AND ALUMINUM REPRESENTATIVES

While some questions were interjected throughout, there was an opportunity for open questions following each commodity representatives intro.

- **In terms of transportation, how many trucks per day move through Commonwealth Rolled Products? How is barging most beneficial—raw material delivery or distributing finished product?**

Currently, we don't export a lot via river, but it does bring raw materials. Kentucky has a large aluminum manufacturing presence—one of few smelters left is in Kentucky. Finished product is moved primarily via truck with a limited amount via rail.

Ports help us keep a global competitive advantage. We're a very attractive destination, traders can distribute across channels. We are heavily dependent on a strong truck, rail, and port warehouse system.

- **What are the reasons the corn is sent out of state for export (proximity to nearest port, cost, road network, etc.)?**

Our facilities aren't as large; other states are more appropriately sized to accept the product.

- **Question for Mike Keown, are you seeing any of your clients looking for aluminum produced from greener/lower carbon emission producers?**

Yes, and increasing over the past few years. As OEM's, producers and consumers are looking for more sustainable supply chains and products, this is clearly part of the equation. Greenhouse gases and carbon emissions are part of the overall Life Cycle Assessment and the attractiveness of aluminum in the value chain.

Absolutely, Europe has been leading sustainability over the last decade and the US has picked up over the last five years it has been ramping up in the automotive industry and is here to stay. Customers are asking for greener-produced aluminum, so we buy and consume a lot coming from Russia, Canada, and Iceland by barge. Most of our smelters are coal based.

- **Mike, With the projected growth of ABS and increased weight of aluminum in vehicles, do you see KY opportunities for new industrial developments for the state?**

Yes, because of attractiveness of raw materials, ready shipping via water or rail, and consumers of raw material; our central location in North America is poised to become an epicenter of scrap, raw material, and finished goods.

- **Adam noted there are containerization opportunities across the state.**

- **Jonathon Miller described increases in yield per acre over recent years, what is the outlook for coming years with technology and farm practices improving, or what is the projected max and when does ag production get to a maximum for considering future transport and storage capacity needs?**

- Every five years, the US Census of Agriculture put out a report,

**Figure 6** was shared to show the steady rise.<sup>2</sup> It's phenomenal to see the better crop management, genetics, and production system. Even farmers that haven't invested in land improvements are seeing improved production through better seeds and chemicals. Fungicides have gone a long way to help increase yields.

The 2012 drought was discussed, remembering discussions with the biggest soy buyer about how bad production was with the drought. Buyers were getting nervous. While prices were high for consumers, that added money back into farmers' pockets to upgrade equipment, fertilizer, buy irrigation equipment, etc. The extra money invests in the next decade with lower prices and improved production.

We only see this trend line going up, and not maxing out, with opportunities like ethanol demand and protein diets increasing in Asia, this is an opportunity for farmers and industry along the river—like Kentucky riverports.

## 5. SESSION 4: MODELING SCENARIOS AND RIVERPORT INVESTMENT STRATEGIES

A question-and-answer session followed the teams' presentation.

- **Why are rail investments or a portion thereof (\$16M) only contemplated for port expansion and not for port efficiency improvements (column 2).**

This is what was provided to us by the port authorities, it can be changed. If there is an investment that it really going to make a port more competitive and also make it more efficient, then it could be classified in the higher category (preserve/capture market position). This is also looking at the scale of investment.

- **Noel, are the possible federal funding sources annual amounts? Or other time period?**

Looking at 5-year needs compared to annual amounts, every other year there is a federal funding handbook<sup>3</sup> that is directed at the maritime industry to show how to capture funds that may not be explicitly for riverports.

- **Missing the expanded big picture that you will not get from the port director. Did you consider the Soo Locks & Ocean Class Motorized?**

Not at this time, focused on specific port needs.

- **As we look at future improved state funding, has it looked to see how potential funding could go as federal match?**

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<sup>2</sup> [https://www.nass.usda.gov/Charts\\_and\\_Maps/Field\\_Crops/cornfld.php](https://www.nass.usda.gov/Charts_and_Maps/Field_Crops/cornfld.php)

<sup>3</sup> Online at <https://www.cmts.gov/topics/infrastructure>

No, but we could consider that in the final report. It is not just about getting federal dollars, but how we could leverage state dollars or even public-private partnerships to capitalize on these and how can we make that grow for the investment strategy.

- **Public-private partnerships, I've seen in the marine highway program a strong relationship between stakeholders and shippers to develop potential opportunities to move freight to our inland waterways.**

In this afternoon's session, we will talk more on state and local funds needed for federal funds and the potential infrastructure bill.

- **Have you considered the headhaul/backhaul imbalances and the type of equipment that may move cargo into ports and out of the ports synergistically? There tends to be a disconnect and a consequent imbalance both in cargo and in service equipment e.g., barge types, etc.**

It will be considered; it has been conceptually considered so far.

- **Steve mentioned workforce shortfalls on yesterday's session, was additional workforce identified as a need or fed into one of the analysis buckets?**

Additional workforce is not in analysis buckets, but more a result of the investment. The investment package methodology looks at capital improvements, not at workforce or operation type things. We haven't seen transportation investment scenarios consider this before but would be interesting to consider how to attract and keep competitive workforces.

- **Trade Adjustment Assistance Programs serve to support trade impacted changes in labor capacity, human capital.**

We'll consider that.

- **Greg Pritchett from Henderson Riverport explained the following scenario:**

**A paper plant recently announced it is coming to the county, and it has another location near Cincinnati. I am struggling with the notion of considering a closed loop system. One location needs waste paper from the other to make cardboard boxes for shipping the paper. There may be a domestic container scenario to gather the scrap paper in empties and provide boxes via the same container. Could this be done through a public-private partnership, if so, how do I connect the dots for this long-term strategic issue to consider this scenario?**

Yes, this is a possible public-private partnership scenario. While there are specific funding requirements for different funding programs, multiple ones could be tapped into for this scenario.

If you have a shipper that has inbound and outbound cargo, especially for container on barge, the marine highway program can fund equipment for those types of project designations through the three-step process: 1) freight moving on marine highway route, 2) project designation, and 3) Secretary permission to move to the grant application process with a public sponsor, which would be Henderson in this case.

- **Could they tie into the Paducah Marine Highway Designation?**

It has the potential to; however, it would have to go through the process.

- Intermodal Marketing Companies (IMC's) can manage the logistics of the kind of ops Greg Pritchett described, with domestic containers, (Dom-cons), depending on the origins and destinations for the outbound and the O/D's for inbound cargos, considering the relative volumes and equipment types.

## 6. SESSION 5: FUNDING PROGRAMS: RIVERPORT CAPITAL IMPROVEMENT NEEDS

A question-and-answer session followed.

- **When we compare the funding against other states, please qualify that some of the states fund blue water ports which are much, much larger. A comparison of state funds with brown water ports would be more equivalent.**

Thank you. Beyond just funding levels, we also wanted to highlight program development over time and other options to support infrastructure development.

Virginia, both Carolinas, and Georgia are working on inland ports to move containers off the coastal docks where property is limited. In northwest Georgia, the port authority has invested ±\$40 million for 40 acres to handle 200,000+ containers in the first year, only expected to grow. It highlights that you can “stuff a lot of stuff” into even a small space.

- **You talked about carbon trading in Europe. Can you explain how that works? How might the US model be set up? What are manufacturers looking to achieve and where do ports fit in?**

In partnership with a financial services company, we received credits based on emissions reductions as trucks were taken off the highway. Other funding programs target environmental issues (e.g., equity, clean water, clean air). DERA grants are available to transition equipment away from heavy diesel to electric or clean diesel. It's a theme in many grant programs and likely to continue as an emphasis area. Paducah upgraded our electric equipment with more modern electric equipment and added an extra truck scale to reduce idling time, showing a 10% savings.

- **What consideration has been given to a "state port entity," a quasi-governmental agency, or to establish some other collective formal role, for collaborating on back-office operations, and formalizing collaborations for strategic objectives, whether a new legal regime or a public enterprise for optimizing future funding and resource allocations?**

Great question: consider the Florida Ports Council example I provided. They represent the collective needs of Florida Ports the chief liaison for port industry needs in the state, whether fiscal, policy, operations, or information. This gives them one message and a strong podium while maintaining local autonomy of the ports. It's been powerful and effective as they went from \$5 million annual allocations to nearly \$61 million during the past 20 years.

Chapter 311 in Florida Statute creates the Florida Seaport Transportation and Economic Development Council with authority to collectively advocate for funding, distribute funds, develop a project review and ranking process, provide data and marketing resources, produce an annual mission plan strategic report, meet with state agency partners, and provide a public forum for input into funds allocation and investment strategies.

## 7. SESSION 6: ECONOMIC DEVELOPMENT: ADVANCING OUR STATE'S RIVERPORTS

A question-and-answer period followed.

- **To what degree is there added value to cross-border outreach, collaboration, regionalization, and formalized work together to attract federal investments?**

Any port directors or state officials who can pull together cooperation from teaming partners—other states, other regions—makes a competitive, compelling argument to be awarded grant money. Some of the presentation links are to associations that demonstrate how other states/cities have successfully received money.

- **How does the KYTC and CED develop, educate, and retain these points for educating myself and other port directors?**

I think that the leadership of Kentucky's Transportation, Economic Development, Education, and Agriculture Departments have demonstrated their vision to build the talent pool in the Commonwealth and particularly to make their resources available to transform the ports. It appears they want to leverage transportation as a form of futuristic commerce and that can't happen without a ready talent pool. Our impoverished youth compel the cast to partner with local school systems. There will be at least one major KYTC grant application and it should include the Department of Education to demonstrate how the project(s) will funnel resources, investments, tutoring, and internships to port communities. It would be very competitive and compelling.

- **In regards to innovation hubs, do the ports focus on the skill sets needed for our specific industry (including the private sector on the river) or do we open it up beyond transportation?**

It's a two-part strategy: customize programs today to fit current needs but as you create partnerships and expand, broaden your reach. It benefits the larger city/county if the innovation hub generates more business for them and they in turn are more likely to partner on future real estate development when benefits flow both ways. Start small, working from business intelligence; focus on cluster industries, technology/robotics, and whatever else you need at port. Then expand with ideas from leaders, educators, city entrepreneurs, etc. until you're fully integrated with the community.

- **Where is the best place to start? Some ports have small staff, maybe just a port director and admin. If you were in their shoes, what would you do first?**

Research what other port communities are doing, like Owensboro's program. Create a priority list of possible allies who could share the vision and help build traction. Build a common voice, find a leader, and use available resources like the CED's innovation hub program.

## 8. SESSION 7: CLOSING SESSION

Mikael moderated a series of questions provided earlier by the port directors.

- **Would KYTC promote the need for KRI funds to be a permanent budget allocation opposed to being funded from the general budget on an annual basis?**

Because the Transportation Cabinet’s budget is approved every two years by the General Assembly, nothing is truly considered a permanent budget allocation. Since 2013, the Transportation Cabinet budget crafted by the Governor and enacted by the Legislature has included \$500,000 annually in general fund revenue for riverport improvement. KYTC utilizes the general funds appropriated to it through the budget bill for the Riverport Improvement grants. We are constitutionally prohibited from using road fund dollars for non-highway modes of transportation. That is why there’s no line item for riverports in the six-year highway plan.

If riverports authorities and operators want to advocate for a dedicated revenue stream, the best place to start is to identify advocates who can enact necessary legislation. If successful in establishing a dedicated stream of revenue, the Cabinet would happily administer it as outlined in the enabling legislation.

- **Does the Cabinet have a position on a Kentucky carbon tax? If so, could a portion of that tax be dedicated to a state funding source for the Riverports?**

As the Energy and Environment Cabinet administers the program, KYTC does not have a position. It’s no secret that passing legislation to fund infrastructure improvements via taxes is a challenge; we’ve worked hard to increase the gas tax for years. It comes back to the importance of leveraging your passion to engage with legislative voices.

- **With the recent Federal Infrastructure Bill passage, would the Cabinet support and request the development of an I-157 east that would connect Kentucky to states west of the Mississippi River? Kentucky is the only state that does not have Interstate highway connectivity across the Mississippi River. This would significantly enhance the opportunity for manufacturing and warehouse distribution development in Western Kentucky while providing safer and less congested highways.**

There is no active plan to pursue this connection, but with advocacy perhaps it gains traction. The Six Year Plan includes several ambitious projects; the working Infrastructure Bill could provide funding for projects like a new cross-river connection. Growing up in Glasgow, I remember a time before I-65 connected Louisville and Nashville and the impact the interstate—then the parkway system—had on these cities, Bowling Green, Glasgow, and others. Highways are a critical component of KYTC’s mission to provide economic opportunities for the Commonwealth.

If an I-157 connection has strong local support, talk to your local Area Development District planners to get it sponsored in the SHIFT process<sup>4</sup> to be prioritized among other statewide projects.

- **Does the Economic Development Cabinet have any input to state funds allocated to our Riverports?**

Economic development and transportation are closely related; the two agencies routinely engage as we develop opportunities and plans. The KRI budget bill language states that applications for the funds are reviewed and prioritized by the Water Transportation Advisory Board. As noted previously, KYTC is constitutionally prohibited from using road fund dollars for non-highway modes, like riverports.

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<sup>4</sup> Online at <https://transportation.ky.gov/SHIFT/Pages/default.aspx>

- **Considering the current financial constraints, KYTC has to allocate dollars for roads and bridges. How or where do you see the needed riverport funding fitting in to the future KYTC plan?**

With constitution limitations to use Road Fund dollars on roadway projects, any state funding for riverport improvements would have to come from another source, such as the general fund. Once the study results are available, I encourage you to comb through it and see it as an advocacy tool for economic development opportunities riverport investments can unlock. I know you have a presence with groups like Kentuckians for Better Transportation to advocate on your behalf. The Cabinet is here to offer input and administrative support for funding opportunities using state and federal dollars.

- **The mission of this freight study is to take a holistic state view of our riverports and transportation modes for the future growth of Kentucky. Once the study is complete, can you provide your guidance to the ports on how they can leverage the findings to increase funding to support the growth.**

I chaired a study in the 1990s to improve quality and efficiency within state government that came up with hundreds of recommendations. I was proud when Governor Patton used it as his blueprint, transforming the study into an actionable plan. This port study should follow the same process: advocates picking up the recommendations and crafting an action plan to implement.

- **Should we consider reorganizing the Kentucky public ports and put them under one umbrella akin to how Indiana has structured the Ports of Indiana?**

There are many organizational structures that can succeed in different models, from consolidated to a loose confederation. As mayor, I've learned the value in easing into new organizational structures. There is no provision in our current laws that would even allow the Cabinet to take this type of action. And if there was, I wouldn't be quick to take a position on a reorg unless I heard feedback from local city and county officials that this is a course of action they'd want to take. If there were interest in moving public ports under a statewide umbrella, that's something that is best to bubble up from the local level to the legislature.

- **How does the Cabinet plan to help market the Kentucky riverports as a whole during economic development conversations throughout the region and across the nation?**

While our agencies often coordinate, CED better fits the role of marketing whereas KYTC takes a more operational role. That's one of the reasons we partnered on the study.

- **Are there any additional plans to continue the current study after this Summit concludes? What are the next steps KYTC is planning?**

The study is near completion with a target to wrap up by the end of October. The question really becomes what are the ports going to do with this information? Let me give you a few suggestions. Organize. Gather all the public ports together so you are speaking with one voice. Gather all your allies together, whether it is the Kentuckians for Better Transportation, the Kentucky Chamber of Commerce, or even the Economic Development Cabinet. Make a plan. Determine what goals you want to achieve based on the information learned from this study. And finally, take the information to your legislators and the governor. They are going to be the ones that set the administrative polices and have the power to make the budgetary and legislative changes.

- **Can the public ports access the data from the study, specifically the projections for the individual riverports and how do they access that data?**

The Transearch dataset collected as part of this project is housed by KYTC. It is a massive dataset that requires extensive software experience to manipulate. The consultant team is developing a simplified method to allow ports to query the data. Port directors should expect to hear more from our project leads about the suggested method to access the data.

The study is in every respect a million-dollar asset. It represents a commitment by KYTC, but we cannot implement it. The action plan that emerges from the study—and its implementation—have to come from the port directors and other folks stepping up to move it forward. Identify your allies and work together on implementation to see the results.



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