



HOLT: Regional airports can fuel economic development

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VOICES FROM THE INDUSTRY
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A strong network of airports, unrivaled interstate access, a pro-business tax climate and central geography have made Indiana an attractive destination for logistics firms and positioned the state as a global logistics leader. We've got a lot going for us, but continued growth depends on strategic investment by both the public and private sectors, and developing plans to leverage Indiana's logistical advantages.

As leaders from Indiana's top logistics firms look to capitalize on emerging opportunities in this industry, positioning Indiana's airports as lower-cost alternatives to other cities is a key economic development strategy.

Indiana has four airports (Fort Wayne International Airport, Grissom Air Force Base, Indianapolis International Airport and Louisville International Airport) with 11,900 feet or more of runway, and has aviation facilities strategically located throughout the state. Indianapolis International is the sixth-largest cargo airport in the country and boasts the second-largest FedEx hub, and Fort Wayne International Airport also ranks in the top 125.

Yet, several of the state's smaller regional airports have excess air cargo capacity, providing an opportunity for Indiana companies to save significant time and money by moving products through them instead of busier hubs like Chicago and St. Louis.

Indiana currently ranks seventh among eight Midwestern states in terms of air transport as a share of transportation and warehousing gross domestic product. If we can develop a plan to bring more goods to Indiana's runways, it will provide a significant advantage to local logistics firms—which will ultimately lead to new jobs for Hoosiers, boosting the state's economy.

In October, executives from each of the state's airports unanimously agreed to commission a survey to identify the volume of inbound and outbound shipments by Indiana companies, both domestic and international. As simple as this volume survey seems, it's actually quite unique in that it will help determine where large enough volumes exist to allow local companies to combine shipments and reroute them through a regional airport, saving time and money. This data also will help Indiana's airports make a solid business case for attracting a greater share of regional air freight business.

The group expects to have the volume data compiled by late 2011 or early 2012.

Currently, most non-integrated air cargo shipments—meaning anything but UPS and FedEx—originating in Indiana are routed through busy Chicago airports where backups cause costly delays. It's not uncommon to wait as much as 10 hours for shipments to work their way through backups at Chicago O'Hare airport, and heavy interstate traffic into and out of the city creates even further delays in service, costing these firms time and money.

The air freight plan is one of several logistics growth strategies outlined by Conexus Indiana, the state's advanced-manufacturing and logistics initiative. This spring, Conexus Indiana released a statewide strategy aimed at growing the logistics industry that detailed key goals in the areas of infrastructure, work-force development and public policy.

During the past six months, Conexus Indiana and the Aviation Association of Indiana have hosted the first two of several planned meetings with statewide regional airport executives to look at ways to position Indiana's airports as lower-cost alternatives to larger cities. In addition to cargo volumes, the group is looking at foreign trade zones, immigration and customs reforms, assets of competing airports, and public policy issues at the state and federal level.

Attracting a greater share of air freight represents a major growth opportunity for Indiana's burgeoning logistics industry. John Kasarda, a distinguished professor and air commerce expert with the University of North Carolina and consultant to the Indianapolis Airport Authority's land-use study, predicts air freight traffic will triple by 2028. In fact, logistics has been high on the minds of airport officials as they look for ways to spur economic development around Indianapolis International Airport.

Indiana has the capacity to handle this growth, and is making strides toward putting a plan in place that will put more of this cargo on Hoosier runways. Conexus Indiana, the Aviation Association of Indiana, and regional airport executives will continue to position Indiana's airports, large and small, as integral parts of Indiana's impressive logistics network. The result will be more competitive logistics enterprises, new high-paying jobs, and an attractive business environment that redefines what it means to be at the "Crossroads of America."•

Holt is vice president of operations and business development for Conexus Indiana, a statewide initiative charged with capitalizing on emerging opportunities in logistics and advanced manufacturing. Views expressed here are the writer's.