



# Ohio's Logistics Cluster



Department of Development

**Logistics** is managing the movement and storage of goods from the beginning to the end of the supply chain.

Ohio ranks fourth overall in the value of goods shipped (\$563.2 billion, excluding exports) and third in the value of goods shipped by truck alone (\$437.8 billion) according to the 2007 Commodity Flow Survey. Ohio also ranks second in the value of goods shipped via the multimodal combination of rail and water (\$119 million).

Reasons for these top rankings include the concentration of high-value manufacturing in Ohio – notably primary and fabricated metal products, machinery and non-metallic minerals, electrical and transportation equipment, and rubber and plastic products – as well as the centrality of the state. Ohio is equidistant from Northeast, Midwest, and Southern population concentrations. Shippers find the 61 percent of American manufacturing and retail establishments, as well as 59 percent of the population, within 600 miles (approximately 965 kilometers) of the state's borders, or one day's drive.

## Trucks and Highways

Ohio's trucking industry is the 4<sup>th</sup> largest in the nation, adding over \$6.3 billion to the gross domestic product. Almost 78 percent of goods shipped from Ohio to other states travel solely by truck, whether measured by tonnage or the value of shipments. Trucking also moves 79 percent of multimodal tonnage.

Ohio has the 7<sup>th</sup> largest road system – almost 123,000 miles – and ranks 6<sup>th</sup> with 1,574 Interstate miles.

## Rail

Ohio's rail industry also is the 4<sup>th</sup> largest as measured by its contribution to the gross domestic product – \$1.8 billion, and its 5,318 miles of tracks than are more than those of 47 states. By weight, the leading commodities shipped from Ohio include coal, iron and steel products, metallic ores, farm products, and stone, gravel and sand.

## Water

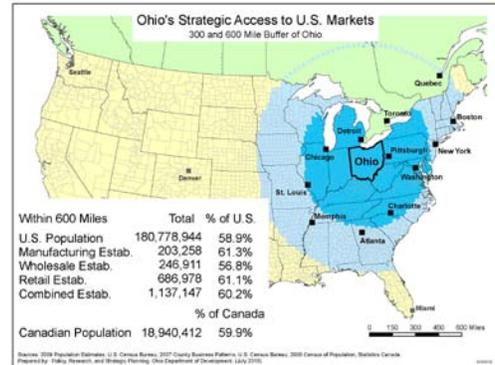
Ohio has 209 port terminals along 716 miles of navigable waterways leading to the Gulf of Mexico and the St Lawrence Seaway. With 88.9 million tons, the Army Corps of Engineers ranks Ohio 7<sup>th</sup> in waterborne domestic cargo.

## Air

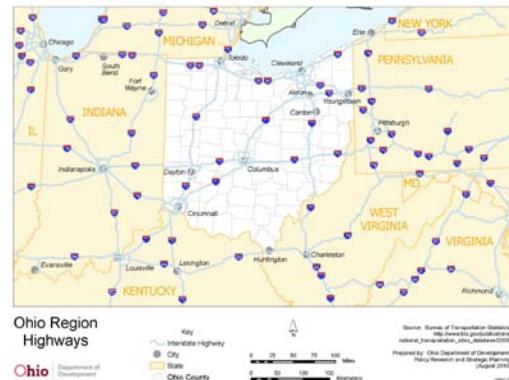
Ohio has notable cargo airports in Akron, Cincinnati, Cleveland, Columbus, Dayton and Toledo, according to Airports Council International – North America.

Control+click on maps to enlarge.

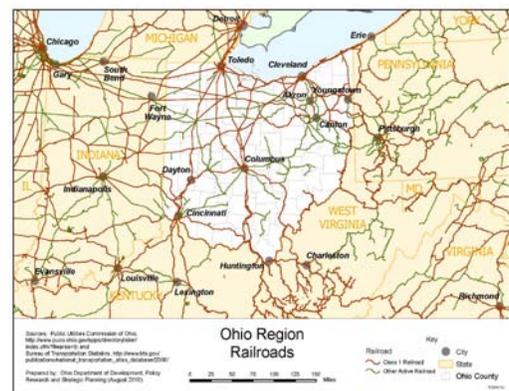
## Strategic location



## Highways



## Rail



## Logistics Employment

The latest complete data show more than 161,300 people worked in Ohio's logistics industry. The trucking industry (NAICS 484) is the largest goods-moving subsector with 69,200-plus workers, followed by couriers and messengers (492) with 29,600-plus. The two combined for 61 percent of industry employment. More than 7,800 people – five percent – worked in the rail industry (482), while less than 2,000 worked in air freight (481112, 481212), water freight (483111, 483113, 483211), and pipelines (486) combined. An additional 12,500 people – or eight percent – provided support for those who moved cargo, freight, and packages by whatever means (4882-4889). More than 40,100 people – 25 percent of the industry – worked in warehousing and storage (49).

However, the logistics *industry* numbers may understate the role of logistics *operations* in the state's economy because *operations* are part of the activities of establishments classified in other *industries* including (but not limited to) agriculture, mining, manufacturing, and wholesale and retail trade.

An alternative and broader measure of the size and importance of logistics is to look at as many as 313,400 workers in occupations moving material *within* establishments as well as *between* them. Add 24,000 postal workers, and together they comprised upwards of 8.2 percent of Ohio's employees in the first half of 2009.

## Industry Employment Trends

Average annual employment in Ohio's logistics industry ranged from 127,200 in 2003 to 154,700 in 2007, with a net increase of 19,300 jobs – 14.4 percent – from 2001 to 2008. (This excludes railroad employment because such data are unavailable for most years.)

Employment estimates are available for most logistics industry subsectors for the first three quarters of 2009; they summed to an average of almost 132,100. The comparable average for the first three quarters of 2008 was 152,000. Most of the losses occurred in trucking – nearly 8,300, couriers and messengers – 5,600, and warehousing and storage – almost 4,800.

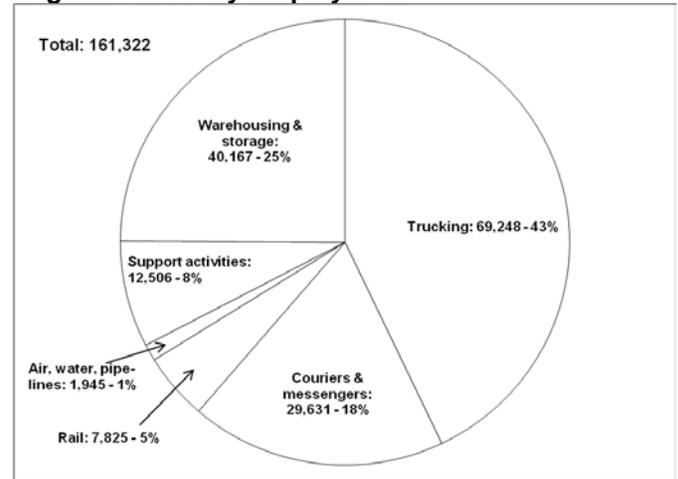
## Logistics Projects Announcements

181 logistics projects were announced from 2001 through 2009. Collectively, they sought to invest almost \$1.33 billion to add 7,700-plus jobs and nearly 14,900,000 square feet of space when completed. An additional 772 projects in other industries – but with some distribution-related activity – also were announced. The latter planned to invest \$4.34-plus billion to add 26,100 jobs and more than 73,600,000 square feet of space.

Logistics projects announced within the last two years that plan to add at least 200,000 square feet include Aero Fulfillment Services in West Chester, CAT Logistics (Clayton), FedEx Ground (Whitehall), Kenco Logistics (Obetz),

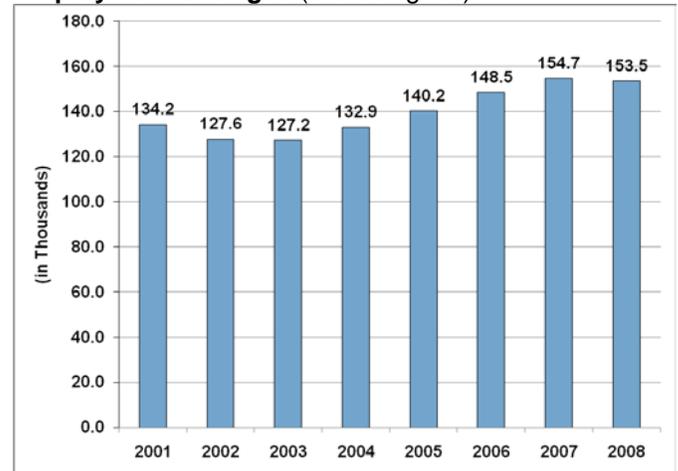
Menlo Logistics (Lima), R Good Logistics (Franklin), and Vista Industrial Packaging (Columbus).

## Logistics Industry Employment



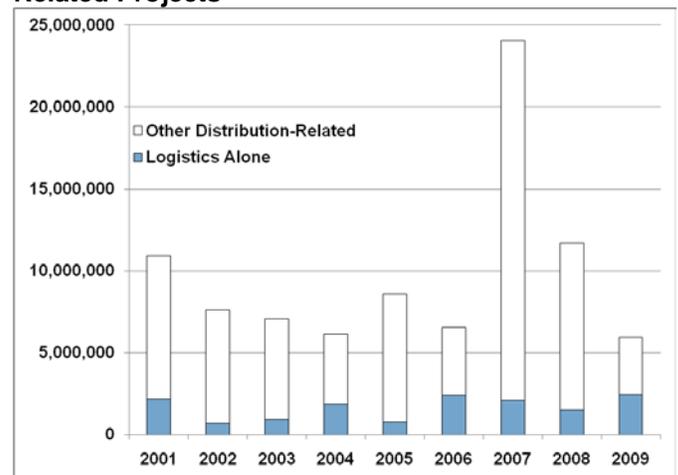
Sources: U.S. Bureaus of the Census and Labor Statistics, American Association of Railroads - 2008 reports.

## Employment Changes (excluding rail)



Sources: U.S. Bureaus of the Census and Labor Statistics

## Square Footage of Logistics and Other Distribution-Related Projects



Source: Ohio Dept. of Development



## Highlights for...

### Air Freight

Ohio has more public air cargo ports than all but three provinces and states in Canada and the U.S. according to the Airport Council International – N. America (ACI-NA). Their 2009 statistics showed **Toledo Express** airport handled 241,472 metric tons of cargo, the largest amount for any airport in Ohio. **Deutsch Bahn's\* DB Schenker** division uses it as its main N. American hub. About 20 planes fly in and out every night.

**Cincinnati International** followed with 133,125 metric tons, which made for the largest percentage increase from 2008 for any airport in Canada or the U.S. It is used by **Deutsch Post's\*** DHL Express and **FedEx\***, among others.

Columbus's **Rickenbacker** and Cleveland's **Hopkins** each handled more than 70,000 metric tons in 2009. Rickenbacker is a hub for **AirNet Express**, while **FedEx\*** and **UPS\*** are two of the larger air cargo operators with scheduled service. Hopkins is the largest airport in Ohio.

ACI-NA also lists Cleveland's Burke, Dayton's Cox, Port Columbus International and the Akron-Canton airports as cargo airports.

### Couriers and Trucking

Among the hundreds of couriers and trucking companies in Ohio, **UPS\*** and **FedEx\*** are major employers. (Both also offer logistics services.) UPS is the 16<sup>th</sup> largest private-sector employer here with 13,800 workers, and FedEx is the 31<sup>st</sup> with 9,000. **YRC\*** also employs thousands of people in Ohio. Major operations for these companies tend to be in or close to the urbanized areas of Akron, Canton, Cincinnati, Cleveland, Columbus, Dayton, Lima, Mansfield, Middletown, Toledo and Youngstown.

### Rail

**The Heartland Corridor Project** is a partnership of the Federal Highway Administration with **Norfolk Southern\*** to upgrade rail service between Norfolk (which handles more standardized containers than any other east coast port) and Columbus (and subsequent points north and west) by enabling the use of double stack freight cars with intermodal cargo containers.

Bulk Transporter's website lists 28 independent intermodal transload facilities serving railroads in Ohio. Six are located in Cincinnati, five in Columbus, four in Cleveland, and two each in Norwood and Toledo. The rest are in Barberton, Belpre, Burbank, Euclid, Lima, Massillon, Mogadore, North Bend, and Walbridge.

### Companies

**Deutsch Post's\* Exel** division specializes in outsourced contract logistics – particularly supply chain management. Hundreds of people are employed at its headquarters for the Americas in Westerville.

**Pacer International\***, now headquartered in Dublin, accounts for 20 percent of all intermodal container moves in the nation, and is the largest provider of intermodal container services between the U.S. and Mexico. In providing logistics services, Pacer's staff of 1,038 has access to more than 7,000 trucks, 60,000 miles of rail, and 800,000 square feet of storage space.

**Total Quality Logistics** is the nation's 6<sup>th</sup> largest third-party logistics provider for the trucking industry with a customer base exceeding 6,000 companies, including those on Fortune's U.S. 1,000 list. The company employs more than 500 at its Cincinnati headquarters.

**ABX Air** conducts aircraft maintenance and repair operations as well as training for flight and ground crews, environmental monitoring, and package sorting at its facilities in Wilmington. The company employs about 800.

### Education

**The Ohio State University** has top-rated masters and doctoral business logistics programs, including the new Masters in Business Logistics Engineering. The latter covers engineering tasks such as facilities design and technology implementation as well as logistics strategy and the management of operations. Graduates of the programs are recruited by Fortune 1,000 companies.

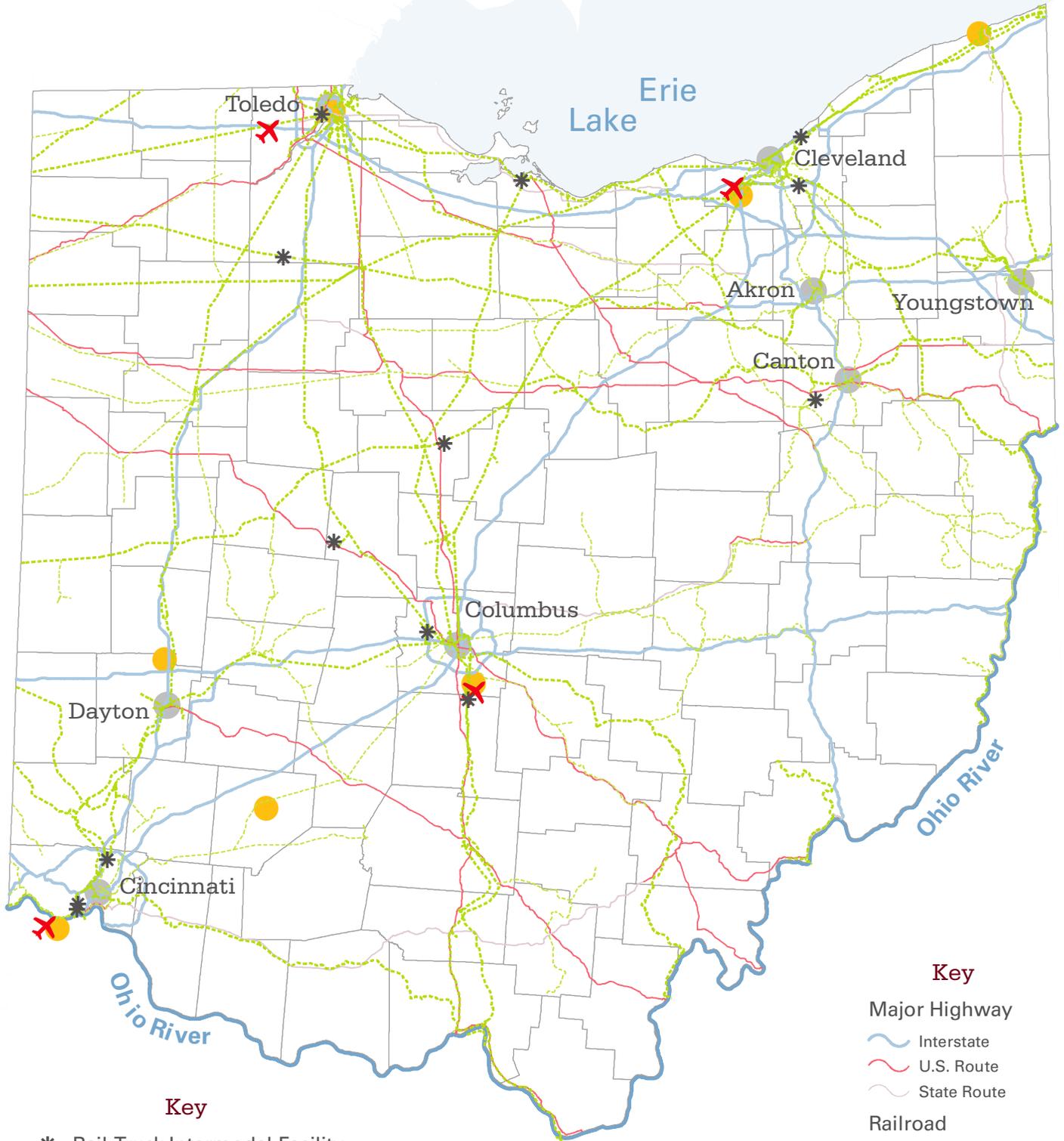
**The RFID Solutions Center Dayton**, a division of Alien Technology, is dedicated to radio frequency identification technology innovation and adoption through collaboration with users, industry providers, and academic institutions. At the Center, engineering teams simulate key stages in supply chains, and work closely with RFID customers to design, implement, and evaluate the systems.

\* - A Fortune U.S. 1,000 or Global 500 company.

# Ohio's Principal Freight Transportation Assets

**Ohio**

Department of  
Development



## Key

- \* Rail-Truck Intermodal Facility
- X Cargo Airport
- Customs Port

## Key

### Major Highway

- Interstate
- U.S. Route
- State Route

### Railroad

- Class 1
- Other

□ Ohio County

● City



0 5 10 20 30 40 Miles