

Governor Mike Pence  
Indiana Logistics Summit  
October 10, 2013  
Remarks as Prepared for Delivery

Good afternoon everyone. It is a pleasure to be with you. I was asked to offer a few comments touting the importance of the logistics industry for driving Indiana's economy, so I thought I would start with General Dwight D. Eisenhower, who said:

"You will not find it difficult to prove that battles, campaigns, and even wars have been won or lost primarily because of logistics."

Or how about this from FedEx Founder, Fred Smith:

"It's not like we're carrying sand and gravel. You know, we're carrying chemotherapy drugs, and important manuscripts, and electronic parts, and pieces for airplanes that are grounded. So when we pick it up and say, 'We're going to have it there early the next morning,' I mean we have to deliver. There's nothing else to it."

And finally, from Alexander the Great:

"My logisticians are a humorless lot. They know if my campaign fails, they are the first ones I will slay."

Now most of you gathered in this room will not face the same fate as someone in Alexander's employ should your logistics strategy meet with failure. However, I believe that you, like Fred and his team at FedEx, know you have to deliver. Whether moving cargo for your own company or for a customer, you have to get it there. It's that simple, but that doesn't mean it's easy! Whether in battle or in business, the container, box, or package has to get there, and the barge, truck, plane, or train carrying it must have a way to get it there on time.

State policymakers are tasked with ensuring that you have the tools and infrastructure to get your goods there on time. Since Indiana sits at the Crossroads of America – right in the middle of everywhere, as I like to say – we enjoys unique advantages in the transportation sector. These are stats with which you are all familiar, but they bear repeating, if only for purposes of patting ourselves on the back.

Indiana ranks among the top ten states in 46 significant logistics-related categories. We rank in the top 5 in 17 of those. Consider these facts:

- Indiana is number one in pass-through interstates
- We rank number three in number of freight railroads, and number five in domestic waterborne shipments.
- We are home to the second largest FedEx air hub in the world
- And more than 75% of the U.S. population lives within a one-day drive from Indiana

Without question, our infrastructure makes Indiana a national transportation hub and a global distribution powerhouse and is one of the reasons Indiana continues to be recognized as a great place to do business.

- Site Selection Magazine recently ranked us as the most competitive state for business in the Midwest and 2<sup>nd</sup> best in the nation.
- Just yesterday the Tax Foundation ranked Indiana number 10 in their 2014 State Business Tax Climate Index.

We know that our infrastructure provides Indiana with a dynamic advantage over other states, and we are glad to have these tools in our toolbox when we pitch Indiana to companies looking to expand or relocate their business.

For me, there are three guiding principles for transportation infrastructure: 1) take care of what we have, 2) finish what we start, and 3) plan for the future. Taking care of what we have means that we repair and maintain our current infrastructure to preserve our historical advantage.

Finishing what we start means expanding our advantage through the completion of high value projects. Completing I-69 from Evansville to Indianapolis is a good example. The Ohio River Bridges project is another good example, as are the Illiana Expressway, the Hoosier Heartland Corridor, and the US 31 upgrade.

These projects will allow for faster movement of goods, lessen congestion, and enhance Indiana's position as an economic engine.

Planning for the future requires evaluating circumstances, and assessing the appropriate way forward. In our Roadmap for Indiana, we established the goal of attracting investment in Indiana with an emphasis on manufacturing, agriculture, life sciences, and logistics. We recognize that a strong logistics sector – the ability to move goods easily – is the key to strengthening and attracting investment in those other three sectors. Moving freight has

always been vital to Indiana's economy, and providing unmatched logistics services, resources and infrastructure will be key drivers for the state's future growth.

That's why we called for the creation of a Blue Ribbon Panel to plan the next generation of transportation infrastructure. Today, I am pleased to announce that the Panel has been assembled and will begin its work in a couple weeks.

The mission and purpose of the Blue Ribbon Panel on Transportation Infrastructure is simple: recommend a plan for the next generation of transportation infrastructure. I have asked the Panel to review projects related to all four modes of transportation: water, air, road, and rail, and I have requested that the Panel explore the optimal means for moving both freight and passengers.

For the shorter term, the Panel's recommended Plan will identify a list of priority projects over the course of the next ten years. The Plan will prioritize projects according to a set of metrics developed by the Panel, allowing flexibility to adapt and adjust to changing circumstances.

For the longer term, the Panel will look at innovations in transportation infrastructure. The inquiry will key upon those technologies that might not be commercially viable now, but may someday in the future. By keeping a watchful eye on the future of transportation innovation, we will keep Indiana on the cutting edge and continue to provide Indiana's businesses with the most efficient transportation system available.

I have asked our Lieutenant Governor, Sue Ellspermann, and Cathy Langham, President of Langham Logistics, to co-chair the Panel and lead its work over the coming months. I have the utmost respect for the wisdom, skill, and experience these two bring to the table, and I am confident that, with their leadership, the Panel's work will be extraordinary. Cathy, I am told that you planned to be here today, and so, let me say directly to you now, thank you for agreeing to help lead this effort.

Joining the Lieutenant Governor and Ms. Langham on the Panel will be a collection of experts from across the Hoosier state. We wanted the Panel to reflect a balance in favor of people who use our transportation infrastructure, with a greater emphasis on private companies than public agencies, and a perspective of all four transportation modes across the state. The Panel will complete its work by the end of spring next year, and I look forward to receiving their recommendation.

As we look to the future of Indiana's infrastructure, I understand that you are looking to the future, too, offering a special session for high school students to learn more about the logistics

industry. I applaud the organizers for putting together this unique program for students, and I applaud the students who are here with us today for exploring this critical industry.

We're going to keep expanding your opportunities. Later today I'll be officially opening a new intermodal terminal right here in Indianapolis. Access to intermodal service is critical for Indiana business and our state's economy, and I am looking forward to this opening because these folks know how to cut a ribbon. We'll be "cutting" the ribbon with a 200-ton locomotive. Now that's the way to do it!

Every day we spend our time and energy on making Indiana the State that Works. We know that our transportation infrastructure is a critical component of accomplishing that goal. The goods have to get there on time. We will help you make sure that they do.

Thank you.