



A Regional Growth Corporation

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Southeast Kentucky  
Economic Development Corp.  
2292 South Highway 27  
Somerset, Kentucky 42501  
Phone: (606) 677-6100  
Fax: (606) 677-6055  
Web: southeastkentucky.com

**Contact:** Cheryl Meadows  
Communications Director  
(606) 677-6101

## Somerset Rail Park Meeting Manufacturers' Shipping Needs

SOMERSET, Ky. - Joe Baron has spent most of his life making sure products get from their point of origin to their destination on time.

From a stint working in the supply tent during the Vietnam War to facilities manager for warehousing and distribution at FedEx®, the 60-year-old veteran has developed an expertise in moving products effectively and efficiently. But his current role as director of terminal operations for RSI Logistics, a Michigan-based firm, at the Somerset Rail Park presents a challenge all its own.

The Danville resident spends his days overseeing the transfer and shipment of raw and finished goods in and out of the Somerset Rail Park. A variety of customers with unique products, specific needs and equipment necessary to transfer them keep Baron busy.

Traveling between the administration building, the warehouse and the truck scales, Baron is the eyes and ears of this new commercial transportation hub. When he isn't talking with potential customers on the phone, he's providing warehouse and terminal access to current customers and operating the only publicly-owned terminal of its kind in the state.

Current customers at the Somerset-based rail park are shipping and receiving a number of products including: agriculture, consumer, construction and wood products.

Record oil prices are causing even more regional manufacturers to assess their transportation costs and look for new ways to cut corners without having to pass additional costs on to the consumer. Several local businesses are looking to the Somerset Rail Park and its warehousing and truck-to-rail and rail-to-truck shipping options that could make the difference between profit and loss for many.

Baron will tell you the job requires a unique perspective daily. Handling customers with often concurrent schedules, braving extreme hot and cold temperatures and keeping the busy operations on schedule is a normal day at the park.



Joe Baron, above, is Director of Terminal Operations at the Somerset Rail Park.

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“Schedules are constantly changing to accommodate the weather, early, late and no shows. But at the end of the day there is a certain satisfaction of somehow satisfying virtually all customers...except for those folks who do not understand why the rail park does not provide train rides,” Baron said with a smile.

The rail park, served by Norfolk Southern Corporation (NS), offers rail service there five days a week - Monday through Friday. All rail served contracts are approved by NS before conducting business with the park.

Still in its first full year of operation, the park, developed and owned by Southeast Kentucky Economic Development Corporation (SKED) and operated by RSI Logistics, Inc., is conducting business with local and regional businesses in a number of ways.

### **THE RAIL PARK’S CUSTOMERS**

Ohio-based **Cincinnati Dowel & Wood Products Co.** is currently utilizing the Somerset Rail Park to deliver truckloads of wood from Monticello, Ky. to the Rail Park’s 78,750 SF warehouse then on to box cars shipped to Mexico. These shipments are the first international shipments from the rail park.

“By using the Somerset Rail Park, we were able to save money, consolidate shipments, and spend less time coordinating freight,” said Melissa Hacker, import/export coordinator for Cincinnati Dowel. “What we didn’t realize about the Somerset Rail Park is how pleasant it would be working with their staff.”

**Hinkle Contracting Corporation** is currently constructing a liquid asphalt terminal at the park. The facility consists of two one million gallon storage tanks, truck scales and an office. The purpose of the tanks is to allow Hinkle to purchase liquid asphalt in large quantities, transferring it directly from the asphalt supplier’s refinery, by rail or truck, to the Somerset site. The material is then off-loaded into the tanks and stored until it is hauled to Hinkle’s three hot-mix asphalt plants in and around the Somerset area. Hinkle is based in Paris, Ky., and Somerset is one of its major operating areas.

Bill Cress, Hinkle Contracting executive vice-president, said the park is a good fit for the regional company because it allows it to service its plants with fewer trucks on the road and provide storage in a central location closer to the plants.

“In the past, we’ve had to ship the product in from Knoxville, Tenn. or Louisville, Ky.” he said. “Having these storage tanks closer to the plants allows us to buy larger amounts of product at a time when the cost is most favorable, such as during the winter, store it here and then ship it out when it’s needed.”

Cress said the company will begin filling the first of the one-million gallon storage tanks in mid-February.

Regional businesses unaware of the park’s amenities are missing out, Cress added.

“I would encourage them to investigate and learn what the park offers, he said. “There are opportunities (for growth and cost savings) out there that they just don’t realize.”

**Tate & Lyle Company**, a world-leading manufacturer of renewable food and industrial ingredients, began shipping product through the park last fall. The 86-year-old business is shipping covered hopper cars of corn gluten feed pellets through the park. The pellets are unloaded via a conveyor into trucks for delivery to dealers and farmers as cattle feed. All of Tate & Lyle’s ingredients are produced from renewable crops, predominantly corn and sugar cane. The company takes these renewable crops and transforms them through the use of innovative technology into value added ingredients for our food, beverage and industrial customers.

**Imerys**, a leading international supplier of high-performance minerals, is shipping rail cars of calcium carbonate (ground lime stone) via the rail park. Once inside the park, the product is pumped under air pressure into tanker trucks for delivery throughout Kentucky. Imerys’ mineral products are used in a number of applications by industries to enhance processing, cost-effectiveness and performance are paint and coatings, inks, building and construction products, plastics, sealants and adhesives, lawn care and landscaping, health, beauty and nutrition products.

**Duraflame**, based in California, operates one of its North American companies in Somerset - Wonderfuel, LLC. Duraflame stored over 5,000 pallets of three of its nationally distributed products, including its self-starter logs in the rail park’s warehouse during the summer months. The product was shipped to distributors around the country last fall.

### **THE PARK’S DEVELOPMENT**

Federal, state and local leaders recognized the economic need for such a project in 2003 and began its multi-stage development. Fifth District Congressman Hal Rogers secured funding for the park through the Federal Highway Administration. The Appalachian Regional Commission (ARC) also played an integral role in its success. The ARC provided funding to market the park in 2005.

SKED, a 21-year-old economic development organization, based in Somerset and serving 42 counties in Southeast Kentucky, is working hard to market the park to potential customers around the region. SKED Executive Director Greg Jones says the park has been designed to meet the specific needs of manufacturers around the region by offering cost-saving and timesaving alternatives to the over-the-road trucking industry.

“It is our goal, as an economic development organization, to give the region’s current manufacturers the best possible means of transporting their goods, and at the same time offer potential new businesses an additional incentive to locate their operations here,” Jones said. “We are pleased to have been given the opportunity to partner with Norfolk Southern Corporation and this community to bring such a tremendous project to the region.”

To learn more about SKED or the Somerset Rail Park, visit: [ww.southeastkentucky.com](http://ww.southeastkentucky.com).

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