



A Presentation
to the
**Joint Subcommittee Studying
Public-Private Partnerships
Regarding Seaports in Virginia
(HJR 72)**

August 26, 2008



- ❖ Kawasaki Kisen Kaisha, Ltd. Background
- ❖ Why Virginia?
- ❖ Port Competition
- ❖ Questions & Comments

❖ "K" Line Background

History

- 1919 Established Kawasaki Kisen Kaisha
- 1971 Established own container terminal in Long Beach, CA
- 1990 Established "K" Line America as a wholly owned subsidiary
- 1996 Opened innovative service center in Richmond, VA
- 1997 Decentralized operations & P/L Control
- 2008 Launched new management plan, "K" LINE Vision 100" – Fleet growth from current 499 vessels to 900 vessels by 2019

❖ “K” Line Background

Financial Highlights - year ended March 31, 2008 (Consolidated Basis)

- Revenues: \$13.3 Billion
- Operating Income: \$1.3 Billion

❖ "K" Line Background (Continued)

Corporate Principles

The basic principles of the "K" Line Group as a business organization centering on shipping lie in:

- Diligent efforts for safety in navigation and cargo operations as well as for environmental preservation
- Sincere response to customer needs by making every possible effort
- Contributing to the world's economic growth and stability through continual upgrading of service quality

❖ "K" Line Background (Continued)

International Operations

- Containership Business
- Dry Bulk Carrier Business
- Car Carrier Business
- Energy Transportation, Tanker & Heavy Lift Business
- Logistics Business, Short Sea & Coastal Shipping Business

❖ “K” Line Background (Continued)

USA Operations

- 25 Offices
- Management of all business sectors

Affiliated Companies

- 26 in Japan
- 249 Overseas

❖ “K” Line Background (Continued)

Terminal Operations

- Tokyo
- Long Beach
- Antwerp
- Yokohama
- Oakland
- Rotterdam
- Osaka
- Tacoma
- Kobe



❖ Why Virginia?

As a Corporation . . .

- Quality of the work force – educated work force & good work ethic
- Cost of Living
- Climate
- Employ 335 personnel in Virginia –
326 in Richmond & 9 in Norfolk



❖ Why Virginia? (Continued)

As an Ocean Carrier . . .

- Strategic location within the Mid-Atlantic coast
- Superior inland rail network
- Favorable relationships with labor, good productivity, good work ethic
- Deep harbor, ice free, close proximity to open ocean, no bridges (air draft)
- Economic development efforts of the Commonwealth brought our customers here. Therefore, we are here.

❖ Port Competition

What factors make a port competitive?

- Labor and automation
- High productivity for vessels
- Service stability & competitive costs
- Fast rail connections to/from inland destinations
- Good infrastructure to deliver goods to customers
- Competitive trucking community with the power to deliver the goods
- Support from the government to attract cargoes
- Good balance of exporters to importers

❖ Port Competition (Continued)

What can Virginia do to enhance its competitiveness?

- Continue to pursue distribution center cargo
- Continue to build strong relationships with railroads and truck lines
- Continue to recruit exporters or manufacturing to the Commonwealth – More volume = more jobs!
- Invest in Virginia's infrastructure – If the highways & bridges will not support the distribution centers, our customers may not elect to grow within Virginia.



Questions & Comments

Quiet Moments

The Vessel has Sailed
The Next Vessel is on the Way

