

# ***How the VPA Operations Added Value for Virginia Businesses, Governments, and Households in Fiscal Year 2006***

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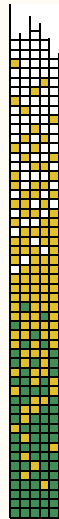
## ***FYI: The impact components***

- ♦ **Direct impact**: Production and sale of goods or services being analyzed.
  - Output sold, here labeled Revenue/Sales, and includes value of inputs from other businesses.
- ♦ **Indirect impact**: Purchases from other businesses to carry out the direct activities.
  - Business-to-business (B2B) transactions with suppliers, for power to paper to professional services.
- ♦ **Induced impact**: Earnings created by direct and indirect impacts are spent by households, businesses, and state and local governments.
- ♦ **Total impact**: Sum of the 3 types of impacts.



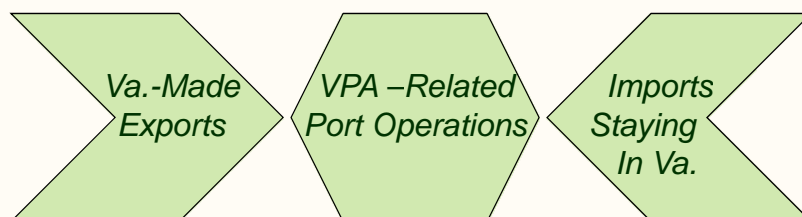
## ***FYI: We modeled the impacts using***

- ♦ **IMPLAN Professional 2006, an interactive model**
  - based on government data about national, state, and local production of goods and services and market transactions.
  - Run in Social Accounts Matrix (SAM) mode to include non-market financial flows to and from state and local government.
- ♦ **Other specific state and local information from surveys and many sources to adjust IMPLAN coefficients.**



## ***The impacts measured***

- ♦ **Scope: Virginia impacts of FY 2006 use of 3 VPA terminals (Newport News Marine Terminal, Norfolk International Terminal, and Portsmouth Marine Terminal) and the Maersk Terminal on VPA-owned land in FY 2006.**
- ♦ **VPA is the center of a broader Virginia value chain that creates value through 3 main channels:**





## VPA, center of a Va. value chain

- ♦ The VPA's full contribution to Virginia's economy includes contributions flowing from exports produced in Virginia and imports used here: The VPA terminals' value-in-use to the Commonwealth.
  - The approach used recently in many port impact studies, such as for Georgia ports, Port of Miami, Port of San Diego, and Port of Los Angeles.



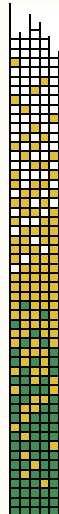
## VPA economic and tax impacts

### Total Virginia Economic Impacts of the Va. Port Authority

	(Dollar amounts in billions)			
	<u>Direct</u>	<u>Indirect</u>	<u>Induced</u>	<u>Total</u>
Revenue/Sales	\$18.56	\$6.13	\$16.38	\$41.07
Employee Compensation	\$4.98	\$1.90	\$6.64	\$13.52
Number of Employees	147,645	42,650	152,705	343,000

### Selected Virginia Taxes Related to the Va. Port Authority

	(Dollar amounts in millions)		
	<u>VPA Related</u>	<u>Total Va. Collected</u>	<u>VPA-Related % of Total</u>
Virginia income taxes	\$379	\$10,180	3.7%
Virginia 5% general sales taxes	\$426	\$4,505	9.5%
<u>Virginia real property taxes</u>	<u>\$404</u>	<u>\$7,036</u>	<u>5.7%</u>
Totals	\$1,210	\$21,721	5.6%



## VPA-related port operations impacts

*Includes VPA, VIT, and other port service companies, and those transporting goods to and from the terminals.*

	(Dollar amounts in billions)			<u>Total</u>
	<u>Direct</u>	<u>Indirect</u>	<u>Induced</u>	
Revenue/Sales	\$2.00	\$0.73	\$1.74	\$4.46
Employee Compensation	\$0.57	\$0.29	\$0.79	\$1.64
Number of Employees	10,157	6,588	18,920	35,665

VPA –Related  
Port Operations



## VPA export and import Virginia impacts

### VPA Virginia-Made Export Impacts



*Of \$14.7 billion in exports handled, \$8.1 billion was made in Virginia.*

	(Dollar amounts in billions)			<u>Total</u>
	<u>Direct</u>	<u>Indirect</u>	<u>Induced</u>	
Revenue/Sales	\$8.09	\$2.90	\$5.30	\$16.28
Employee Compensation	\$1.38	\$0.83	\$2.08	\$4.29
Number of Employees	27,852	18,205	47,462	93,520

### Impacts of Virginia Use of VPA Imports



*Of \$21.5 billion in imports handled, \$8.5 billion stayed in Virginia.*

	(Dollar amounts in billions)			<u>Total</u>
	<u>Direct</u>	<u>Indirect</u>	<u>Induced</u>	
Revenue/Sales	\$8.47	\$2.50	\$9.34	\$20.31
Employee Compensation	\$3.03	\$0.79	\$3.77	\$7.59
Number of Employees	109,636	17,856	86,323	213,816

## The VPA in Virginia impacts, once more

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## One view of the U.S. export future

- ♦ From DOE's Annual Energy Outlook, June 2008  
- available at <http://www.eia.doe.gov/oiaf/aeo/>

