



Joint Subcommittee Studying Public-Private Partnerships Related to Seaports

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Patrick O. Gottschalk
Secretary of Commerce & Trade

OUTLINE

- Economic Impact of the Port of Virginia
- The Port of Virginia's Major Competitors
- The Port of Virginia's Strengths

ECONOMIC IMPACT

- The Port of Virginia is a major economic engine for the Commonwealth and a key factor in attracting businesses to Virginia.
- More than 90 distribution centers are located throughout Virginia on rail and truck routes connected to the port.
- The port enables Virginia to be highly competitive in the global economy.

ECONOMIC IMPACT

DIRECT, INDIRECT AND INDUCED

- 343,000 port and port-related jobs statewide
- \$13.5 billion in employee compensation
- \$41.1 billion in business revenues
- \$720.4 million in state and local tax revenue directly or indirectly generated by the Port

Source: Virginia Port Authority, FY 2006 Virginia Economic and Fiscal Impacts of Virginia Port Authority Operations, The Mason School of Business at The College of William and Mary, January 2008

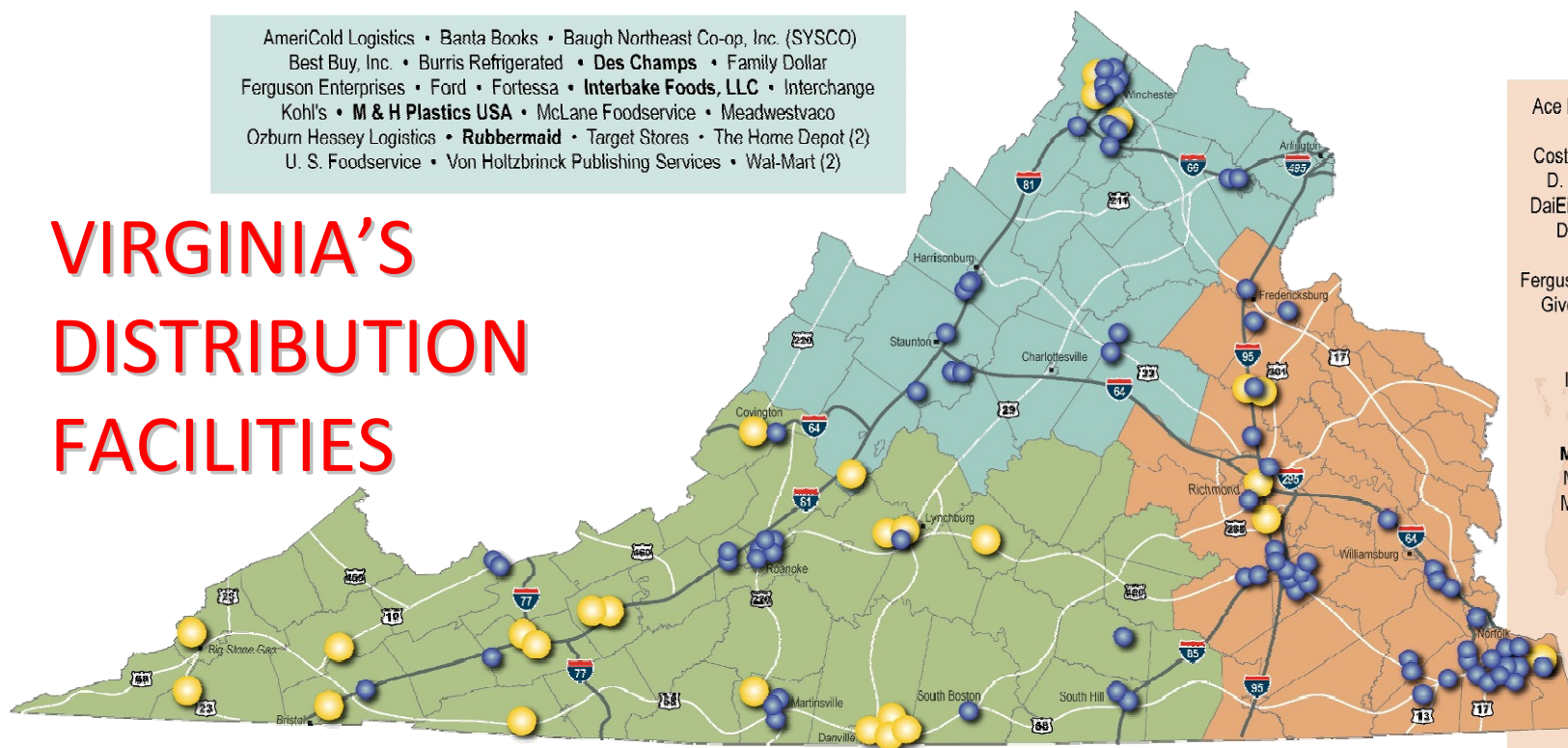
MAJOR PORT-INFLUENCED ANNOUNCEMENTS

Company Name	Jobs	Investment (millions)
Coors	12	\$229.0
Cost Plus Inc.	350	\$47.2
Massimo Zanetti Beverage USA	160	\$3.2
Mother Parkers Tea & Coffee, Inc.	85	\$40.1
Rolls-Royce	542	\$501.4
Safco Products Company	40	\$17.9
Swedwood North America / IKEA	740	\$281.1
STIHL Inc. (multiple)	500	\$208.0
Target Corp.	500	\$65.0
Wal-Mart Stores Inc. (multiple)	2,475	\$208.5
Total	5,404	\$1,601.4

- For many companies, proximity to the Port of Virginia has been an important contributing factor in the decision to locate or expand in Virginia.

VIRGINIA'S DISTRIBUTION FACILITIES

AmeriCold Logistics • Banta Books • Baugh Northeast Co-op, Inc. (SYSCO)
Best Buy, Inc. • Burris Refrigerated • **Des Champs** • Family Dollar
Ferguson Enterprises • Ford • Fortessa • **Interbake Foods, LLC** • Interchange
Kohl's • **M & H Plastics USA** • McLane Foodservice • Meadwestvaco
Ozburn Hessey Logistics • **Rubbermaid** • Target Stores • The Home Depot (2)
U. S. Foodservice • Von Holtzbrinck Publishing Services • Wal-Mart (2)



Ace Hardware • APM Logistics
Burris Refrigerated
Cost Plus World Market • CVS
D. D. Jones Warehouse Co.
DaiEi Papers • Dollar Tree, Inc.
DSC Logistics • **DuPont**
Evergreen Enterprises
Ferguson Enterprises • Food Lion
Givens Group • Goya Foods
Harris Teeter, Inc.
Haverty's Furniture
Interstate Warehousing
Lillian Vernon Corp.
Lumber Liquidators
M. C. Dean • MarketFare
Massimo Zanetti Beverage
Moss Motors • Nash Finch
Newport News, Inc.
Noland Company
NYK/ProLogis
Owens & Minor • **Pfizer**
QVC Network, Inc.
Reinhart FoodService
Russell Stovers Candies
Safco
Standard Motor Products
Stihl • SuperValu
Sysco Food Systems
Target Stores • U. S. Foodservice
Value City Furniture • Wal-Mart (2)

Advance Auto Parts • Ammar's, Inc. • **Armcor PET Packaging** • Atlas Cold Storage • Bacova Guild, Ltd. • **Barr Laboratories**
Bassett Furniture Industries, Inc. • **Bristol Compressors Sparta, Inc.** • Camrett Logistics • Diversified Distribution • Dollar General Corp.
Elizabeth Arden • **Essel Propack** • **Frito Lay** • **Gatorade** • Hanover Direct • Hooker Furniture Corp., Inc. • HSN • **Ikea/Swedwood**
Intertape Polymer Group • J. Crew • **James Hardie** • Jones Apparel Group, Inc. • **Lear Corporation** • **Meadwestvaco**
Mid-Mountain Foods • **Mullican Lumber & Manufacturing Co.** • Nash Finch • Nautica • **Nautilus/Bowflex** • **Nestle USA** • Orvis Co.
Peebles • Pennington Seed Inc. • **Tempur-Pedic** • Thomasville Furniture • U. S. Foodservice • **Volvo Logistics** • Yorktowne Cabinetry

Virginia's Distribution Facilities

● Distribution Only ● Manufacturing and Distribution

2008 PORT OF VIRGINIA EXPORTS

- The port enables Virginia to be highly competitive in the global economy.
- Total cargo exports exceed 42 million short tons valued at \$24.7 billion.

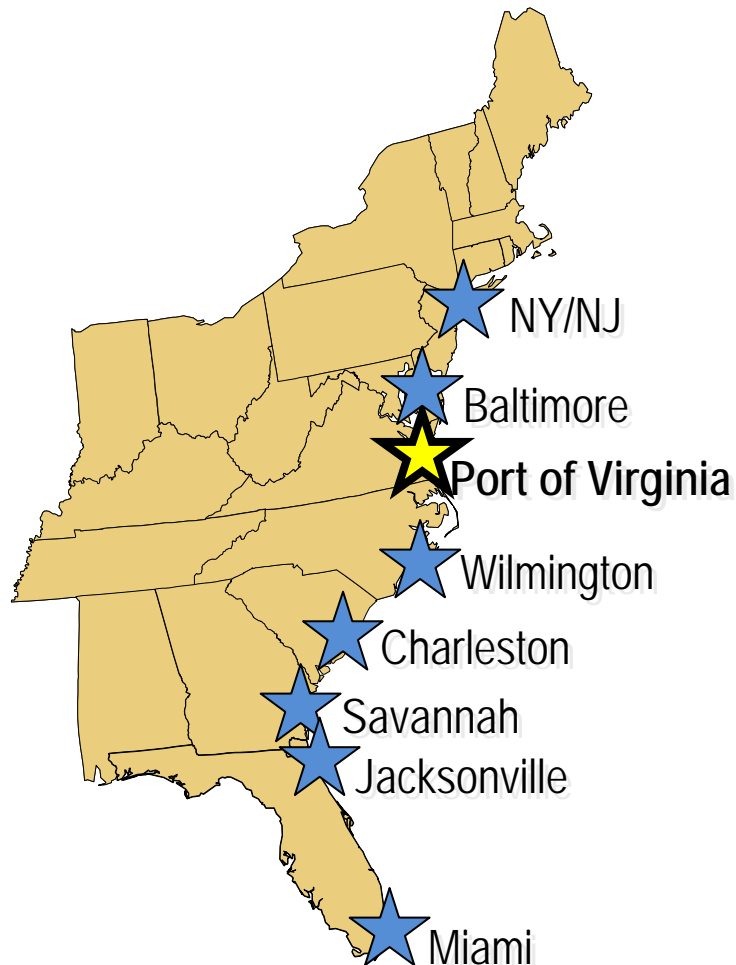
Top Export Partners by Dollar Value	U.S. Dollars (millions)	Top Export Commodities by Dollar Value	U.S. Dollars (millions)
Belgium	\$1,978.10	Machinery	\$5,121.23
Germany	\$1,760.94	Vehicles, Not Railway	\$1,810.38
China	\$1,701.16	Plastic	\$1,593.06
U.K.	\$1,562.55	Tobacco	\$1,260.37
Netherlands	\$1,357.67	Electrical Machinery	\$1,173.65

Source: Virginia Port Authority 2008 Key Performance Indicators (total cargo)

MAJOR COMPETITORS

- The Port of Virginia competes primarily with the Port of New York and New Jersey, Savannah and Charleston.
- Smaller competitors include Baltimore, Wilmington and Jacksonville.

2008 MAJOR U.S. ATLANTIC CONTAINER PORTS



Port	TEUs	Market Share
New York / New Jersey	5,265,058	38%
Savannah	2,616,126	19%
<i>Port of Virginia</i>	<i>2,083,278</i>	<i>15%</i>
Charleston	1,635,534	12%
Miami	828,349	6%
Jacksonville	697,494	5%
Baltimore	612,877	4%
Wilmington	196,040	1%

Sources: American Association of Port Authorities, Virginia Port Authority 2008 Key Performance Indicators

MAJOR COMPETITORS

- Virginia = public port with non-profit terminal operator
- NY/NJ = landlord-tenant (government owns the lands and leases to a private terminal operator)
- Savannah = public port with state employees
- Charleston = public port with state employees
- Baltimore = landlord-tenant
- Jacksonville = landlord-tenant and public port
- Wilmington = public port

Source: Virginia Port Authority

PORT STRENGTHS

- Regardless of ownership structure, the Port's strengths must be preserved or enhanced.

PORT STRENGTHS

- Competitive rates
- Modern terminals
- Historically strong relationship with International Longshoremen's Association
- Outstanding track record in safety and security
 - Zero pilferage from port terminals
 - Standing force of over 80 police officers
- Capacity to expand

PORT STRENGTHS

- Excellent freight capacity
 - Current VPA-owned terminals have a combined capacity of over 3 million TEUs
 - Room dedicated for expansion (Craney Island)
- Intermodal access
 - Served by two Class I railroads (CSX and Norfolk Southern)
 - Over 11,000 feet of on-dock rail track
- Deepest commercial shipping channels on the East Coast (50 ft.) and ice-free year-round
- No overhead obstructions (bridges)
- Home to the world's largest and fastest container cranes
- 18 miles from open ocean

Source: Virginia Port Authority

CONCLUSION

- The Port of Virginia is a major economic engine for the Commonwealth and a key factor in attracting businesses to Virginia.
- The port enables Virginia to be highly competitive in the global economy.
- The port is positioned to continue to grow and support commerce in Virginia.
- Regardless of ownership, the port's strengths must be preserved.