

The joint subcommittee studying public-private partnerships related to seaports in Virginia held its seventh meeting on November 20, 2009, at Old Dominion University in Norfolk, Virginia. The legislative members in attendance were Chairman Purkey and Delegates Joannou, Massie, and A.T. Howell. Messrs. Godfrey, Martinez, Milliken, Moyer, Padgett, and Taylor were the nonlegislative members in attendance.

After opening remarks, The Honorable Patrick O. Gottschalk, Virginia Secretary of Commerce and Trade, made a presentation. Secretary Gottschalk's presentation focused on the economic impact of the Port of Virginia ("Port"), its major competitors, and its strengths. He explained that the Port is a major economic engine for the state and a key factor in attracting business to Virginia and allows Virginia to be highly competitive in the global economy. For many companies, proximity to the Port has been an important contributing factor in the decision to locate or expand in Virginia. Regarding the economic impact of the Port, there are 343,000 port and port-related jobs statewide and \$41.1 billion in business revenues. The Port generates \$720.4 million in state and local tax revenue.

In terms of competition, Secretary Gottschalk explained that the Port competes primarily with the Port of New York and New Jersey, Savannah, and Charleston. Smaller competitors include Baltimore, Wilmington, and Jacksonville.

Secretary Gottschalk next looked at the Port's strengths and stated that regardless of ownership structure, these strengths must be preserved or enhanced. The Port strengths include: (1) competitive rates, (2) modern terminals, (3) historically strong relationship with the International Longshoremen's Association, (4) an outstanding track record in safety and security, (5) the capacity to expand, (6) excellent freight capacity, (7) intermodal access, (8) the deepest commercial shipping channels on the East Coast, (9) no overhead obstructions, (10) being home to the world's largest and fastest container cranes, and (11) being 18 miles from open ocean.

Following the Secretary's presentation, Joseph Dorio, President & CEO, Virginia International Terminals, Inc., made some remarks. The Heartland Corridor is expected to open in the second half of 2010. The International Longshoremen's Association's contract was extended for another three years. In addition, negotiations with APM continue. All of these developments can only make the Port more attractive to companies.

Next, Jerry Bridges, Executive Director, Virginia Port Authority, provided some brief remarks. Mr. Bridges stated that he is hearing from shippers that in the second half of 2010, the industry will be in full recovery, though volumes will not increase to the 2007 levels until 2011. Virginia is an attractive gateway.

Jo Anne Maxwell, Senior Assistant Attorney General/Section Chief for Transportation, Office of the Attorney General, also provided remarks and answered questions about the Public-Private Partnership Act.

Next Meeting:

The next meeting will be December 3, 2009, at noon at the Virginia Aquarium & Marine Science Center in Virginia Beach.