



MARITIME BULLETIN

News and Information from the Port of Hampton Roads

Volume 68, No 6, June 2004

This months Maritime Bulletin is Sponsored by:

Moffatt & Nichol

HRMA & USCG Host Towing Vessel Safety Seminar

On Wednesday, May 26th, the Hampton Roads Maritime Association and the United States Coast Guard hosted the 7th annual Towing Vessel Safety Seminar held at the USCG Integrated Support Command in Portsmouth.

Tug operators are relied upon to guide commercial and naval ships into the Port of Hampton Roads. In 2003, the local tug companies assisted over 2,500 vessels calling on the Port of Hampton Roads.

The Coast Guard reported 14 equipment failures, seven groundings, three flooding incidents and a fire in the Hampton Roads area in 2003. Accidents will happen and the more prepared the crews are, the less likely the accident will become a catastrophe.

Approximately 130 tug operators attended the daylong seminar where they participated in activities at 12 stations which demonstrated safety tasks for first aid, damage control and dewatering, mobile fuel transfers, and inflating life rafts. Additional activities included exercises in Class Bravo and Charlie fires, using immersion suits, and distress signals. Discussion topics covered statistics on towing vessel casualties, drug and alcohol rules, licensing, and the Maritime Transportation Security Act.

HRMA wishes to thank the Coast Guard and the following sponsors: Allied Transportation, Barker Beverages, Chesapeake Marine Training Institute, D&H Corp./C&P Tug and Barge, Eagle Maritime Consultants, Inc., Moran Towing, Norfolk Tug Company, Salisbury Towing Corp. and Vulcan Materials Company for making this a successful event.



Norfolk Mayor Paul D. Fraim Named as "Port Champion"



Mayor Paul Fraim and Charles E. Brinley

On April 29th, before a crowd of almost 900 that attended HRMA's Annual Banquet Mr. Charles E. Brinley, President of HRMA, presented the Honorable Paul Fraim, Mayor of the City of Norfolk, with the "Port Champion" award and a "Resolution of Appreciation" for his

splendid service and readiness to assist the Maritime Industry in promoting, protecting and encouraging the Port of Hampton Roads.

Mayor Fraim acknowledges that "the port is an asset that grows more important to the local and state economies with each passing year" as he indicated in his "State of the City Address" speech on February 4, 2004.

The Mayor's office was instrumental in securing the decision of the French company CMA-CGM to consolidate its North American headquarters in the Lake Wright Executive Center.

To keep up with the cruise industry, the Norfolk City Council approved a \$30 million investment to build a passenger cruise terminal adjacent to Nauticus that would bring more than 114,000 passengers and 37,000 crew members into town.

Congratulations Mayor Fraim!



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M&N is an internationally recognized leader in the planning and design of **ports, harbors and marine terminals**. Planning services include feasibility studies, economic analysis, freight forecasting, terminal simulation, capacity analysis, master planning, and vessel maneuvering, motion, and mooring studies. Design services comprise the repair, relocation, replacement and rehabilitation of existing facilities, as well as the construction of new, state-of-the-art facilities. M&N's Norfolk office currently provides engineering program management and master planning services for the Virginia Port Authority.

M&N also provides a full range of professional engineering services including structural design of **waterfront facilities**, topside/underwater inspection, dredging and dredged material disposal, shallow- and deep-draft navigation, design of **military facilities**, and water resources and coastal engineering.

M&N is recognized throughout the world for their role in the design evolution of modern **marinas and small craft harbors**. M&N has designed well over 300 facilities, from a 700-slip marina at South Beach Park in San Francisco, California to a world-class mega-yacht facility at Atlantis Paradise Island, Nassau, The Bahamas.

M&N also remains one of the few firms that specialize in the design and rehabilitation of **shipyards and ship repair facilities**. M&N has participated in a number of drydock repair and alteration projects including the Bath Shipyard Expansion in Bath, Maine. In addition, M&N is the author of the NAVFAC Drydocking Facilities Characteristics Design Manual.

For more information, contact M&N at (757) 628-8222 or visit our Web site at www.moffattnichol.com.

IN THIS ISSUE

- | | |
|----------------------|----------------------------------|
| 1. Cover Page | 5. News Briefs & Announcement |
| 2. Sponsor Spotlight | 6. HRMA Highlights |
| 3. Maritime News | 7. Membership News |
| 4. Port Statistics | 8. Club Contacts/Upcoming Events |



Robert R. Merhige, III Retires from Port Authority

At the May 25, 2004 Board of Commissioner's meeting, the Virginia Port Authority (VPA) announced the retirement of Robert R. Merhige, III, the Authority's Deputy Executive Director, General Counsel, and Director of the Police. Merhige will retire effective October 1, 2004.



Robert R. Merhige, III,

In making the announcement, VPA Chairman John Milliken commented, "Bob has been a valuable member of the Port's leadership team and has worked tirelessly to implement numerous new port security measures, especially since September 11, 2001."

"Today the Virginia Port Authority is a well-known leader in innovative port security and we sincerely thank Bob for his extensive efforts and expertise which have been recognized nationally and internationally," said Milliken.

Merhige joined the VPA in 1989 from the Metropolitan Washington Airports Authority where he served as Associate General Counsel. He is a former Virginia Assistant Attorney General and served as counsel to the the Virginia State Police. He was a police officer in Richmond for 12 years, ending his career with the City of Richmond Police Force as a Lieutenant in charge of the Tactical Unit. He is a member of the Board of Governors of the International Practice Section of the Virginia State Bar.

Virginia Port Authority Re-establishes wetlands

The Port is expanding and working hard to be good environmental stewards. In the expansion of NIT South, 5 acres of river bottom and just under 1 acre of tidal wetlands were lost. Federal law dictates that Virginia Port Authority (VPA) replace the wetlands lost in the construction. They had an option of paying \$500,000 to the Virginia Oyster Heritage Foundation as a way to lessen the environmental impact. But the way they saw it, a high-profile project like the expansion of NIT South deserved an environmental project of equal importance, one that would benefit its community.

The VPA came up with the restoration of Plum Point roughly a year ago. Its owner, the Norfolk Redevelopment and Housing Authority earmarked the property for development. The water was filled with hundreds of old pilings and the view of Elizabeth River was obscured by what was basically an overgrown thicket.

The Port Authority approached the City of Norfolk with a plan to improve the property. Part of the overall plan was an agreement that allowed the city to take over the park once the work was complete. This space will be maintained in perpetuity as a park.

This \$1.6 million project involved the clean-up of one acre of river bottom - where 500 tons of debris and more that 500 old pilings were removed and the creation of one acre of spartina grass wetlands, indigenous trees and other native vegetation were planted. A bike trail, walking path, benches and sign kiosks were erected.

This project could not have been realized without the partnership of the Virginia Port Authority, the City of Norfolk, the Elizabeth River Project, the West Ghent Civic Association and various other local industries such as Norfolk Boat Works.

Plum Point is a great example of The Port, the community and industry coming together in pursuit of a common goal.

Distribution of Coal Dumpings at Hampton Roads			
(in net tons of 2,000 lbs.)			
	Jun-2004	6 month 2004	6 month 2003
Total Hampton Roads	2,341,331	13,661,818	11,010,502
NS	1,214,182	6,574,599	5,849,255
Pier IX	651,738	3,366,942	2,262,380
DTA	475,411	3,720,277	2,898,867
Export Cargo - H. Rds.	1,836,294	10,114,746	7,436,899
NS	1,137,376	6,208,444	5,489,872
Pier IX	418,660	2,050,382	1,476,784
DTA	280,258	1,855,920	470,243
Coastwise & Other - H.R.	505,038	3,547,072	3,573,603
NS	76,806	366,155	359,383
Pier IX	233,078	1,316,560	785,596
DTA	195,154	1,864,357	2,428,624

Source: Hampton Roads Coal Piers

Port of Hampton Roads TEU's			
(Twenty Foot Equivalent Units)			
	May-2004	5 month 2004	5 Month 2003
Hampton Roads	152,928	707,191	650,551

Source: Virginia Port Authority

Customs Receipts - Virginia Customs District			
	May-2004	5 month 2004	5 Month 2003
Hampton Roads	38,664,649	175,866,865	139,776,404
Other VA	3,746,803	19,549,442	12,182,807
Total	42,411,452	195,416,307	151,959,211

Source: U.S. Customs and Border Protection

Passenger Cruises			
	Jun-2004	6 month 2004	6 month 2003
Number of Vessels	7	30	12
Number of Passengers	15,328	55,843	16,856

Source: Nauticus

Vessels by Type	Jun-04		YTD 04		Jun-03		YTD 03	
	Arrive	Sail	Arrive	Sail	Arrive	Sail	Arrive	Sail
BULK								
AMERICAN	0	0	0	0	0	0	0	0
FOREIGN	18	15	83	79	16	17	73	74
TOTAL	18	15	83	79	16	17	73	74
COAL								
AMERICAN	2	2	17	17	1	1	15	15
FOREIGN	31	26	140	125	13	14	138	134
TOTAL	33	28	157	142	14	15	153	149
COMBO								
AMERICAN	0	0	0	0	0	0	0	0
FOREIGN	3	3	38	38	7	7	42	42
TOTAL	3	3	38	38	7	7	42	42
CONTAINER								
AMERICAN	11	10	82	82	12	12	63	63
FOREIGN	114	113	745	752	122	120	699	693
TOTAL	125	123	827	834	134	132	762	756
GENERAL								
AMERICAN	0	0	4	4	0	0	3	3
FOREIGN	13	12	72	66	13	16	67	69
TOTAL	13	12	76	70	13	16	70	72
OTHER								
AMERICAN	0	0	8	8	0	0	5	5
FOREIGN	7	5	29	30	6	5	13	10
TOTAL	7	5	37	38	6	5	18	15
RORO								
AMERICAN	0	0	0	0	0	0	0	0
FOREIGN	8	6	57	53	7	7	44	44
TOTAL	8	6	57	53	7	7	44	44
TANKER								
AMERICAN	1	1	6	6	0	0	0	0
FOREIGN	8	7	87	87	10	9	60	56
TOTAL	9	8	93	93	10	9	60	56
AMERICAN	14	13	117	117	13	13	86	86
FOREIGN	202	187	1251	1230	194	195	1136	1122
TOTAL	216	200	1368	1347	207	208	1222	1208



News Briefs & Announcements



Right Whale Proposal Could Slow Port Traffic

On, June 1, 2004 a proposed regulation published in the Federal Register, from the National Marine Fisheries Service (NMFS) recommends that commercial vessels significantly reduce their speed approaching East Coast ports in an attempt to reduce the already few collisions with Right Whales.

The proposal would slow ships, that currently may travel at up to 28 knots, to between 10 and 14 knots from the mouth of the Chesapeake Bay to 30 nautical miles out to sea during the months of November, December, February, March and April. This is the time period the Right Whales are known to pass off the Virginia Coast.

The maritime community and the shipping lines fear reducing the speed would affect the already tight time schedules of vessel operations. "Vessels need to maintain a certain speed to make sure their schedules remain intact," said J.J. Keever, Executive Vice President of the Hampton Roads Maritime Association.

"Anything that's going to slow that ship up so it can't make a berth is going to affect the steamship lines and cost us money," stated Tom Dushatinski, Assistant Vice President of Operations for P&O Nedlloyd Ltd.

The Port of Hampton Roads sees a variety of commercial vessels from oil tankers and coal colliers to faster container and cruise ships. NMFS analysis estimated the loss to the industry is estimated at \$343 per vessel call or \$1.8 million a year. Mr. Keever indicated that figure was way underestimated.

The HRMA is concerned this proposed regulation may be based on inconclusive data and will not achieve the intended outcome, but will at the same time have a significant negative financial impact on the maritime industry.

The National Marine Fisheries Service is accepting public comments on the proposal until August 2, 2004. Send comments to: Chief Marine Mammal Conservation, Attn: Right Whale Ship Strike Strategy, Office of Protected Resources, NMFS, 1315 East-West Highway, Silver Springs MD, 20910; or fax to (301) 427-2522; or e-mail to shipstrike.comments@noaa.gov (follow instructions for submitting comments).

Suez Cranes Sailing to the Port

A slow boat from China? That's how the new Suez Class cranes will travel to Hampton Roads. The cranes are scheduled to leave China next week and arrive at the Port of Virginia in mid August.

The Zhenhau Port Machinery Company, in Shanghai, the world's largest crane manufacturer with 65% of the market share, is loading the cranes on one of six specially designed container carriers.

This is the second shipment of cranes purchased by the Virginia Port Authority, the first four cranes were delivered in August 2003.

Two of the new cranes, the fastest and largest in the world, are bound for Norfolk International Terminal South. These cranes span across 26 rows of containers and stand 271 feet high. The other two smaller cranes are heading to Portsmouth Marine Terminal, these cranes reach across 18 rows of containers.

All together, the Virginia Port Authority ordered 11 cranes worth over \$60 million.



(Zhan Hau 1 delivered the first four Suez Class cranes to NIT in August 2003)



Warehouse Expansions



Shippers Grow with the Port

The reputation and operations of the Port of Virginia continues to attract distribution centers and warehouses alike. Expansion projects in the Hampton Roads area include Wal-Mart Stores, Inc., Cost Plus, Inc., Stihl Inc., Ferguson Enterprises and Amadas Coach.

Wal-Mart Stores, Inc. announced in late May that they will increase their Greenmount Industrial Park distribution center by one million square feet. The Bentonville Ark. based discount giant will spend \$28.5 million to add capacity to this facility in James City County. The expansion will add 125 employees when it opens in 2006.

Rollin Ford, Executive Vice President of Logistics and Supply Chain for Wal-Mart stated they "picked James City County and the Virginia Peninsula for this expansion to better serve the growing number of Wal-Mart customers who shop at our stores in the mid-Atlantic region." Wal-Mart Stores currently ships more than 40,000 containers a year through the Port of Hampton Roads.

Cost Plus' nationwide search for property ended in Isle of Wight because of its close proximity to the Port of Hampton Roads. Cost Plus World Market will invest more than \$24 million on expanding their distribution center. This additional space will almost double their current 500,000 square foot facility.

The Oakland based company has 212 stores in 26 states which sell imported home furnishings and specialty goods.

Stihl, Inc., a manufacturer of chain saws and lightweight power equipment based in Virginia Beach, announced in May thier 650,000 square foot manufacturing facility is undergoing a \$27 million expansion that will include adding 25,000 square feet. The increased capacity is needed to handle the demand from its international customers in more than 70 countries.

They also plan to expand their Oceana West Corporate Park headquarters by 228,000 square feet in three phases and are expecting to create 200 new jobs.

Ferguson Enterprises, Inc., a plumbing and building supply distributor based in Newport News, announced in late May they will invest \$5.4 million on a new 64,000 square foot facility in Northgate Commerce Park. The facility will initially be a regional office and a warehouse distribution center that will create 45 new jobs to the area.

Amadas Coach of Moneta, a company that builds luxury motor coaches, in early May purchased a 50,000 square foot building in Suffolk Industrial Park. The structure is expandable to 130,000 square feet. The operation is expected to be up and running by August 2004.

Many of these projects were chosen for their proximity to the Port.



Membership News



HRMA Welcomes Liberty Property Trust

Liberty Property Trust is a new member of the Hampton Roads Maritime Association. They were established in 1972 as Rouse & Associates. They are a leading real estate investment trust dedicated to enhance peoples lives through extraordinary work environments.

In 1994 they changed their name after growing into the Southeastern U.S. and the United Kingdom markets. Liberty Property Trust was drawn to the Hampton Roads market because of its mid-Atlantic location.

Today Liberty has nearly 400 employees between their 12 locations in the U.S. and U.K. They have 675 offices and industrial properties totalling 54 million sq. ft. with a \$5.4 million market capitalization.

In December 2002, Liberty was added to Standard & Poor's MidCap 400 index.

Mr. Craig Cope has worked in real estate for 18 years, joining Liberty Property Trust in 1998. In 2001, Mr. Cope was promoted to Regional Manager in Hampton Roads.

Maritime Bulletin Offers Sponsorship Opportunities

The \$1,000 contribution for sponsorship allows your organization to be:

- ☛ Named prominently on the cover of the Bulletin
- ☛ Featured in a half page article
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hts@hts.hrcoxmail.com

Mr. James (Mac) Henderson, Jr., President

Recommended by: Denny Parker

A Look Back in History

In 1904, the Secretary of the Board of Trade and Business Men's Association released export statistics for the previous year. In 1903, nearly \$10 million worth of shipments left the Port of Norfolk. The most valuable exports were lumber, coal and cotton.



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Club Contacts

Hampton Roads Coal Association

Contact: Will Browning, 622-3321

Hampton Roads Foreign Commerce Club

Contact: Stephanie Rozzell, 683-2127

Hampton Roads Traffic Club

Contact: Peter Simmons, 466-8899

Propeller Club - Port of Norfolk

Contact: Robert Armbruster, 457-9108

Society of Maritime Industries

Contact: Mike Murphy, 853-5101

Tidewater Motor Truck Association

Contact: Sharen Brann, 399-0070

The Women's Transportation Club of Hampton Roads

Contact: Anita Bonet, 440-7215



Upcoming Club Events

June 23

Traffic Club

Spring Golf Outing

12:00 Shotgun Start

Riverfront Golf Course, Suffolk

June 25

Foreign Commerce Club

Summer Outing, Bayou Boogaloo

(Purchase Tickets in Advance)

5:00 Townpoint Park (Norfolk)

