



MARITIME BULLETIN

News and Information from the Port of Hampton Roads

Volume 68, No 3, March 2004

This months Maritime Bulletin is Sponsored by:

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Craney Island Revisited

Members and Guests of HRMA met on February 18th, at the Norfolk Yacht and Country Club, to hear Col. Yvonne Prettyman-Beck speak about the projects the Army Corps of Engineers has on its agenda.



**Col. Yvonne Prettyman-Beck
Army Corps of Engineers**

Col. Prettyman-Beck said the Corps is taking another look at the the Craney Island Project. Last summer, under the direction of Col. Hansen, the Corps of Engineers had announced they would not support the Craney Island project based on environmental, financial and navigational-safety concerns.

With Col. Prettyman-Beck at the helm, a technical review panel, compiled of Corps personnel, private sector partners and independent consultants, has resumed the review process for the Craney Island project.

The decision to reconsider the project derives from new information about the future growth projected for the Port and the impact the trade industry has on the nation as a whole.

The Colonel recognizes Hampton Roads is critical for national defense, as the Navy depends on commercial shipping for supplies in times of war.

"I think the fact the Colonel is willing to revisit this issues speaks very well for the partnership that exists within the port community", said J. J. Keever, Executive Vice President of Hampton Roads Maritime Association.

Harbor Safety Committee of the Year

Recently the successes of the Harbor Safety Committee of Hampton Roads (HSCHR) were nationally recognized. A Harbor Safety Committee is a local committee that addresses issues that may include the safety, security, mobility, and environmental protection of a port or waterway. In Hampton Roads the U.S. Coast Guard Marine Safety Office and the Hampton Roads Maritime Association (HRMA) work collaboratively as the HSC. On February 22, 2004, at the 6th National Harbor Safety Committee Conference in Fort Lauderdale, Florida, the HSCHR received the Harbor Safety Committee of the Year Award for 2003. RADM T. H. Gilmour, of the U.S. Coast Guard, presented the award to Mr. J.J. Keever, Executive Vice President of the HRMA.

The HSCHR is recognized for improving port security and providing extensive community outreach programs to improve the safety, efficiency, and environmental stewardship of their community. The HSCHR initiated a community-wide effort to establish an Area Maritime Security Committee, with representation from local, state, federal government and local commercial industry to address security imperatives while facilitating commerce. The success of aggressive outreach efforts to maritime facilities and vessel operators facilitated local industry's ability to comply with new security requirements within mandated timeframes. The HSCHR supported an innovative Towing Vessel Safety Seminar, the only one of its kind in the U.S., to deliver training in lifesaving, firefighting, voyage planning and emergency procedures to towing industry participants from around the country. The HSCHR supported the 12th Annual Marine Incident Response Team Symposium. This national event consisted of comprehensive classroom training, field exercises involving the Incident Command System, use of the U.S. Navy's advanced firefighting school, and two field exercises on a large merchant vessel and a tank barge. "The exceptional actions and distinguished service of the HSCHR, during this time of crisis, are most heartily commended and are in keeping with the highest traditions of maritime service."



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Seventh Maritime Heritage Conference

We know that Hampton Roads is the premier port on the East Coast. This fall, more than 500 maritime heritage professionals and enthusiasts from North America and abroad will agree with us. Norfolk will serve as the host city for the Seventh Maritime Heritage Conference this coming October 27-30. More than 30 maritime organizations, ranging from ship and lighthouse preservation outfits to naval and maritime history groups, are participating.

Supporting the conference is an impressive list of local, national and international organizations that will officially co-host it. The local organizations include the Hampton Roads Naval Museum with USS Wisconsin, The Mariners' Museum, Nauticus, the Portsmouth Naval Shipyard Museum, the Hampton Roads Maritime Association, the Hampton Roads Council of the Navy League, Commander Navy Region Mid-Atlantic, U.S. Coast Guard Atlantic Area Command, and the Norfolk Historical Society. The national and international organizations include the American Sail Training Association, the Historic Naval Ships Association, NOAA, the National Park Service, the Council of American Maritime Museums, the National Maritime Historical Society and the World Ship Trust.

In conjunction with the conference a special photo exhibit on the history of the Port of Hampton Roads will be mounted at the Hampton Roads Naval Museum in Nauticus. It will run from October through December 2004.

The organizing committee invites members of the Hampton Roads Maritime Association to be part of this exciting event. For details on participation, student scholarship opportunities, displays and sponsorships contact the program chair, Joe Mosier at the Chrysler Museum at 664-6205 or the conference chairman, Captain Chan Zucker at the Historic Naval Ships Association at 499-1044. Complete conference information can be found on the Nauticus Web site at www.nauticus.org.



Innovative Chassis Pool

It is well known in the port community that space on the port terminals is scarce. In February, VIT had proposed a plan to the port operator's board that all chassis stored on the terminal participate in a central pool of "gray" chassis. These "gray" chassis would be interchangeable among ship lines.

Chassis pools are not new to the industry but the one proposed by VIT would be the first one to cover an entire port. VIT has operated a cooperative chassis pool since 1997. Currently, there are 5,000 chassis in the pool available to all the terminals in Hampton Roads. VIT could operate the terminals efficiently with 15,000 chassis in the pool. Embracing the "gray" pool would eliminate upwards of 10,000 stored on the terminals.

"Participation in the pool is not mandatory", Rick Knapp, Assistant General manager of VIT, stated, "but carriers that aren't pool members won't be able to store their chassis at the terminals."

Incorporating the "gray" chassis pool would be advantageous for ship lines, who, have wanted to separate themselves from the cost and liability of supplying chassis; for truck drivers who have complained about maintenance and safety of the equipment as well as the delays associated with changing chassis between lines; and terminal operators would have more space on the terminals for container handling.

Now is the perfect time to bring this program to a realization, the Teamsters and American Trucking Association are pushing congress to tighten inspections and shift liability away from truckers, and the Department of Transportation is proposing new rules for a national safety inspection program for chassis.

A newly established VIT subsidiary, comprised of shippers, lessors and VIT will manage the expanded cooperative pool, ensuring equal representation. The goal is to provide the safest chassis at the best price. The program is set to roll out by the end of March and be phased in over a period of six months.

Responding to the future growth of Asian imports, VIT sees a future in which shiplines no longer provide their own chassis but transfer their leased or owned chassis to lessors, all of whom are on the VIT subsidiary.

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SOMI Presents Distinguished Service Award

The Society of Maritime Industries (SOMI) is pleased to announce the recipient of their **Distinguished Service Award** for 2003 is **J. J. (Jeff) Keever**. The presentation was made at their 28th Annual "Sweetheart" meeting held at the Ramada Inn Oceanfront in Virginia Beach on Saturday, February 14, 2004.

J. J. Keever is the Executive Vice President of the Hampton Roads Maritime Association and Hampton Roads Shipping Association. The Distinguished Service Award recognized his almost 25 years of service to the local maritime industry, as well as the leadership he demonstrates on the state, regional and national levels on behalf of maritime interests involved with the Port of Hampton Roads.

Distribution of Coal Dumpings at Hampton Roads				
	Mar-2004	3 month 2004	Mar-2003	3 month 2003
Total Hampton Roads	2,612,853	6,222,119	2,106,864	6,067,609
NS	1,308,823	3,204,904	1,052,500	3,093,914
Pier IX	628,329	1,403,283	505,286	1,357,280
DTA	675,701	1,613,932	549,078	1,616,415
Export Cargo - H. Rds.	2,058,206	4,619,275	1,405,354	4,051,043
NS	1,279,526	3,052,314	1,016,014	2,947,099
Pier IX	374,107	833,520	371,368	856,786
DTA	404,573	733,441	17,972	247,158
Coastwise & Other - H.R	554,647	1,602,845	701,510	2,016,566
NS	29,297	152,590	36,486	146,815
Pier IX	254,222	569,763	133,918	500,494
DTA	271,128	880,492	531,106	1,369,257

Source: Hampton Roads Coal Piers

Port of Hampton Roads TEU's (Twenty Foot Equivalent Units)			
	Feb-2004	2 month 2004	Feb-2003
Hampton Roads	133,893	262,442	108,269
			236,515

Source: Virginia Port Authority

Customs Receipts - Virginia Customs District			
	Feb-2004	2 month 2004	Feb-2003
Hampton Roads	\$29,536,832	\$61,592,824	\$23,658,864
Other VA	\$3,193,679	\$6,376,685	\$2,271,135
Total	\$32,730,510	\$67,969,510	\$25,929,998

Source: U.S. Customs and Border Protection

Passenger Cruises			
	Mar-2004	3 month 2004	Mar-2003
Number of Vessels	3	7	0
Number of Passengers	6,540	13,786	0

	Mar-04		YTD-04		Mar-03		YTD-03	
	Arrive	Sail	Arrive	Sail	Arrive	Sail	Arrive	Sail
BULK								
AMERICAN	0	0	0	0	0	0	0	0
FOREIGN	18	17	37	38	16	13	36	31
TOTAL	18	17	37	38	16	13	36	31
COAL								
AMERICAN	4	4	9	9	4	4	9	9
FOREIGN	30	26	55	49	12	10	111	109
TOTAL	34	30	64	58	16	14	120	118
COMBO								
AMERICAN	0	0	0	0	0	0	0	0
FOREIGN	4	4	12	12	4	4	22	22
TOTAL	4	4	12	12	4	4	22	22
CONTAINER								
AMERICAN	14	12	41	41	10	10	29	29
FOREIGN	125	126	372	376	114	112	323	322
TOTAL	139	138	413	417	124	122	352	351
GENERAL								
AMERICAN	2	2	2	2	0	0	0	0
FOREIGN	13	12	39	36	16	17	37	35
TOTAL	15	14	41	38	16	17	37	35
OTHER								
AMERICAN	2	0	6	6	0	0	1	1
FOREIGN	7	7	12	12	0	0	4	2
TOTAL	9	7	18	18	0	0	5	3
RORO								
AMERICAN	0	0	0	0	0	0	0	0
FOREIGN	8	8	26	26	10	12	27	27
TOTAL	8	8	26	26	10	12	27	27
TANKER								
AMERICAN	1	1	3	3	0	0	1	1
FOREIGN	19	21	49	50	15	15	33	28
TOTAL	20	22	52	53	15	15	34	29
AMERICAN	23	19	61	61	14	14	40	40
FOREIGN	224	221	602	599	187	183	593	576
TOTAL	247	240	663	660	201	197	633	616



HRMA Highlights



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Whether large or small, all marine companies seek more effective strategies for managing their risks. With its breadth of expertise and experience in all aspects of marine risk and insurance services the Marine & Energy practice of Marsh helps marine companies identify their risks, manage them, and keep associated costs under control.

An increasingly popular way of doing this among mid-size companies is by establishing multiyear programs and integrated risk approaches, long a staple in the marine-and-energy field. These programs, which reduce and spread costs, are particularly attractive to companies driven more by the need to strengthen their balance sheets rather than by a desire to take advantage of swings in the commercial insurance market.

Marsh's Marine & Energy specialists in Norfolk work in close cooperation with our New York and London offices to provide marketing and services in the following areas:

- *Hull & Machinery* – providing coverage for physical damage and collision liability arising out of the ownership and/or operation of vessels.
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- *Business Continuity and Disaster Planning* – plans that enable companies to protect their employees and assets and resume operations in a swift and controlled fashion in the event of a disaster.
- *Security* – assisting companies identify, mitigate and manage risk and security efforts on an ongoing basis, which facilitates communication between your company, port terminals, tenants, customers and stakeholders.

Marsh's Marine & Energy practice provides services for the oil, gas, petrochemical, utilities, mining, shipping and maritime industries, which include tug and barge operators, freight forwarders, stevedoring, and terminal operators. Our guiding principles have always been protection, cost efficiency, service, and specialization.

**Corinne Glass, Vice President
Virginia Operations Marine
& Energy Practice Leader
757.640.7349 corinne.e.glass@marsh.com**

HRMA Committee Activity FEBRUARY

Inland Transportation Committee:

On February 4, 2004 the committee received a report on the status of operations at the new Portsmouth empty container yard (CY) since it's opening January 19, 2004. The CY had 738 containers on-site. 92% of transactions were completed under ten minutes. VIT reported the CY was already relieving congestion at PMT which has continued to experience peak season levels of volume.

VIT provided additional information on the status of HRCP-2, the port-wide chassis pool. Mr. Joe Ruddy was hired as the General Manager. HRCP-2 is expected to begin business operations in March. There are 43 steamship lines and over 25,000 chassis to capture into the pool. There will be a transition period and it will take months before HRCP-2 is at 100%.

Maritime Briefings Committee:

The committee met in preparation for the Breakfast Briefing scheduled for February 18, 2004, with Col. Yvonne Prettyman-Beck as the speaker. Several of the details were worked out for what proved to be a very beneficial and well attended presentation.

Planning began for a Spring Breakfast Briefing with discussion of many ideas for topics and speakers.

Steamship Trade Committee:

Information was provided by Customs and Border Protection (CBP) regarding the Automated Manifest System (AMS), the Advanced Passenger Information System (APIS), bond submission requirements for vessels, and CBP operating schedules. Electronic filing of AMS and APIS would be mandatory effective March 4, 2004, according to the Trade Act of 2002. According to CBP headquarters, any vessel coming to the U.S. must have its own SCAC code and the vessel operator must file a bond. During the committee meeting CBP was responsive to the concerns of steamship lines and their agents, and afterward, followed through on obtaining answers to questions that came up during discussions.

Towing & Barge Operators Committee:

A report was presented on the status of repairs to the Jordan Bridge and a discussion of the manner in which repairs should be made. Attendees were advised New York is implementing "No Discharge Zones" which could be costly to companies operating in New York waters.

The Industry Day subcommittee provided a report on the status of the Annual Towing Vessel Safety Seminar scheduled for May 26, 2004.

Initiatives were discussed to address shoaling concerns and the impact on dredging from the budget cuts facing the Army Corps of Engineers. Attendees also addressed initiatives to prevent revenue hungry states from seeking to collect further taxes and fees from the towing industry.



News Briefs & Announcements



HRMA Welcomes New Staff Member

Christina M. Martin has joined the Association in February to assist with accounting responsibilities and to organize the HRMA annual events.

Welcome aboard!

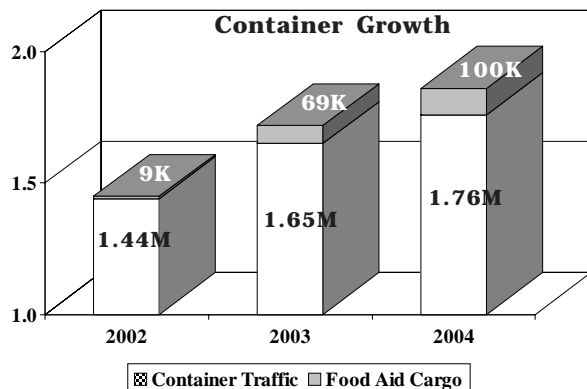
In Memoriam for Dennis O'Brien

We are saddened to announce that Dennis O'Brien passed away on January 31, 2004. Mr. O'Brien was a business reporter for the *Virginian Pilot* prior to joining the paper's military team and becoming a war correspondent whose reports from the war on Iraq touched people around the world. He will be sorely missed.

Container Growth Continues

The number of shipping containers entering the Port of Virginia is expected to continue to grow in 2004. This growth is partially attributed to new vessel services and the federal government's decision to have more international food-aid shipments out of this port.

Container volume grew by 15% in 2003 for a record high of 1.65 million TEU's. The expected container growth for 2004 will increase by approximately 7%.



Source: Virginia Port Authority



Hampton Roads Maritime Association's 84th Annual Banquet

International Trade Symposium 2004
Thursday, April 29, 2004
7:30 a.m - 2:00 p.m
Norfolk Marriott Hotel

Thursday, April 29, 2004
5:30 p.m. Reception, 6:45 p.m. Dinner
Norfolk Marriott Hotel

Annual Banquet Golf Outing
Friday, April 30, 2004
Cahoon Plantation, Chesapeake

Contact HRMA: (757) 622-2639
for more information on these events.

Sponsorships Available

Changes for P & O Nedlloyd

P&O Nedlloyd Container Line, the world's third largest container line, will become an independent company. Nedlloyd of Rotterdam is buying out 50% of London-based P&O for \$269 million in cash and a 25% stake in the new company.

The buy-out will end a seven year joint venture between the British and Dutch partners, P&O and Nedlloyd

Mr. Haddo Meijer, Chairman of Nedlloyd, told JoC Online that, "World containerized traffic will increase by 8 or 9 percent in 2004," and is enthusiastic about the future of the new company. For the past several years, P&O wanted to reduce its exposure to container shipping. Mr. Lord Sterling, Chairman of P&O said "the deal was a very key defining strategic move for both companies."



Membership News



New Members

Allied Terminals, Inc.

P. O. Box 717
Norfolk, VA 23501
545-7371; FAX 494-1604
mikel@alliedterminals.com
Mr. Michael E. Law, President
Recommended by: Jeffrey E. Parker

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205 A S. Liberty Street
Harrisonburg, VA 22801
(540) 433-2796; FAX (540) 434-9670
cmenking@ldbinsurance.com
Ms. Robin Linday, Group Administrator
Recommended by: Layman, Diener & Borntrager

Cherry Bekaert & Holland, L.L.P.

222 Central Park Avenue, Suite 1400
Virginia Beach, VA 23462
456-2400; FAX 456-2404
rdail@cbh.com
Mr. Richard L. Dail, Partner
Recommended by: David White

Hale Intermodal, Division of Evans Delivery

335 Emmett Place
Norfolk, VA 23523
545-3200; FAX 545-8485
andy.springer@haleintermodal.com
Mr. Andy Springer, Terminal Manager
Recommended by: Shirley Roebuck

Liberty Property Trust

2809 S. Lynnhaven Road, Suite 145
Virginia Beach, VA 23452
498-4410; FAX 498-5880
ccope@libertyproperty.com
Mr. Craig A. Cope, Vice President
Recommended by: Charlie Bauman & Russel Young

Monarch Bank

750 Volvo Parkway
Chesapeake, VA 23320
222-2148; FAX 222-2123
ncrawford@monarchbank.com
Mr. E. Neal Crawford, Norfolk Regional President
Recommended by: David Host

Phillips Tours, Inc.

6132 Sylvan Street
Norfolk, VA 23508
440-0202; FAX 423-0245
anne@phillipstours.com
Ms. Anne N. Phillips, President
Recommended by: John Phillips and Tom Host

Troutman Sanders L.L.P.

150 W. Main Street, Suite 1600
Norfolk, VA 23510
687-7506; FAX 687-1534
mike.gardner@troutmansanders.com
Mr. Michael J. Gardner, Partner
Recommended by: Williams Mullens

Yang Ming (America) Corporation

613 Shipyard Blvd. #106
Wilmington, NC 28412
(910) 799-7599; FAX (910) 799-7661
mikelanier@ymlusa.com
Mr. Michael E. Lanier, Regional Vice President
Recommended by: Randy Tosh and Tom Comer

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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

- Mar 17** **Foreign Commerce Club**
Paul Tribble, Guest Speaker
12:00 Radisson
- Mar 18** **Propeller Club**
Membership Luncheon
11:30 Radisson
- Mar 30** **Motor Truck Association**
6:00 Holiday Inn Express Military Hwy.
- Apr 6** **Propeller Club**
Board of Director's Meeting
11:30 Radisson
- Apr 14** **Traffic Club**
Air Cargo Night
5:30 Holiday Inn, Chesapeake
- Apr 15** **Propeller Club**
Spring Oyster Roast
4:00 p.m. NIT
- Apr 28** **Motor Truck Association**
6:00 Holiday Inn Express Military Hwy.
- Apr 28** **Coal Association**
HRCA Opening Reception
6:30 - 8:30 The Harbor Club
- Apr 29** **Coal Association**
Annual Golf Outing, 8:30 shotgun start
Nansemond River Golf Club, Suffolk

