



MARITIME BULLETIN

News and Information from the Port of Hampton Roads

Volume 68, No 9, September 2004

This month's Maritime Bulletin is Sponsored by:
Virginia Business Systems

Chassis Pool Entering First Phase

On Wednesday, September 15, Virginia International Terminals, Inc. (VIT) implemented the first of several phases of a chassis pool for its cargo terminals.

Virginia Intermodal Management LLC, a new subsidiary of VIT, will operate Hampton Roads Container Pool II (HRCP-2). The premise behind the chassis pool is to free up space on the terminals by removing approximately 5,000 chassis as well as controlling the maintenance and repair of all chassis being utilized at the terminals.

Another important benefit of the chassis pool is directed at the truck drivers who will not have to switch chassis to haul for different shipping lines.

Participating shipping lines provide chassis for the pool. There are 11 shipping companies that participated in a voluntary pool that have joined the new pool. Contracts for 18 other shipping companies are expected to be signed.

Shipping lines are not required to join, but any shipping line that does not participate in the chassis pool will not be allowed to house their chassis on the terminals. The results should be safer equipment, less time spent on terminals for truckers, and reduced terminal congestion.

Other ports, such as Seattle, New Orleans and Savannah are looking at the model put together in the Port of Hampton Roads.



Photo courtesy of Virginia Port Authority

Improving Tracks to the Heartland Corridor



Photo courtesy of Norfolk Southern Corp.

The Port of Virginia has seen a steady increase of shipping containers entering the port and a decline of truckers entering the industry, so a plan, known as the Heartland Corridor Project, has been proposed to increase rail capacity and reduce transit times to the Midwest. This project would utilize existing lines that have previously been used for movement of coal,

and it would allow for containerized freight to move along the same lines. It would require raising 28 tunnels to provide expanded clearance for double stack service.

Currently, intermodal traffic either has to be routed through Kentucky or Pennsylvania. This would allow for more direct transit. Support facilities and intermodal yards would be established in Roanoke, VA; Petersburg, VA; Pritchard, WV; and Columbus, OH. Completion of the project will take approximately 36 months.

New rail alignments will be created along the I-164 corridor, known as the Western Freeway Corridor, in Hampton Roads that will allow direct service to the new APM Terminal and Craney Island.

The Virginia Port Authority hopes some of the costs associated with renovating the Heartland Corridor could be supplemented with funds Congress has allocated for regional transportation.



**HAMPTON ROADS
MARITIME ASSOCIATION**

Officers

Chairman of the Board
W. S. Hull

President
Charles E. Brinley

Vice Presidents
Robert P. Armbruster
Joseph A. Dorto
Meade G. Stone, Jr.

**Executive Vice President
& Secretary**
J. J. Keever

Treasurer
Judy M. Barrett

Assistant Treasurer
Stephen M. Carmel

**Staff
Administrator**
David C. White

**Administrative Assistant
to Executive Vice President**
Jodie M. Love

Accounting
Kristie A. Acors
Christina M. Martin

Shipdesk Clerk
Lynne H. Stonum

Membership Desk/Editor
Susan N. Wisniewski

MARITIME BULLETIN is published
12 times a year by Hampton Roads
Maritime Association.
Subscriptions are available through
membership in the Association.
Membership rate is \$200 annually.



Recipient of Presidential "E" and
"E Star" Awards for Excellence in
Export Service
Recipient of ASAE Communication
Excellence & Honorable Mention Awards

SPONSOR SPOTLIGHT

Virginia Business Systems

Have you noticed anything different about the last few issues of the Maritime Bulletin? The reds are brighter, the blues are deeper, and the photos are sharper? Well, here's the reason: The Konica BizHub 350 from Virginia Business Systems!

In fact, you hold the results in your hand!

The **Hampton Roads Maritime Association** is now printing the Bulletin in-house with better copy quality, complete control, and, best of all, lower cost! After Virginia Business Systems provided a complete trial and free cost study, the HRMA installed the BizHub 350 on a lease program. The BizHub is just one of the hundreds of solutions Virginia Business Systems has to offer.

Virginia Business Systems, celebrating its 50th Anniversary this year, is one of the largest independent office equipment companies in North America. Family owned and operated, VBS is located in the Interstate Commerce Center on Newtown Road as well as in facilities in Richmond, Lynchburg, Charlottesville and 6 offices in Pennsylvania.

Virginia Business Systems not only provides a complete line of Konica Multifunctional Copiers, Panasonic Desktop Multifunctional Units, and a host of Software Solutions, but also the expertise in network integration of these devices.

With over 2300 clients in Virginia, VBS provides service and support to a diverse roster of small, medium, and large businesses connecting them with systems and solutions backed by knowledgeable professionals and the latest digital technology.

Businesses require fully integrated work environments to meet the demands of today's customers. Partnering with VBS will bring high-performance products, customized solutions, and award-winning service will keep them productive and profitable.

Back to the BizHub: This newsletter left the machine **printed, folded, and stapled**. This is the second issue printed on the BizHub; the first was printed during the trial. While the **HRMA** evaluated (at no obligation) the equipment in its own office environment, a cost study was completed which showed that installing the BizHub to print on-site was less expensive, **by far**, than sending the material to a print shop. Now, the Hampton Roads Maritime Association joins color with black and white, can scan, secure and apply content and manages all this from a single central document resource. Truly, a publication power center!

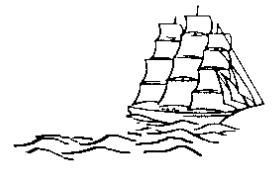
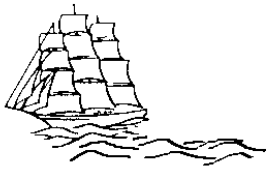
Virginia Business Systems currently provides a reduced equipment pricing structure exclusively designed for Hampton Roads Maritime Association Members.

For your own trial and cost study contact:

Larry Belcher
Virginia Business Systems
757-455-9690 or lbelcher@vabs.net.

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 |



New Commander at the Helm

There's a new commander at the helm of the United States Coast Guard's Atlantic Area and Maritime Defense Zone Atlantic. Vice Admiral Vivien Crea succeeded Vice Admiral James D. Hull when he retired in August 2004.

By attaining her current position, Vice Adm. Crea continues to make history. During her 31 year career in the Coast Guard she has paved the way for other females in the military. Crea was the first woman flier, the first woman to be hand selected by a President of the United States (Ronald Reagan) as a military aide with top security clearance to carry the "nuclear football", and recently the first woman to command one of the nine geographic Coast Guard districts. Her promotion makes her one of the top four officers in the Coast Guard.

As an Army brat Crea didn't foresee a military career in her future, but was drawn to the Coast Guard for its work in maritime environmental protection. Today, her duties are more diversified. As with all branches of the military post September 11, 2001, focus has turned to homeland security. Whereas the Coast Guard was best known for rescuing boaters, its priorities now include protecting ports and maritime commerce.

Vice Adm. Crea's primary missions include Maritime Homeland Security, Search and Rescue, Marine Safety, Protection of Living Marine Resources, Waterways Management, Marine Environmental Protection, Maritime Defense and Enforcement of Laws and Treaties.

Rezoning Approved for New Maritime Center

In a meeting on August 24 of the Norfolk City Council, rezoning the southeast corner of Hampton Boulevard and International Terminal Boulevard received unanimous council approval as the site for the new Hampton Roads Maritime Center.

The site will house a 40,000 square foot office building and training facility. The project is sponsored by the Hampton Roads Shipping Association.

Mayor Paul D. Fraim praised the project stating the development will assist the port.

Port Leads With Innovative Technology

The Port of Virginia is staying a step ahead of the competition with innovative technology. Virginia International Terminals (VIT) has partnered with Zhenhua Port Machinery Company (ZPMC) to develop the world's first elevating trolley girder crane.

ZPMC, based in China, is the largest crane manufacturer in the world, with a 65 percent market share. This year alone, ZPMC will build 140 cranes. Virginia Port Authority (VPA) has purchased 11 cranes from ZPMC, totalling over \$60 million. Four of the cranes were delivered in August 2003, another four were delivered in August 2004, and the remaining three, which included the new elevating trolley girder crane, are scheduled to arrive next year.

The new elevating trolley girder adjusts to various ship heights which should increase efficiency two-fold. First, the boom operator could position himself as close to the ship deck as possible, reducing the time it takes to retrieve a container. Secondly, the length of the hoist could be adjusted which would reduce the swaying motion of the container as well as decrease the distance a container travels to the ground. The improvements in efficiency benefit the port's customers by offering a more cost effective operation.

Innovative thinking is nothing new to VIT, in the late '80s the Port of Virginia was the only port to utilize dual hoist cranes. These cranes, conceptualized by Richard Knapp, now the Assistant General Manager of VIT, could pick up a container and place it on a mid-level platform then unload a second container while lowering the first container to the ground. Purchasing the dual hoist cranes became beneficial to the Port as it improved efficiency and lured the shipping company Evergreen away from the Port of Baltimore. Due to the continued use of innovative technology, the Port of Virginia has become the dominant mid-Atlantic container port.

Distribution of Coal Dumpings at Hampton Roads

(in net tons of 2,000 lbs.)

	Aug-2004	8 month 2004	Aug-2003	8 month 2003
Total Hampton Roads	2,188,341	17,749,442	1,774,638	14,375,971
NS	1,049,138	8,632,003	1,036,987	7,689,057
Pier IX	613,076	4,401,683	340,226	2,789,650
DTA	526,127	4,715,756	397,425	3,897,264
Export Cargo - H. Rds.	1,563,410	12,973,070	1,319,718	9,689,264
NS	980,423	8,129,231	966,017	7,216,785
Pier IX	318,256	2,492,083	276,126	1,836,030
DTA	264,731	2,351,756	77,575	636,449
Coastwise & Other - H.R	624,931	4,776,372	454,919	4,686,708
NS	68,715	502,772	70,970	472,272
Pier IX	294,820	1,909,600	64,100	953,620
DTA	261,396	2,364,000	319,849	3,260,816

Source: Hampton Roads Coal Piers

Port of Hampton Roads TEU's

(Twenty Foot Equivalent Units)

	Jul-2004	7 month 2004	Jul-2003	7 month 2003
Hampton Roads	151,212	1,007,410	141,720	930,695

Source: Virginia Port Authority

Customs Receipts - Virginia Customs District

	Jul-2004	7 Month 2004	Jul-2003	7 Month 2003
Hampton Roads	\$48,342,869	269,242,075	\$32,737,615	\$198,895,973
Other VA	\$4,125,054	30,637,027	\$3,429,724	\$15,745,382
Total	\$52,467,923	\$299,879,102	\$36,167,338	\$214,641,355

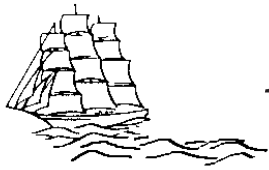
Source: U.S. Customs and Border Protection

Passenger Cruises

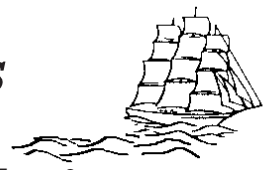
	Aug-2004	8 month 2004	Aug-2003	8 month 2003
Number of Vessels	2	36	0	13
Number of Passengers	977	58,866	0	17,493

Source: Nauticus

Vessels by Type	Aug-04		YTD 04		Aug-03		YTD 03	
	Arrive	Sail	Arrive	Sail	Arrive	Sail	Arrive	Sail
BULK								
AMERICAN	0	0	0	0	0	0	0	0
FOREIGN	18	13	113	100	13	15	100	107
TOTAL	18	13	113	100	13	15	100	107
COAL								
AMERICAN	2	2	20	20	2	2	19	19
FOREIGN	24	22	177	161	22	20	173	168
TOTAL	26	24	197	181	24	22	192	187
COMBO								
AMERICAN	0	0	0	0	0	0	0	0
FOREIGN	5	5	48	48	8	8	54	54
TOTAL	5	5	48	48	8	8	54	54
CONTAINER								
AMERICAN	13	12	104	105	18	19	104	105
FOREIGN	135	133	1020	1028	127	126	957	948
TOTAL	148	145	1124	1133	145	145	1061	1053
GENERAL								
AMERICAN	0	0	5	5	1	1	4	4
FOREIGN	13	9	101	87	13	13	91	97
TOTAL	13	9	106	92	14	14	95	101
OTHER								
AMERICAN	0	0	8	8	1	1	6	6
FOREIGN	1	1	33	35	1	0	16	12
TOTAL	1	1	41	43	2	1	22	18
RORO								
AMERICAN	0	0	2	2	0	0	0	0
FOREIGN	10	10	75	71	6	6	59	60
TOTAL	10	10	77	73	6	6	59	60
TANKER								
AMERICAN	0	0	8	8	1	1	2	2
FOREIGN	13	15	115	116	15	14	82	77
TOTAL	13	15	123	124	16	15	84	79
AMERICAN	15	14	147	148	23	24	135	136
FOREIGN	219	208	1682	1646	205	202	1532	1523
TOTAL	234	222	1829	1794	228	226	1667	1659



News Briefs & Announcements



Panama Canal Expansion

The Panama Canal Authority has plans to expand the Canal. As cargo vessels become larger, expansion plans for the Panama Canal are inevitable. Although the plans are not yet publicized, the magnitude of the expansion has been downsized.

If the Panamanian public approves the expansion plan, the canal will be expanded to accommodate vessels carrying 10,500 TEU's not 12,500 TEU's, as originally planned. Changing the plan reduces the expansion costs by almost \$3 billion.

Raising the funds for the project, which is projected to be over \$5 billion, still remains a serious issue for the Panama Canal Authority. Kaiser Bazan, outgoing 2nd vice president and former ambassador to the U.S. said it might be necessary to solicit funds from countries benefitting from the expanded canal, specifically, China and the U.S.

The Port of Virginia has significant interest in the plans to widen the Canal. Many vessels sailing from Asia utilize the Panama Canal with cargo destined for East Coast Ports. Currently the Port of Virginia is well-positioned for future growth with its deep water access, cutting edge container cranes and a central location. Widening the Canal would place the Port of Virginia at a competitive advantage over other East Coast Ports.

56th Virginia Conference on World Trade

Mark your calendars for October 6-8 at the Norfolk Marriott Waterside.



For more information on Virginia's premier trade event, call the Virginia Chamber of Commerce at 800-644-1607 or visit www.vachamber.com

Local Stevedoring Companies Merge

Cooper/T. Smith Stevedoring and P&O Ports North America are merging their operation in Virginia, which includes stevedoring, cruise line operations and warehousing.

On October 1, 2004 the merged companies will become CP&O LLC.

Cooper/T. Smith Stevedoring is a division of Cooper/T. Smith Corp. of Mobile Ala., and P&O Ports North America is a unit of Peninsular & Oriental Steam Navigation Co. of London.

George Brown, Senior Vice President of Cooper/T. Smith, will serve as the new company's Chief Executive Officer. In a statement Mr. Brown indicated that "this merger of two strong operators will improve our abilities to deliver the quality service our clients expect."

Terms of the merger were not disclosed.

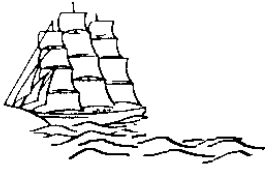
Expanded Hours of Operations at VIT Terminals

VIT is expanding its hours of operations at the Terminal Interchanges from **6:00 a.m. through 6:00 p.m.** effective **Monday October 4, 2004**. This includes NIT, PMT, NNMT, the Empty Container Yards and the M&R's.

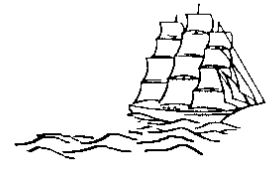
Local Company Receives \$2.5 Million to Dredge

excerpt from the Virginia Pilot

Norfolk Dredging Company of Chesapeake has received \$2.5 million for work it will do as part of a \$9.6 million contract, which covers maintenance and dredging of the inbound and outbound lanes of the Norfolk Harbor Channel and dredging the South Terminal at Norfolk International Terminals.



HRMA Highlights



HRMA Committee Activity AUGUST

Outings Committee:

At the meeting on August 11th the committee discussed the current status and next steps in preparations for the annual HRMA Maritime Issues Council (MIC) golf outing and the Chesapeake Bay Feast, both on Monday, September 27th. Cahoon Plantation was confirmed as the location for the golf outing and the Chesapeake Bay Feast will be at the Norfolk Yacht and Country Club. Decisions were made about event details such as menus and ticket prices. Recognizing that the MIC Golf Outing is the only fund raiser for HRMA's political action committee, sponsorships and efforts to increase contributions were discussed.

Shippers Committee:

At the Shippers Committee meeting August 17th new committee members were welcomed and recognized. The committee received details about the Heartland Corridor Project, which is expected to increase rail capacity and reduce transit times for containerized freight bound for the Midwest. The status of the Priority Container Initiative was discussed. The experience was that Virginia International Terminals (VIT) effectively made available the containers requested when the shipper's requirements were communicated to VIT. The increased level of communication seemed to be the key. The committee received updates on the HRCP-2 cooperative chassis pool and operations at the empty container yards. There was a discussion about the recently ratified contract with the ILA. The new contract ensures the Port will have a reliable workforce into the year 2010 and will allow for expanded gate hours at the container terminals.

Port Protection / Emergency Control Committee:

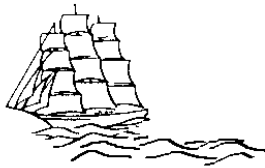
The committee met August 19th to discuss establishing a port-wide security

identification card, and additionally, plans to address post-event continuity of business issues for the Port. Businesses doing business at multiple waterfront facilities have encountered operational problems obtaining, managing, and maintaining security cards for each of the individual facilities, and when some employees have obtained those cards and some employees have not. After a review of the status of federal efforts and timelines for establishing a Transportation Workers Identification Card (TWIC), and some of the potential benefits and complications, the committee decided to form a subcommittee to further examine the issues involved in developing a port-wide security identification card. The committee moved on to a discussion regarding emergency preparedness and continuity of business. Businesses should be encouraged to develop continuity of business plans to follow in order to get back to business in the case of an event.

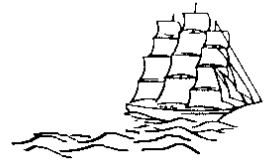
Website Update

HRMA is proud to announce the Maritime Bulletin is now posted on our website at www.portofhamptonroads.com/pubs/bulletins.

The screenshot shows the HRMA website header with the logo and tagline "Voice of the Port". Below the header is a navigation menu with buttons for "home", "about hrma", "news", "publications", and "join". A breadcrumb trail reads "you are here: home > publications > maritime bulletins > 2004 maritime bulletins". The main content area is titled "2004 Maritime Bulletins" and includes a "Up one level" link. Underneath, there is a section for "Maritime Bulletins for 2004" with three entries: "August 2004", "July 2004", and "June 2004", each with a small icon.



Membership News



New Members

Browning Transport Management, Inc.
 223 E. City Hall Avenue, Suite 200
 Norfolk, VA 23510
 757-622-3321; FAX 757-625-7456
 Mr. W. J. Browning, Jr.
 wilson@wjbrowning.com
 Recommended by: David White

Capstone Corporation
Consulting
 107 Runey Way
 Yorktown, VA 23693
 757-532-1709; FAX 757-363-7528
 Mr. Ben T. Ellis
 benjamin.ellis@jfc.com.mil
 Recommended by: David White

Enman & Associates, Inc.
Consulting
 10920 Baymeadows Road
 Suite 27, PMB-304
 Jacksonville, FL 32256
 904-519-0469; FAX 904-519-8580
 Ms. Joye Sainz, Administrative Assistant
 joye@davidenman.com
 Recommended by: David White

Natuzzi Americas Inc.
Furniture Distributors
 130 West Commerce Avenue
 High Point, NC 27260
 336-888-0319; FAX 336-888-0329
 Mr. Martin W. Sis
 Director of Transportation
 msis@natuzzi.com
 Recommended by: David White

Refcon Services, Inc.
HVAC/Refrigeration Service
 P.O. Box 55088
 Norfolk, VA 23505
 757-438-6455; FAX 757-583-7913
 Mr. Ruben A. Escobar, President
 rubenesobar143@aol.com
 Recommended by: R. Hasler, T. Host and
 G. Parks

Roster Updates



NEW address for:
COSCO North America, Inc.
 355 Crawford Street, Suite 708
 Portsmouth, VA 23704
Mike Abbott, General Manager
 757-393-2938; FAX 757-393-2618

American Management Systems, Inc. is now
CACI, the new e-mail address for Paul Bilodeau is
 p.bilodeau@caci.com

Port Directory Corrections

It has come to the attention of HRMA that the recently published Port Directory for June 2004 had errors and omissions that we would like to rectify.

The Port Directory is the white 22"x17" fold out telephone directory which lists all the HRMA members that are directly engaged in the business of the port.

Please notify the HRMA, **no later than October 29, 2004**, if your listing was improperly published or omitted.

Corrections will be made and the directory will be redistributed.

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
- ☛ Recognized as a supporter of the Port

To Sponsor the Monthly Bulletin please fax the following information to 622-6302

Sponsor Contact: _____

Company: _____

Phone Number: _____



236 East Plume Street
Norfolk, Virginia 23510

P.O. Box 3487
Norfolk, Virginia 23514
(757) 622-2639; FAX 622-6302

web site: www.portofhamptonroads.com
email: hrma@portofhamptonroads.com

PRESORTED STANDARD
U.S. POSTAGE PAID
NORFOLK, VA
PERMIT NO.1930

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: Don Norman, 291-4101

Society of Maritime Industries

Contact: Robert Armbruster, 457-9108

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

Sept 27

Hampton Roads Maritime Association

MIC Golf Classic

Cahoon Plantation Golf Course

7:30 a.m. Registration

Sept 27

Hampton Roads Maritime Association

Chesapeake Bay Feast

4:00 p.m. Norfolk Yacht & Country Club

Motor Truck Association

6:00 p.m. Holiday Inn Express, Norfolk

Sept 29

Propeller Club

Board of Director's Meeting

12:00 Town Point Club

Coal Association

Oct 13

Business Meeting

6:15 p.m. James River Country Club, NN

Foreign Commerce Club

Oct 20

12:00 Radisson

Oct 21

Propeller Club

Fall Golf Outing

Sewell's Point Golf Club

10:30 a.m. shotgun start

Oct 21

Propeller Club

Fall Oyster Roast

4:30 p.m. NIT, Seaman's Recreation Area

Motor Truck Association

Oct 27

6:00 p.m. Holiday Inn Express, Norfolk

