

## Virginia Port Authority

600 World Trade Center

Norfolk, VA 23510

(757) 683-8000

[www.vaports.com](http://www.vaports.com)

### News Release

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Contact: Joe Harris, Media Relations Manager

Tel: (757) 683-2137 / (800) 446-8098

Cell: (757) 617-0006

Fax: (757) 683-2897

[jharris@vaports.com](mailto:jharris@vaports.com)

Linda Ford, Director of Port Promotion

Tel: (757) 683-2140 / (800) 446-8098

Cell: (757) 615-7704

[lford@vaports.com](mailto:lford@vaports.com)

## Study: Port Responsible for 340,000 Jobs, \$41 Billion in Total Revenues for Virginia

**NORFOLK, VA** – The Port of Virginia’s three general cargo marine terminals in fiscal 2006 accounted for more than 340,000 jobs across the Commonwealth and in excess of \$41 billion in total revenues, says an economic impact study that was recently completed by the Mason School of Business at the College of William & Mary.

“This comprehensive look at what this port means to Virginia validates all of the day-to-day hard work, the continual planning, the capital spending program and the push to modernize and expand our facilities,” said Jerry A. Bridges, executive director of the Virginia Port Authority. “This report measures the value of the work done here in a single year, but we didn’t get to that year overnight. Let’s remember that there is still a lot of work ahead of us; the Craney Island Marine Terminal project will drive these numbers even higher. I’m proud of these results and very excited about what the future holds.”

The economic activity produced or facilitated by operations at The Port of Virginia in fiscal 2006 is as follows:

-- Total revenues of **\$41.1 billion**;

- Employee compensation of **\$13.5 billion**, or 7.4 percent of the total compensation paid to private sector, state and local government employees;
- **343,000 jobs**, or 9 percent of the state's resident workforce;
- Local income, sales and real property taxes of **\$1.2 billion**, or \$1 out of every \$18 raised by those three government revenue sources.

The report measured the port's impact for fiscal 2006 on three levels: direct, indirect and induced. All three of these pieces of data were combined to create the total impact figures for total revenue, employee compensation, jobs and taxes.

- Direct impact: The production and sale of the commodity being analyzed that includes all service providers involved in moving exports and imports through the VPA terminals.
- Indirect impact: Purchases from other businesses to carry out the direct activities; business-to-business transactions with suppliers for everything from electricity to paper to professional services.
- Induced impact: The earnings created by direct and indirect impacts that are spent by households, businesses and state and local governments.

The research team modeled the impacts using IMPLAN, which is an interactive model that uses government data about national, state and local production of commodities and market transactions. The inputs also included information on non-market financial flows to and from state and local government and other specific local and state information.

The research team, all from the Mason School of Business, is composed of Dr. Roy L. Pearson, chancellor professor emeritus, who specializes in economic forecasting; Dr. James R. Bradley, an associate professor who specializes in engineering, supply chain management and lean manufacturing; Dr. K. Scott Swan, an associate professor of international business and marketing; and Dr. Hector H. Guerrero, an associate professor who teaches decision making, statistics, general management and business quantitative methods.

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**The Virginia Port Authority (VPA) is an agency of the Commonwealth of Virginia, reporting to the state Secretary of Transportation. The VPA owns and operates four general cargo facilities on behalf of the state: Norfolk International Terminals, Portsmouth Marine Terminal, Newport News Marine Terminal and the Virginia Inland Port in Warren County. The terminals are operated by Virginia International Terminals, Inc. (VIT) the non-stock, non-profit operating company. The VPA, through terminal earnings generated by VIT, is operationally self-sufficient. The VPA and correlating maritime industry is responsible for 343,000 jobs and \$41 billion in total revenues throughout the Commonwealth.**