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Virginia Port Authority's Midwest Rail Volume Grows; June Yields Two Records

NORFOLK – The Virginia Port Authority's rail traffic to and from its markets in the Midwest grew to more than 430,000 TEUs in fiscal 2007 and continues the trend of increasing rail volume at the port.

“More and more our customers are finding that our rail connections to and from these primary [Midwest] markets are among the best on the East Coast, in terms of transit time and overall efficiency,” said Thomas Capozzi, the port's senior director of marketing. “Also, we are seeing extremely heavy export volume coming out of the industrialized Midwest as American-made products are becoming more competitive due to the weak dollar.”

In fiscal '07 the port's Midwest rail volume was 433,685 TEUs, compared with 414,508 TEUs in 2006, an increase of 4.6 percent. Moreover, June was the port's busiest month on record for Midwest rail volume: 44,006 TEUs here handled. And during that month, the week of 22-28 was a record-setter for weekly volume: 11,097 TEUs were moved.

In calendar 2004, 22 percent of the port's cargo was moved by rail; in 2005 the number was 24 percent; in 2006 it was 27 percent; and the January-to-June average for this year is 29 percent.

"I cannot foresee our rail volume trending down," said Jerry A. Bridges, the port's executive director. "A series of external factors combined with the Heartland Corridor coming on line in the next two years, we believe, will really begin to drive some heavy rail volumes. Overnight service via the Heartland Corridor to some of our primary markets is going to draw even more attention to this port."

At the Virginia Inland Port, the VPA-owned intermodal facility in Front Royal, Va., 54,646 TEUs were handled in the first half of the calendar year, a decline of 8,748 TEUs, or 13.8 percent compared with the same period last year. The decline, though, can be attributed to the fact that VIP handled fewer empty containers. In the first six months of this year import loads grew 8 percent, export loads were up 5 percent and empties dropped 14 percent.

"While our overall volume is down, our movement of loaded containers is growing at a healthy pace," Capozzi said. "This is significant because it means the VIP is establishing itself as a true intermodal routing point for both imports and exports. The steamship lines are doing a much better job of matching loads instead of repositioning empties prior to, or following the loaded move."

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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 165,000 jobs, \$762 million in business revenues and \$61 million in state and local taxes throughout the Commonwealth.