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VPA's Rail Business Booms; Double-Digit Growth Posted in First Half of Fiscal Year

NORFOLK, VA – The Virginia Port Authority [VPA] in the first half of fiscal 2008 posted substantial gains in its rail volume and the amount of cargo VPA moves by rail is forecast to continue to remain strong.

“In the last five-to-seven years our rail business to the Virginia Inland Port [VIP] and our dedicated Midwest traffic has grown and we have posted some double-digit increases, but these are some of the best numbers we have ever posted,” said Thomas Capozzi, the VPA’s director of marketing. “It means that our customers are capitalizing on two of our strengths: the economics of moving cargo through VIP and our overall strong rail connections to key Midwest markets.”

From July 2007 to February 2008, VPA’s rail volume to and from the Midwest was 345,128 TEUs an increase of 20 percent or 59,695 TEUs over the same period last year. At VIP, 46,139 TEUs were handled, an increase of 12,387 TEUs or 36.7 percent when compared with the same period in 2007.

Capozzi said export cargo, driven by the weak dollar, was a large part of the reason for the increase in the Midwest rail traffic. “Cargo that normally isn’t put into containers, grain from the Midwest for example, is now being boxed for export,” Capozzi said. “We recognized that trend and went after that business.”

The growth experienced at VIP, however, was import cargo. “New accounts in that area – new distribution centers in Front Royal -- are the primary reasons for the strong numbers there.”

The weak dollar and overall growth at The Port of Virginia coupled with the scheduled late 2009 or early 2010 opening of the Heartland Corridor direct double-stack rail route to Columbus, Ohio, should keep VPA’s rail business healthy, Capozzi said.

In addition, the new \$17 million on-dock rail facility at Norfolk International Terminals will be operational in October 2009; the increased capability at NIT will double that terminal’s lift capacity and “create a much more efficient rail operation,” Capozzi said.

Comparative numbers for July 2007 – Feb. 2008; numbers reflect all container traffic:

Midwest Rail

FY 08 vs. FY 07 = 20.9%
FY 07 vs. FY 06 = -3.6 %
FY 06 vs. FY 05 = 15.3%
FY 05 vs. FY 04 = 16.1%
FY 04 vs. FY 03 = 7.3%

Virginia Inland Port Rail

FY 08 vs. FY 07 = 36.7%
FY 07 vs. FY 06 = -19.4 %
FY 06 vs. FY 05 = 20.1%
FY 05 vs. FY 04 = 77.5%
FY 04 vs. FY 03 = 23.6%

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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, \$41 billion in total revenues throughout the Commonwealth.