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News Release

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VPA's Operating Company Signs 10-Year, Half-Billion Dollar Deal With Shipping Consortium

NORFOLK, VA – The Virginia Port Authority [VPA] announced today that its operating company, Virginia International Terminals Inc. [VIT], has signed its largest customer to a 10-year contract valued at more than \$500 million.

The customer, a shipping consortium composed of five carriers, was created after two consortiums CKY and HU joined forces. The consortium, now called CKYHU, includes the following carriers: Cosco, “K” Line, Yang Ming, Hanjin Shipping Inc. and United Arab Shipping Co.

“This cements our relationship with 100 percent of our customers for the next decade,” said Jerry A. Bridges, the VPA’s executive director. “The reason we have been able to bring these ship lines to agree to these long-term deals is because of the service VIT delivers and because of the room we have for growth. We know there is more business out there and we intend to go and get it.”

CKY had an agreement with VIT and that was incorporated into the 10-year consortium agreement with HU. Joe Dorto, VIT's president and chief executive officer, said the negotiations with HU were ongoing for nearly two years. The expansion of the north berth at Norfolk International Terminals and reconfiguration of the terminal's Central Rail Yard were important factors during the negotiation.

"Operational efficiencies are being created at NIT with the addition of three new Suez-class cranes. A central rail yard that will be served by highly-efficient shuttle carriers and double-stack rail service to the Midwest's most important markets were both factors in the negotiations," Dorto said.

"The important thing to remember is that our work is not done just because we have signed all of our customers to long-term contracts. We'll continue to work with these customers to get them to expand their presence here. We have the capacity, the facilities and the natural assets and that is a good formula for growth."

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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.

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