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VPA's Box Operations Consolidated in Portsmouth and Norfolk; Project Cargo Destined for Newport News

NORFOLK, VA – Turkon Line vessel Cafer Dede on Aug. 6 made its maiden voyage to Portsmouth Marine Terminal [PMT] and in doing so signaled the beginning of change in operation for two of the Virginia Port Authority's marine terminals.

For nine years Turkon vessels had called up river at Newport News Marine Terminal [NNMT], but the VPA's private terminal operating company, Virginia International Terminals Inc. [VIT], has long planned for NNMT to become a dedicated breakbulk and project cargo facility.

Cafer Dede's maiden voyage to PMT combined with the completion and opening of a 200,000-square-foot warehouse at NNMT in late July brought VIT's plans to fruition. The majority of space in the new warehouse, said Joe Dorto, VIT's general manager and chief executive officer, has been committed to a shipline that had been calling at Norfolk International Terminals.

“Our plan was to consolidate container operations at Portsmouth and Norfolk, and it took some time because things had to happen elsewhere first,” Dorto said. “Finishing the warehouse in Newport News was the most important part of this equation because it gives the project cargo coming in on Wallenius Wilhelmsen’s vessels safe, dry storage, which is what they had been looking for.”

In addition to the new warehouse, Wallenius Wilhelmsen will have access to a modern 124,000-square-foot warehouse for rubber storage; two berth options for its vessels with deeper-drafts; less wait time and improved turnaround for truckers, along with easier access to interstates for delivering cargo to and from the port – all important advantages company leaders said.

“WWL already has a presence in Newport News, so moving the port operations there allows us to reduce costs by consolidating space, communication systems, equipment and office supplies,” said Gary Jones, head of operations for Wallenius Wilhelmsen Logistics Region Americas. “Beyond the strong financials, Newport News is a dedicated ro-ro and breakbulk terminal, which means better service for us and our customers.”

In winter 2007, the VPA and Wallenius Wilhelmsen Logistics signed a long-term contract carrying the relationship through 2012 and at that point the company will have the option to sign for five more years. The contract value is estimated at a minimum of \$20 million. The primary cargoes will be machine tools from Japan and natural rubber from Indonesia. Wallenius Wilhelmsen Logistics also operates a vehicle processing center at NNMT where it processes vehicles imported from Japan.

Turkon is bringing a new, larger class of vessels into service and was going to reach a point where it needed more space and larger cranes to work its vessels, Dorto said. “It’s a good fit for PMT; there is plenty of room to grow.”

Turkon has a 10-year contract with VPA that was signed in 2005.

“I think we are in very good shape to begin to market Newport News differently, as a destination for breakbulk and project cargo; there is plenty of this business out there and with this change we are positioned to attract it,” said Jerry A. Bridges, the VPA’s executive director.

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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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