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Officials discuss long-term port goals

PORTSMOUTH

Nearly two months after the signing of a 20-year lease of APM Terminals' Portsmouth operation to the Virginia Port Authority, port leaders gathered on the grounds of the facility to unveil a sign symbolizing the new relationship.

The roughly 20-minute event Thursday with Democratic Sen. Mark Warner, state Transportation Secretary Sean Connaughton and other officials took place over the steady rumble of container-laden trucks rushing to and from the busy terminal.

When the ceremony was over, the port's top official reflected on how the deal is unfolding, offering details about the facility's increased volume, its cargo-handling efficiency, possible scenarios at Portsmouth Marine Terminal, and a promising deal on the horizon for the port.

"This facility, along with the other VPA facilities, are part of a long-term strategic plan to make sure that the port of Hampton Roads - the Port of Virginia - becomes, I think, and my hope is, the dominating port for the whole East Coast," Warner said.

Part of that strategy includes the eventual development of a new container terminal at Craney Island, for which Warner promised more money in the coming year, more than the \$100,000 already approved, positioning the project for further federal funding.

The APM deal will give the port a bridge to its future until the port has the business case and the need to start the expansion at Craney Island, Warner said.

"When we look out in the future and we see the country becoming more and more interlocked with the world's economy, the states that are going to succeed are those states that have good port facilities, those gateways to international trade," Connaughton said. "And there's no other state and no other port that's better situated to take advantage of that than here in Hampton Roads."

In comments before and after the remarks by Warner and Connaughton, officials sketched a picture of a facility in rapid transition.

Since the beginning of July, container volume at the APM facility is up about 16 percent, said Jerry Bridges, the Port Authority's executive director.

Also, increased efficiencies have begun to materialize, with up to 39 container moves per hour at the facility, compared with 34 moves per hour at Norfolk International Terminals, he said.

Bridges said the authority is beginning to troll in industry trade circles, looking for parties interested in Portsmouth Marine Terminal.

"We are actively looking for opportunities to fill that terminal up," he said, adding that there were several ways of doing that, including leasing the entire facility or a part of it.

He also said port officials had gone back to the table with the International Longshoremen's Association in hopes of winning wage concessions that would expedite the conversion of Portsmouth Marine Terminal to

a "break-bulk" facility, handling non-containerized cargo such as that on pallets or in bales.

In June, longshoremen voted against such concessions.

As Norfolk Southern's Heartland Corridor project prepares to open early next month, allowing faster transit of double-stack container trains to the Midwest, Bridges said port officials think they will be able to increase the port's rail traffic to more than 50 percent of its cargo movement.

It now moves about 31 percent of its cargo by rail, he said.

Port officials are in talks with a major ocean carrier that is considering shifting a significant piece of its intermodal business - the handling of cargo containers that can move interchangeably by rail, truck or ship - to Hampton Roads, Bridges said.

The move would mean additional container volume of 30,000 to 40,000 units a year, he said.

Thursday's event took place a little more than a year after state officials disclosed details of two new proposals - by a partnership of Carrix Inc. and Goldman Sachs, and The Carlyle Group - to take over operations of the port.

The two proposals, along with a third submitted earlier by CenterPoint Properties, have been in limbo since.

Connaughton said state officials were close to making an announcement about the proposals, perhaps within a week.

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