Hampton Roads Planning District Commission

Stephen Edwards, CEO/Executive Director
January 20, 2022
Agenda

• Port Economic Impact
• Supply Chain
• Port of Virginia Performance
• NIT North Optimization
• Continued Investment
• Opportunities & Risks
PORT ECONOMIC IMPACT – FY21 RESULTS

23.5 MILLION
TONS OF CARGO MOVED
6% INCREASE

$27.2 BILLION
IN LABOR INCOME
18% INCREASE

$100.1 BILLION
IN SPENDING
9% INCREASE

436,667
JOBS IN VIRGINIA
10% INCREASE

$2.7 BILLION
IN STATE & LOCAL TAXES & FEES
29% INCREASE

Increases compared with FY18 Port Economic Impacts

Source: The Fiscal Year 2021 Virginia Economic Impacts of The Port of Virginia, 2022, Raymond A. Mason School of Business, William & Mary
Condition of the Supply Chain

Hapag-Lloyd and CMA CGM ‘temporarily’ steering 2 services away from Savannah
For the time being, two ocean services will not call Georgia’s busy Port of Savannah.

Port of Seattle becomes the latest casualty of container congestion

California congestion nears new high, East Coast gridlock worsens

New chassis pool in SC delayed by equipment shortage

No relief signs for US ports: Congestion fears remain until late 22
US ports are currently facing one of the worst congestion scenarios ever since these ports were modernized for containerization.

Legislators propose federal office to manage supply chain crises

America’s 4th Largest Container Port Sees Surge in Congestion

‘It’s not sustainable’: What America’s port crisis looks like up close
Some 700 containers have been left at the port, on the banks of the Savannah River, by their owners for a month or more.

East Coast port volumes rise as some importers avoid West Coast congestion

Ocean delays turn desperate retailers to the skies, increasing emissions

$22B worth of cargo is now stuck on container ships off California

Cargo velocity now slowing through US East Coast ports as congestion spreads

Record shattered: 65 container ships stuck waiting off California
The Port of Virginia, America’s Most Automated Port Had Its ‘Most Productive Year’ in 2021

With the record backup off the shore of southern California taking up all the port-related news for the past few months, let’s look at a bright spot. The Port of Virginia had its ‘most productive year’ ever last year, successfully handling a 25.2 percent increase in cargo volume over the year before.

Port of Virginia Remains Agile, Fluid as Peak Season Approaches

Unlike other ports in the region and around the country, the port of Virginia continues to operate with no congestion. TEU volume was up 24% compared with the same month in the past year and up 18.6% compared with August 2018, according to port figures. Export figures rose 13%, while imports were up 20.1% and 19.2% compared with August 2020 and 2019, respectively.

Port of Virginia weathers record volumes with automation, agility

From the control tower overlooking the semi-automated container stacking cranes gliding around Norfolk International Terminals (NIT) on a bright August morning, Stephen Edwards, the new head of The Port of Virginia, pointed to trucks easily weaving through a marine terminal free of backlogs.

Virginia chassis modernization on track for 2022 completion

The Port of Virginia has now upgraded 80 percent of its chassis fleet after taking possession last week of the final batch of chassis in a 5,000-lot order delivered this year. The massive capital project is designed to reduce the age of equipment, thus creating more reliability to deliver containers to cargo owners.
# POV Calendar Year Volumes (Jan - Dec 2021)

<table>
<thead>
<tr>
<th></th>
<th>CY 2020</th>
<th>CY 2021</th>
<th>Change</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total TEUs</td>
<td>2,813,415</td>
<td>3,522,834</td>
<td>709,419</td>
<td>25.2%</td>
</tr>
<tr>
<td>Export Loaded TEUs</td>
<td>940,684</td>
<td>1,049,588</td>
<td>108,904</td>
<td>11.6%</td>
</tr>
<tr>
<td>Export Empty TEUs</td>
<td>534,217</td>
<td>762,354</td>
<td>228,137</td>
<td>42.7%</td>
</tr>
<tr>
<td>Import Loaded TEUs</td>
<td>1,316,976</td>
<td>1,679,528</td>
<td>362,553</td>
<td>27.5%</td>
</tr>
<tr>
<td>Import Empty TEUs</td>
<td>21,539</td>
<td>31,365</td>
<td>9,826</td>
<td>45.6%</td>
</tr>
<tr>
<td><strong>Total Containers</strong></td>
<td><strong>1,556,063</strong></td>
<td><strong>1,959,750</strong></td>
<td><strong>403,687</strong></td>
<td><strong>25.9%</strong></td>
</tr>
<tr>
<td>Total Rail Containers</td>
<td>502,691</td>
<td>642,775</td>
<td>140,084</td>
<td>27.9%</td>
</tr>
<tr>
<td>VIP Containers</td>
<td>28,493</td>
<td>31,282</td>
<td>2,789</td>
<td>9.8%</td>
</tr>
<tr>
<td>Total Barge Containers</td>
<td>60,796</td>
<td>77,651</td>
<td>16,855</td>
<td>27.7%</td>
</tr>
<tr>
<td>RMT Containers</td>
<td>42,254</td>
<td>40,058</td>
<td>2,196</td>
<td>-5.2%</td>
</tr>
<tr>
<td><strong>Total Truck Containers</strong></td>
<td><strong>992,576</strong></td>
<td><strong>1,239,324</strong></td>
<td><strong>246,748</strong></td>
<td><strong>24.9%</strong></td>
</tr>
<tr>
<td>Ship Calls</td>
<td>1,428</td>
<td>1,548</td>
<td>120</td>
<td>8.4%</td>
</tr>
</tbody>
</table>
# Market Share Comparison

## USEC Ports Loaded TEUs

**Timeframe:** January - October  
**Source:** PIERS - Loaded TEUs

<table>
<thead>
<tr>
<th>Total Loaded TEUs</th>
<th>CY19</th>
<th>CY20</th>
<th>CY21</th>
<th>CY20/CY19 YOY%</th>
<th>CY21/CY19 YOY%</th>
<th>CY21/CY20 YOY%</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>TOTAL EAST COAST PORTS</strong></td>
<td>7,983,924</td>
<td>7,620,270</td>
<td>8,826,459</td>
<td>(4.6%)</td>
<td>10.6%</td>
<td>15.8%</td>
</tr>
<tr>
<td><strong>NEW YORK/ NEW JERSEY</strong></td>
<td>2,460,792</td>
<td>2,388,587</td>
<td>2,757,814</td>
<td>(2.9%)</td>
<td>12.1%</td>
<td>15.5%</td>
</tr>
<tr>
<td><strong>SAVANNAH</strong></td>
<td>1,719,332</td>
<td>1,676,220</td>
<td>1,946,743</td>
<td>(2.5%)</td>
<td>13.2%</td>
<td>16.1%</td>
</tr>
<tr>
<td><strong>PORT OF VIRGINIA</strong></td>
<td>1,044,669</td>
<td>962,681</td>
<td>1,203,036</td>
<td>(7.8%)</td>
<td>15.2%</td>
<td>25.0%</td>
</tr>
<tr>
<td><strong>CHARLESTON</strong></td>
<td>883,256</td>
<td>818,174</td>
<td>960,110</td>
<td>(7.4%)</td>
<td>8.7%</td>
<td>17.3%</td>
</tr>
<tr>
<td><strong>BALTIMORE</strong></td>
<td>348,906</td>
<td>333,259</td>
<td>333,086</td>
<td>(4.5%)</td>
<td>(4.5%)</td>
<td>(0.1%)</td>
</tr>
<tr>
<td><strong>WILMINGTON NC</strong></td>
<td>109,935</td>
<td>109,408</td>
<td>117,869</td>
<td>(0.5%)</td>
<td>7.2%</td>
<td>7.7%</td>
</tr>
</tbody>
</table>

*Total East Coast Ports includes: NY/NJ, Philadelphia, Wilmington, DE, Baltimore, Port of Virginia, Wilmington, NC, Charleston, Savannah, Jacksonville, Port Everglades and Miami*
NIT North Optimization

$266M   General Fund
$166M   CPF Bond Issuance
$180M   Master Equipment Lease Program (funded by Terminal Operating Revenues)
$  38M   Harbor Maintenance Tax Trust

$650M   Total Project Cost

- 105,000 additional jobs statewide
- $17 billion in additional Virginia spending
- $556 million in Virginia state and local government revenue
55’ Channel Draft and Widening

Hampton

NORFOLK HARBOR

55’ deep

56’ deep

1400’ wide

WEST THIMBLE SHOAL CHANNEL

56’ deep

1300’ wide

EAST

Norfolk

Portsmouth

Virginia Beach

Chesapeake

ATLANTIC OCEAN CHANNEL

59’ deep
# Strategic Opportunities & Risks

## Increased Opportunity

<table>
<thead>
<tr>
<th>Icon</th>
<th>Description</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>📊</td>
<td>East Coast Market Share – West Coast Meltdown</td>
<td>West coast congestion continues</td>
</tr>
<tr>
<td>⚖️</td>
<td>Development Interest in our market</td>
<td>Developer interest at all time high</td>
</tr>
<tr>
<td>✔️</td>
<td>Volumes ahead of plan for FY22</td>
<td>Met 2022 projected volume in 2021</td>
</tr>
<tr>
<td>🚁</td>
<td>First-in services</td>
<td>4 new first-in services</td>
</tr>
</tbody>
</table>

## Increased Risk

<table>
<thead>
<tr>
<th>Icon</th>
<th>Description</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>📊</td>
<td>Inflation</td>
<td>Construction cost increase &amp; VIG Lease</td>
</tr>
<tr>
<td>⚖️</td>
<td>East Coast Competition</td>
<td>Baltimore, Charleston, Savannah</td>
</tr>
<tr>
<td>✗</td>
<td>Lack of port-centric development sites available</td>
<td>Losing opportunities to the south</td>
</tr>
<tr>
<td>🚁</td>
<td>Need for improved railroad partnerships</td>
<td>Strengthen Mid-West capacity</td>
</tr>
</tbody>
</table>
Thank You