

VIRGINIA:

CROSSROADS OF THE EAST COAST

From the very beginning, a great location was the start of something big on the Eastern Seaboard.

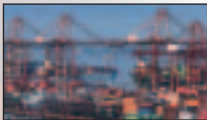
When asked the secret of his success, the hugely successful hotel magnate Conrad Hilton is said to have answered: "Location, location, location." Much the same could apply to the Commonwealth of Virginia's stellar position as the crossroads of the East Coast. "First and foremost," says Mark Kilduff, executive director of the Virginia Economic Development Partnership (VEDP), "Virginia has a central location from the standpoint of economic activity, population, and almost any other measure important to a logistics company."

You needn't live or work in Virginia to value its importance as a logistics fulcrum. Although the headquarters of Yellow Transportation, Inc. is in far-off Kansas, president and CEO James Welch has a keen apprecia-

tion for Virginia's position in his company's transportation network. "It's a strategic point for us," Welch says of the commonwealth. "It offers us the opportunity to grow our business in an area where there are major population centers to the north and growing, increasingly important population centers to the south."

Virginia comprises a logistics package that includes excellent road and rail access and the convenience of Washington Dulles International Airport. Add to those assets the proximity of huge, growing markets. Don't overlook the fact that Virginia

is home to CSX Corporation and Norfolk Southern Corporation. And then factor in the most longstanding of its transportation resources, the Port of Virginia. "The Port," says VEDP's Kilduff, "has been a great selling point for Virginia for 400 years now."



NIT: These Suez-class cranes are the largest in the world, moving as many as forty 50-ton containers in an hour.

This combination of logistics might and muscle hasn't been lost on companies looking to leave a bigger footprint on the nation or the world. In the past five years, according to the VEDP, Virginia has added 20 million square feet of distribution facilities. Wal-Mart Stores, Inc., Target Corporation and Cisco Systems, Inc. are a few of the many companies that have

added capacity. This expanding distribution base has had no small impact on freight haulers such as ABF Freight System, Inc., the Arkansas-based LTL carrier of general commodities. "In recent years, many of our cus-

“With the ongoing shift toward imports,” says Baltz, “having the second-largest East Coast port is a substantial economic draw for the region.”

tomers have opened new distribution centers in Virginia, due in large part to the solid transportation backbone that the state provides,” says Christ Baltz, marketing director of ABF. While ABF has deployed substantial resources in Virginia for decades, in recent years it has significantly reinforced those resources and bolstered Virginia-based transportation capabilities to meet customer needs.

ABF currently has six freight-handling facilities in Virginia. Three of these facilities — Richmond, Roanoke and Winchester — were greatly enhanced as a result of ABF’s merger with Carolina Freight Corp. in 1995. Within the last three years, ABF has reengineered its transportation network to provide faster transit times up and down the Eastern Seaboard. As an example, ABF’s Norfolk facility provides two-day service to most points along the I-95 corridor, including cities up to 800 miles away.

And, although he can’t release details, Baltz says it’s safe to say that ABF will likely have additional expansions in Virginia in the future.

For the year 2002, says the VEDP, Virginia gained more than 31,000 new jobs, and capital investment of \$2.45 billion. No small factor in contributing to this tally is the Virginia Port Authority, which has responsibility for operating and marketing the maritime terminal facilities through which shipping trade takes place. The agency owns four general cargo terminals: Norfolk International Terminals (NIT), Portsmouth Marine Terminal (PMT), Newport News Marine Terminal (NNMT), and the Virginia Inland Port (VIP) in Front Royal. Each of these facilities fills a special role.

NIT, the biggest of the four terminals, is home to three of the world’s largest Suez-class

container cranes, each measuring 219 feet. PMT is the second largest of the four terminals, and has the versatility to handle containers, RO/RO and breakbulk cargo. NNMT has earned a reputation as the premier steel and project cargo handling port on the East Coast, and now offers the advantages of a fully dedicated, on-terminal paper distribution facility. The VIP, operated as an intermodal container transfer facility, provides an interface between truck and rail for the transport of ocean-going containers to and from The Port of Virginia.

ABF’s Baltz views Virginia’s Port capabilities as the most critical link in its transportation-distribution network. “With the ongoing shift toward imports,” says Baltz, “having the second-largest East Coast port is a substantial economic draw for the region.”

Virginia, with the deepest natural port on the East Coast, accommodated some 2,000 vessels in 2002, says Joe Dorto, CEO of Virginia National Terminals, Inc. It is the operating subsidiary of the Virginia Port Authority. The Port,



Virginia is home to two of the nation’s largest rail service providers—CSX Corporation and Norfolk Southern Corporation.

Aerial image of Norfolk International Terminals.



BENEFITING FROM A MULTI-BILLION-DOLLAR CONSTRUCTION PROGRAM BEGUN IN 2000, DULLES SERVED 17.2 MILLION PASSENGERS IN 2002, WITH MORE THAN FOUR MILLION OF THOSE PASSENGERS ON INTERNATIONAL FLIGHTS.

says Dorto, handles about 1.4 million TEUs per year. It handled 13.5 million tons in 2002, up from 11.5 million in 2001. The rate of growth in business for 2002 thus far, he adds, stands at 18 percent, eclipsing last year's rate of 10 percent. The main markets are Europe, South America and the Far East, with the latter "by far the fastest growing."

Good as Port business has been, it's likely to get better, especially with projected increases in imports. "We know," says Dorto, "that with Far East

inbound cargo being the big driving force, we'll see the need for larger ships, faster turnaround, more water, and more land."

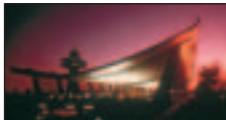
To prepare, Port expansions and upgrades are under way and in the planning stages. One example:

a \$350 million, three-phase renovation of the NIT South Terminal, to be completed within five years. This will include the deployment of eight Suez-class cranes, larger than the three behemoths already in place at the NIT North Terminal. The first three of the new cranes have been ordered and are scheduled to be in place by year's end.

A longer-range project could see Craney Island, a dredge material disposal site owned by the U.S. Corps of Engineers, developed as a fourth state-of-the-art, 800-acre crane terminal. Development, says Dorto, would begin in the 2012-2015 period at the earliest.

When water, roads or rails can't be called upon in Virginia, there is Washington Dulles International Airport. Benefiting from a multi-billion-dollar construction program begun in 2000, Dulles served 17.2 million passengers in 2002, with more than four million of those passengers on international flights. Another 12.9 million passengers used the Ronald Reagan Washington National Airport.

Whatever the need, Virginia has the means — and the location — to get it done. ■



Washington Dulles International Airport is the third-largest East Coast transatlantic gateway.

AT-A-GLANCE

Virginia offers opportunities to get you from here to there with ease. An integrated transportation system of highways, railroads, airports and seaports ensures access to North American and global markets.

- **Eleven railroads operate on more than 3,400 miles of railway in Virginia**, of which more than 3,100 miles are Class 1.
- **Two of the nation's largest railroads** are headquartered in Virginia. CSX Corporation in Richmond and Norfolk Southern Corporation in Norfolk.
- **Fourteen commercial airports** serve Virginia, including two of the nation's busiest: Washington Dulles International Airport and Ronald Reagan Washington National Airport.
- **The Port of Virginia offers world-class shipping facilities** and schedule of more than 5,000 sailings annually to more than 250 ports in 100 foreign countries. It is the largest intermodal facility on the East Coast, has 19 percent of the East Coast market share, and handled 13.5 million tons in 2002.
- **The Virginia Inland Port in Front Royal** serves as an intermodal collection point for containers from West Virginia, Ohio, Pennsylvania, Northern Virginia and elsewhere.
- **There are more than 70,000 miles of interstate, primary and secondary roads**, including six major interstate routes: I-95, I-85, I-81, I-77, I-66 and I-64.



This special section was written by Edward J. Walsh and designed by www.BrownInkDesign.biz for ROP, Ltd. Produced by James O. Armstrong, president of James Armstrong & Associates, Inc., james-armstrong-@worldnet.att.net.

For more information on T&D Special Advertising Sections, contact SALES PERSON?, at 000-000-000 or salesperson@penton.com.