

# **SOUTH CAROLINA PORTS AUTHORITY**

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**CHIEF OPERATING OFFICER**

**JANUARY 2020**



**SOUTH  
CAROLINA  
PORTS**



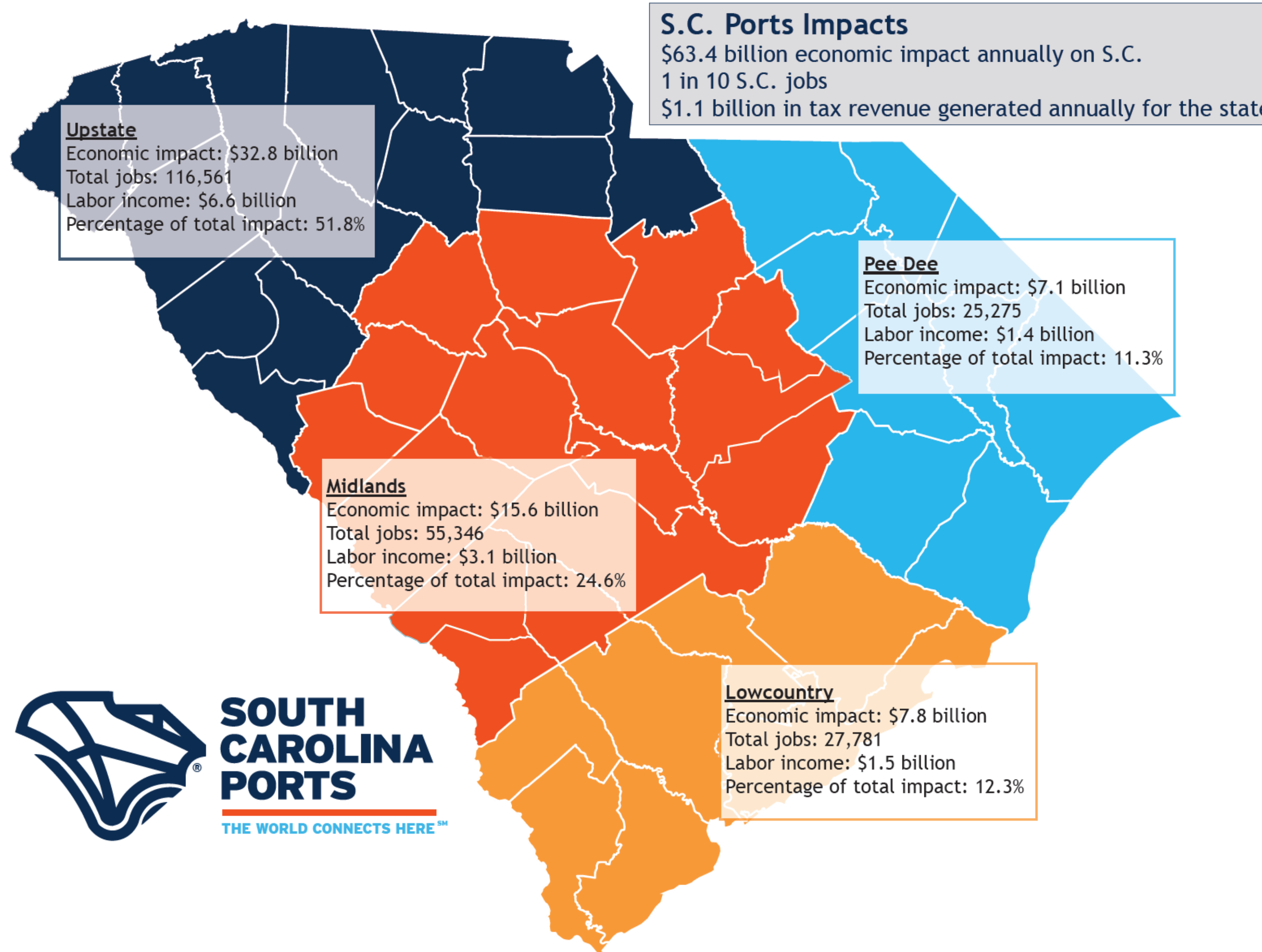
# SC PORTS AUTHORITY

## VISION & VALUES

TO BE THE  
**PREFERRED PORT**  
**OF THE TOP 10**  
**U.S. CONTAINER PORTS**



# ECONOMIC IMPACT





# SC PORTS OVERVIEW

## 2019

**FASTEST GROWING  
TOP 10 US  
CONTAINER PORT**

**2009-2019**

**8%**  
**CAGR**

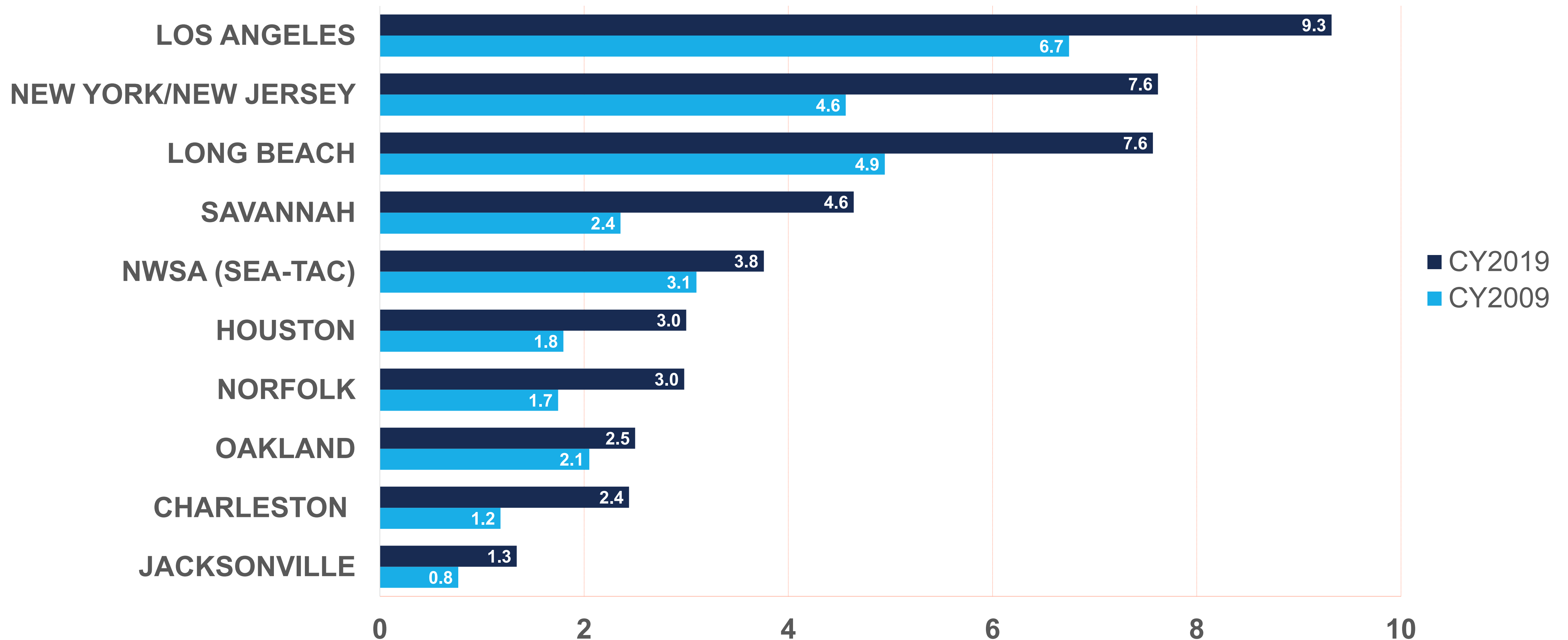
- **Best Performing Port on All Standard Industry Metrics:**
  - 45 Minute Gate Turn Times Including Queue
  - 35 Moves per Hour Crane Productivity
  - 100 Moves per Hour Berth Productivity
  - Lowest Total Cost (stevedoring/terminal/assessments)
- **Wando Terminal Densification Leading to 2.4 million TEU Capacity by End 2020**
- **52 Foot Harbor Deepening Fully Funded and Contract 3 Executed**
  - Wando Turning Basin to 1,650 Feet by End 2019
- **Phase 1 of Leatherman Terminal Opening March, 2021**
- **Significant Push into Retail Distribution and Export Resin Transloading = Cargo Base**
- **Robust and Effective Inland Port Development and Increasing Rail Volume**
  - 24% Intermodal Container Rail

# TOP 10 U.S. CONTAINER PORTS

## ESTIMATED CONTAINER VOLUME

### TEUS IN MILLIONS

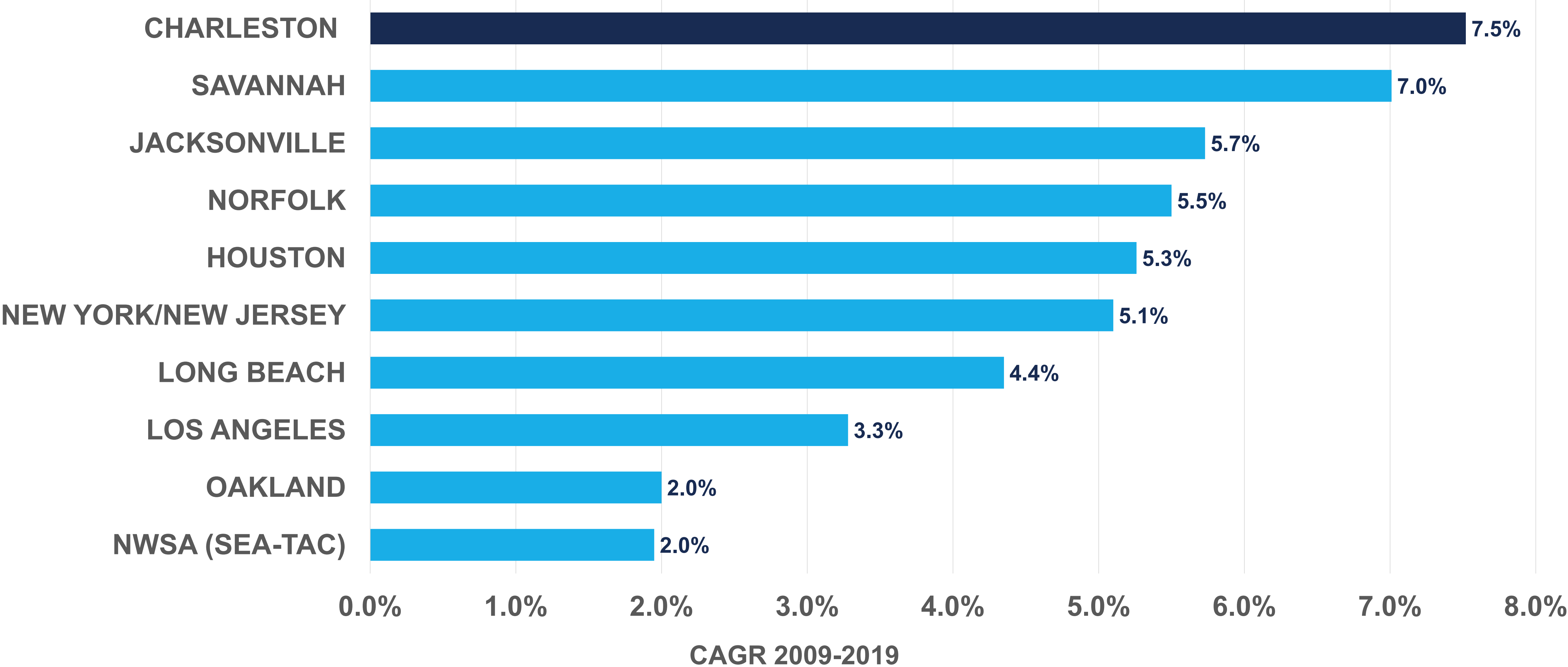
Top 10 Ports are 82% of US Port Volume



# TOP 10 U.S. CONTAINER PORTS

## ESTIMATED CONTAINER VOLUME

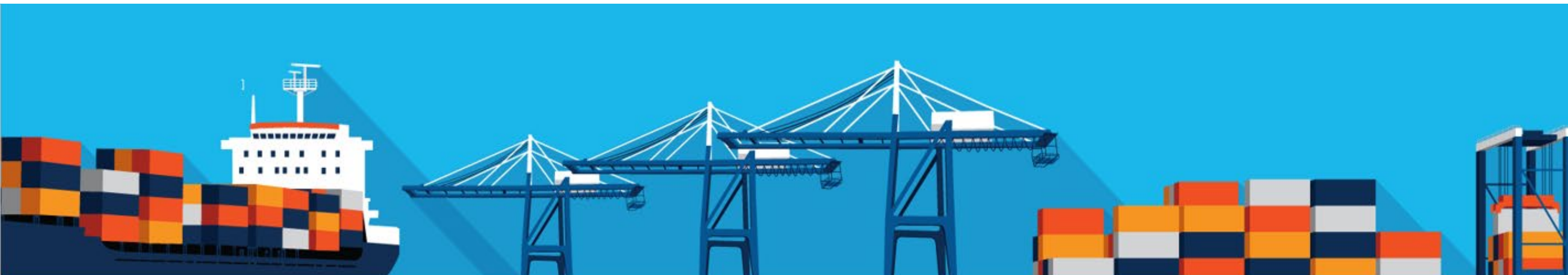
### CY2009-CY2019 GROWTH



# INTERESTING FACTS ABOUT THE SCPA

<b>Balance Sheet</b>	<b>\$2.3 Billion</b>
<b>Debt</b>	<b>\$1.4 Billion</b>
<b>Revenue</b>	<b>\$288 Million</b>
<b>Operating Income</b>	<b>\$36 Million</b>
<b>Volume (Containers / TEU)</b>	<b>1.4 Million Containers/ 2.4 Million TEU</b>
<b>Percentage by Intermodal Rail</b>	<b>24%</b>
<b>Truck Transactions per Day (Containers)</b>	<b>8,000 Transactions</b>
<b>Exported Vehicles (BMW / Volvo)</b>	<b>195,000 Vehicles</b>
<b>Staff</b>	<b>731 Employees</b>

\*The Balance Sheet & Debt reflect updates post Series-2019 Bond issue (10-2-19) & all other stats reflect FY2019.



# OVERVIEW OF SC PORTS

## Top 10 U.S. Container Port

State Owned and Operated = Best Model

Low Cost / High Performance

Robust Infrastructure Planned Through 2035

Deepest USEC Harbor at 52 Feet by 2021

Seamless Handling of Multiple 14,000 TEU Ships

Strong Rail Performance

Growing Cargo Base = Retail Focus

Export Focus on Transloading

Jasper Ocean Terminal with GPA = After 2035





# FY2019 – FY2020

# ACCOMPLISHMENTS

Record Volumes

Wando Wharf Refurbishment Completed

Wando Densification / Enhancement Well Underway

3 of 5 Harbor Deepening Contracts Underway

Superstructure Phase 1 of Leatherman Terminal in Progress

Inland Port Greer Handling Record Volumes

Inland Port Dillon Off to a Great Start

New Chassis Yard Completed and Open

Tideworks Implementation by Beginning of 2020

18 of 25 Weekly Ship Services Neo Panamax

Maintained Strong Credit Ratings - Moody's and S&P

Issued Revenue Bonds with \$547 Million in Proceeds



# WANDO TERMINAL BY END OF 2020

- \$450 Million investment in enhancement
- 3 Neo-Panamax berths
- 15 STS Cranes at 155 feet in lift height
- 65 RTGs and 30 empty handlers
- 42 gates
- 35-acre chassis yard
- 2.4 Million-TEU capacity
- Different gate hours began July 2019
- 2<sup>nd</sup> busiest container terminal on USEC





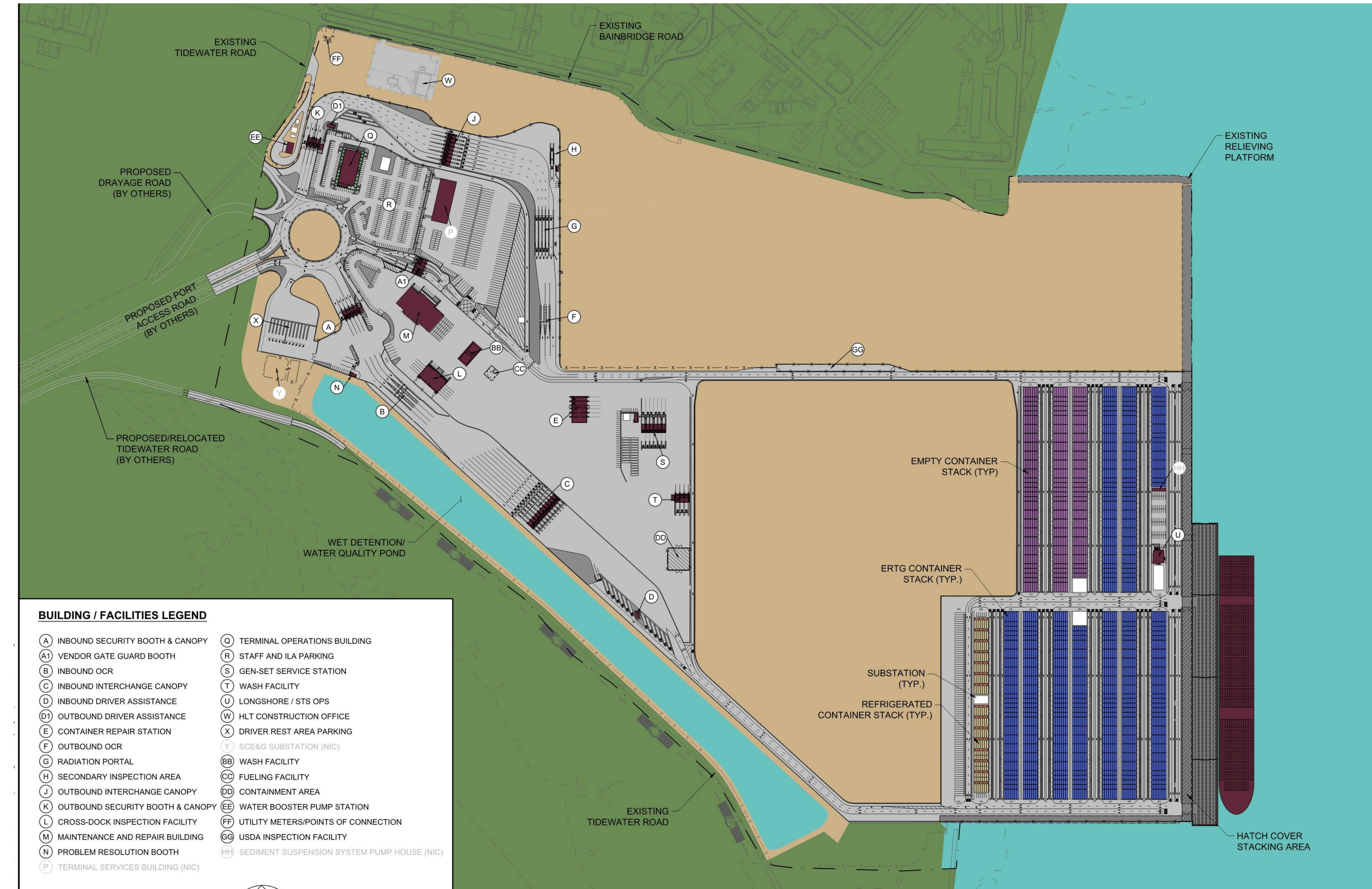
# HUGH K. LEATHERMAN, SR. TERMINAL

## PHASE ONE

**2021 \$985.8 MILLION**



Image by Holy City Helicopters – September 30, 2019



**700,000 TEU CAPACITY**



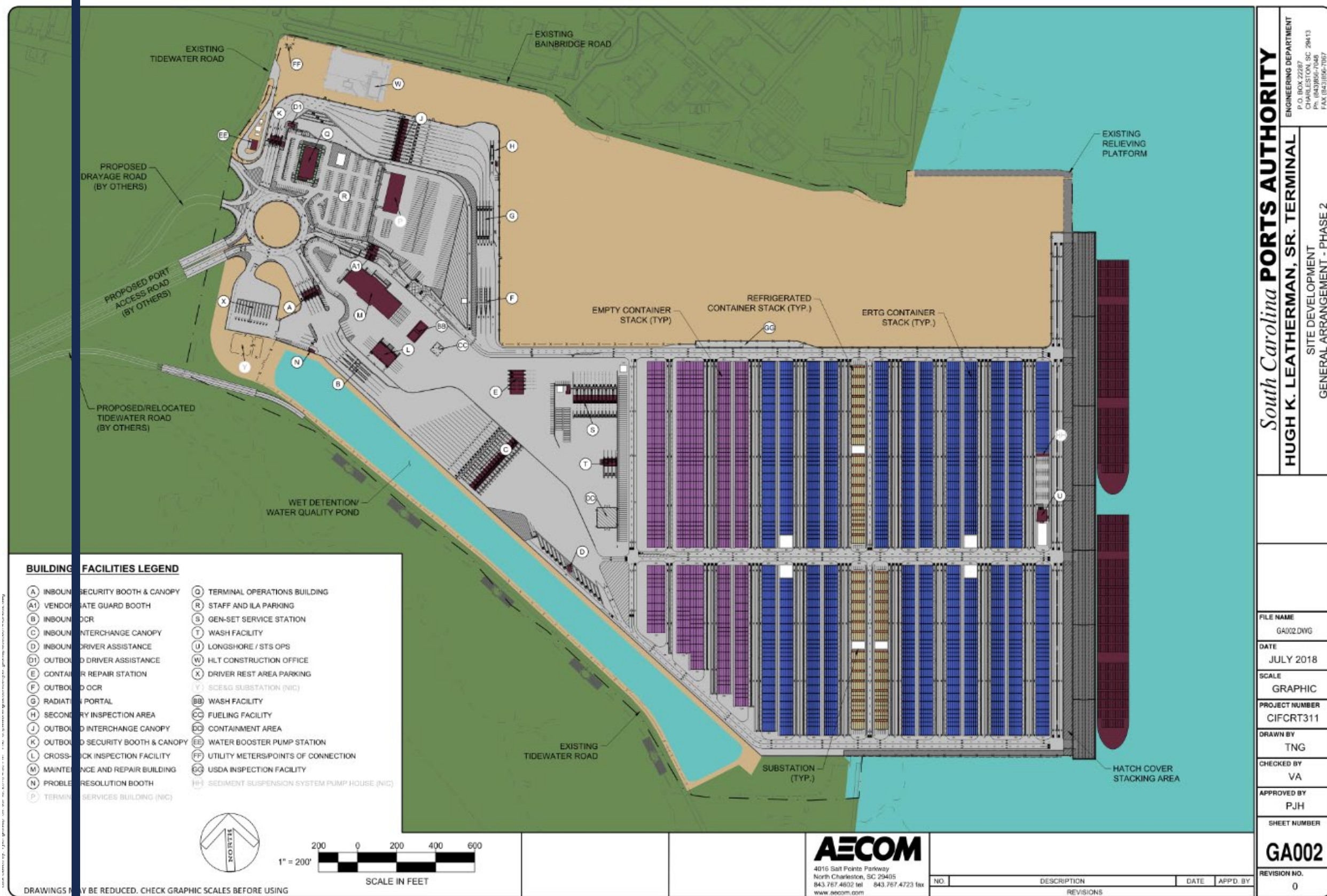
# HUGH K. LEATHERMAN, SR. TERMINAL

## PHASE TWO

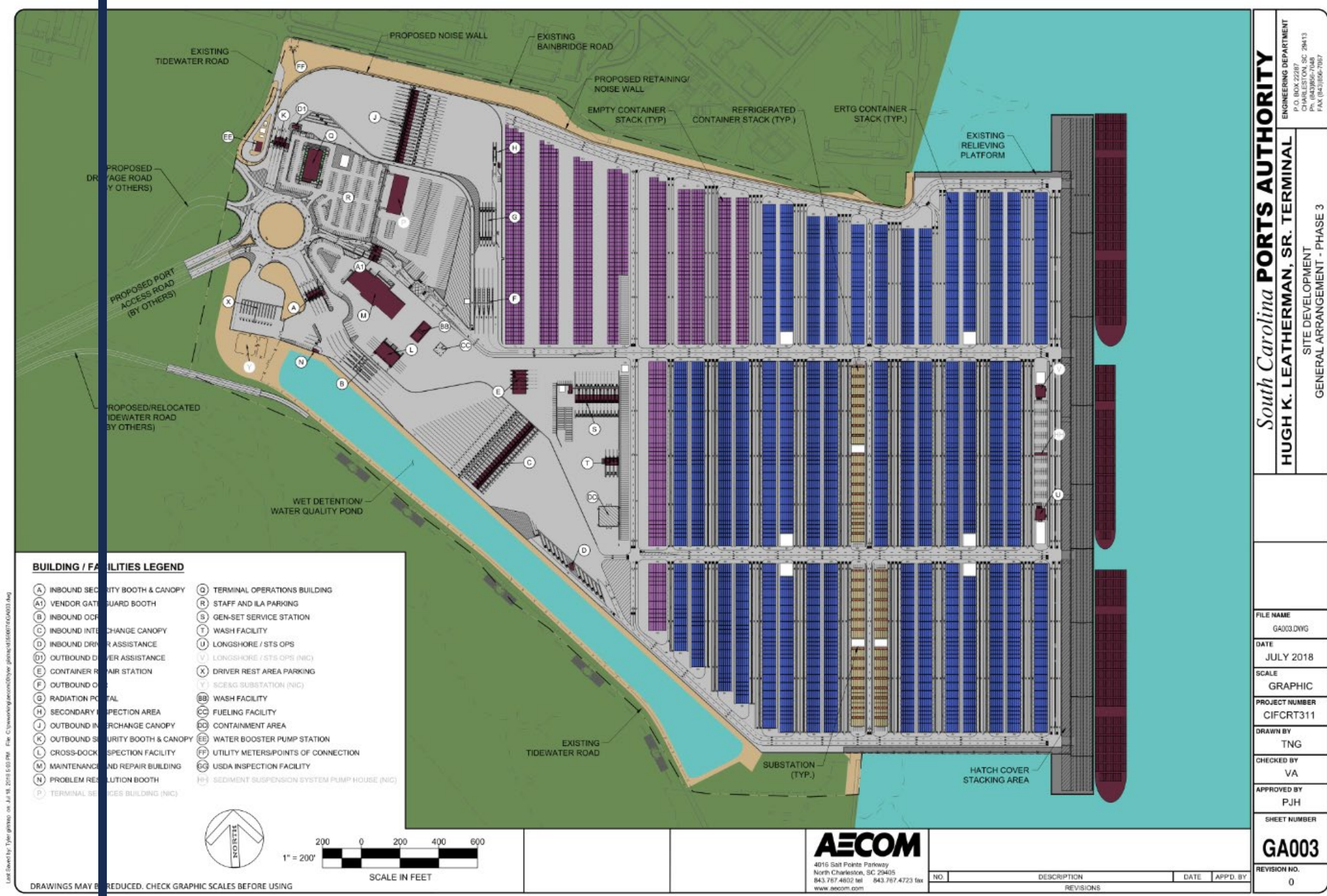
**2026 \$385.4 MILLION**

## PHASE THREE

**2032 \$426.0 MILLION**



**1,500,000 TEU CAPACITY**



**2,400,000 TEU CAPACITY**



# THE DEEPEST HARBOR ON THE U.S. EAST COAST

52 feet / 15.8 meters

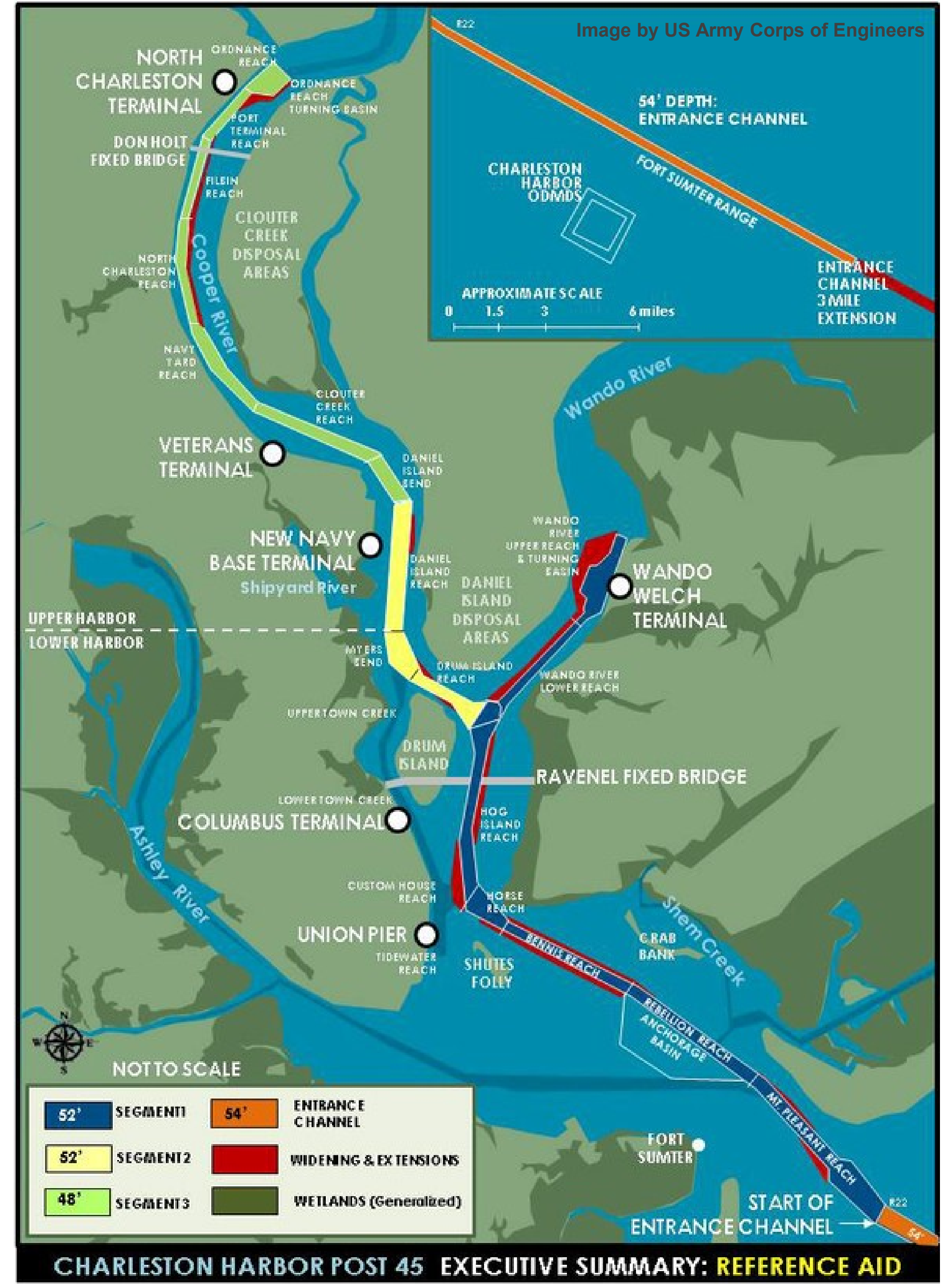
\$550 Million Project

Funding Secured

Construction of Entrance  
Channel Underway

Lower Harbor to Wando Terminal Contract  
Awarded in August

Deepening to Wando and Leatherman  
Terminals Completed by 2021







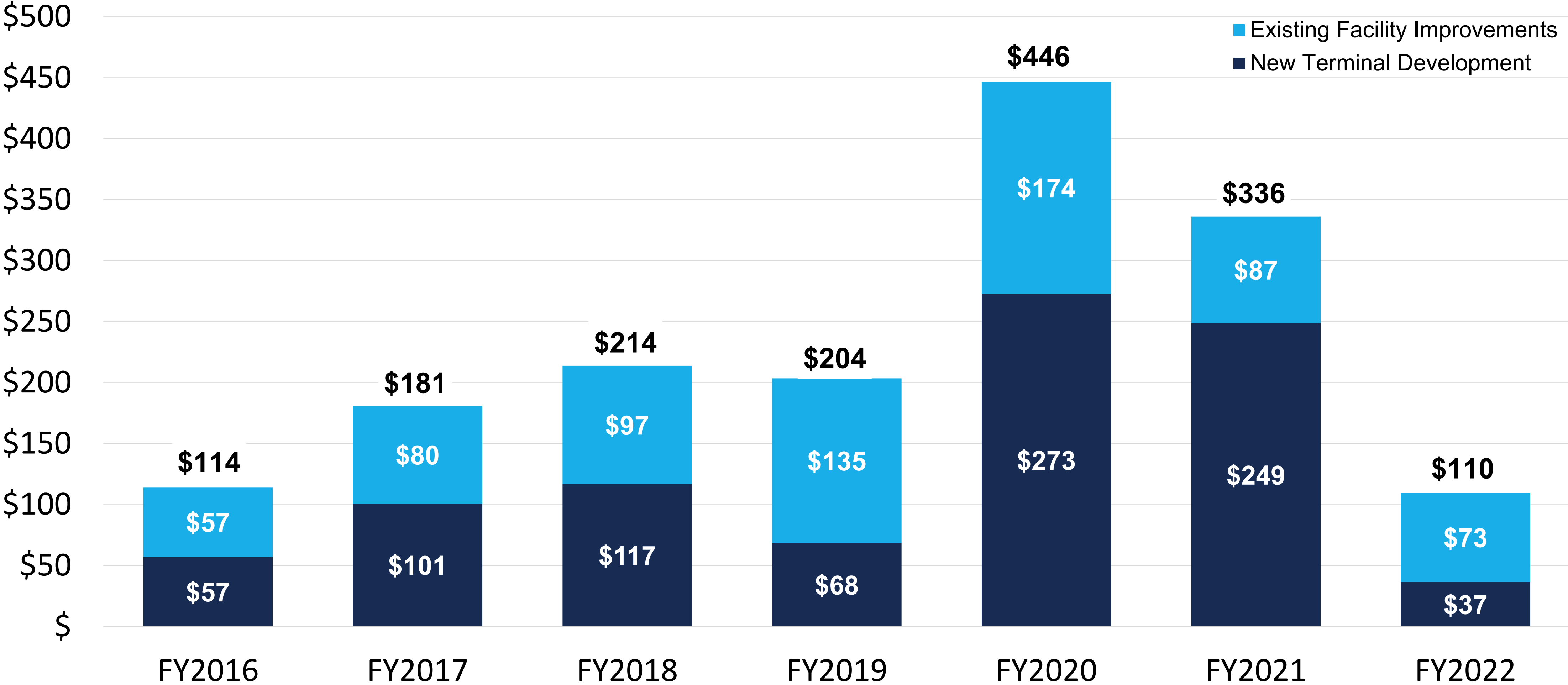
# **VARIOUS RAIL INITIATIVES UNDERWAY TO SUPPORT INTERMODAL RAIL GROWTH**

- Optimizing Operations of Local Rail Ramps
- Operate New ICTF
- Midwest Routing via Charleston
- Focus on More Competitive Rail Rates via Charleston
- Continue to Grow Inland Ports



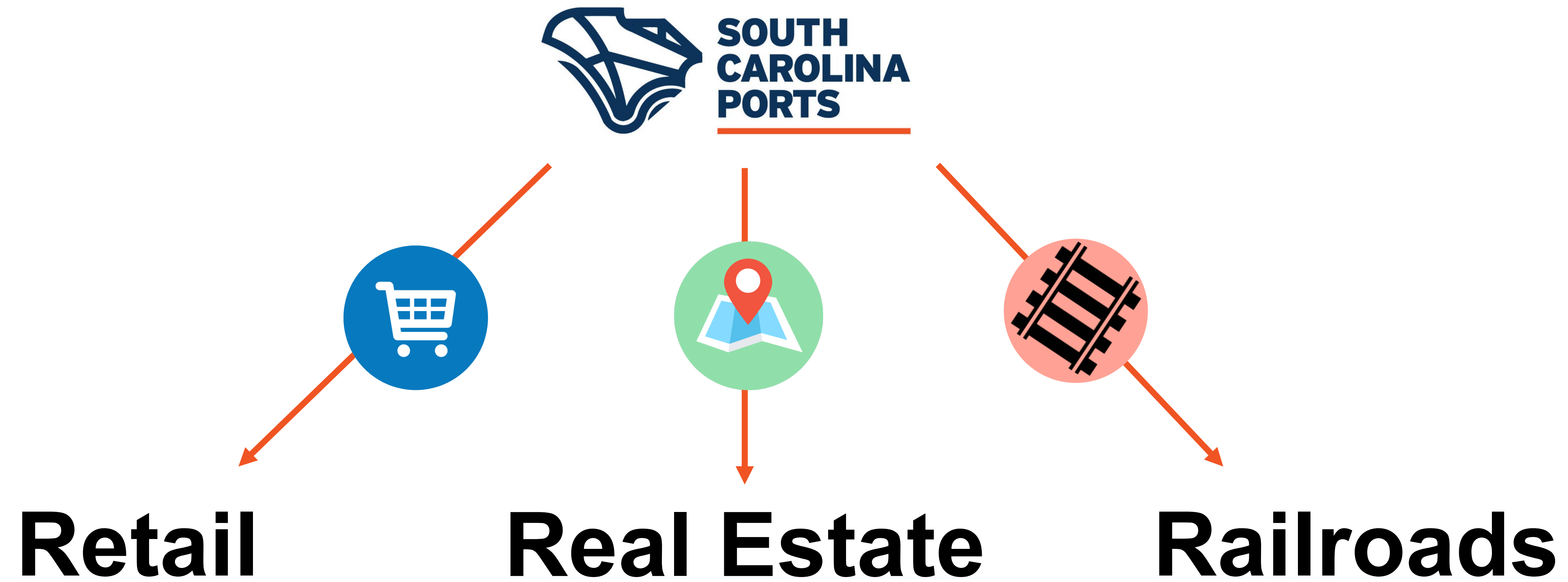
# CAPITAL INVESTMENTS

## FY2016 - FY2022



*FY2020-FY2022 Projected*

**NOW THAT INFRASTRUCTURE IS WELL PLANNED,  
SC PORTS AUTHORITY WILL FOCUS ON 3 Rs GOING FORWARD**



Idea being to support port-dependent import distribution and expand the port's reach via intermodal container rail.











# 2010-2019

## WAS A GREAT DECADE FOR THE PORT

- Modest revenue improvement in line with overall strong value proposition
- Re-established our relevance as a major port
- Doubled our volume
- Tripled our asset base
- Grew on the back of advanced manufacturing
- Began a process of culture change
- Significant new initiatives like REO Chassis Yard



# THE ROARING 2020s

## HOLD GREAT PROMISE FOR THE PORT

- Diversify our Cargo Base
  - Retail
  - Export Transloading (Resin)
- Bring New Infrastructure Online
  - 15 cranes at Wando
  - Move 3 Cranes from Wando to NCT
  - Phase one of HLT by April, 2021
  - Harbor Deepening Completed
  - Significant Progress on ICTF
  - Rail Cargo via Barge
- Implement Tideworks
- Long-Term Deal with Carnival
- Begin Entitlement Process for Non-Maritime Union Pier
- Develop a Realistic Plan for North Charleston



# KEY POINTS OF FOCUS

- Increasing Berth Productivity
  - Midnight Start
  - More aggressive planning of work
  - Getting ships in/out faster
  - Better collaboration on ship operations
- Reduce Dwell Times on Containers
  - Better Use of Saturday gates
- Put Ridgeville in Play
- Work More Closely with All Stakeholders
- Continue to Improve our Human Capital
  - Personal Improvement Agenda
  - Organize to attract great talent





# SUMMARY

- “Low hanging fruit” has been picked
- Our Competitors are Not Sleeping
- Must Make our Infrastructure Pay Off
- 5.0 million TEU by 2038
- Project the Importance of the Maritime Industry



**SOUTH  
CAROLINA  
PORTS**

THE WORLD CONNECTS HERE

**THANK YOU**

