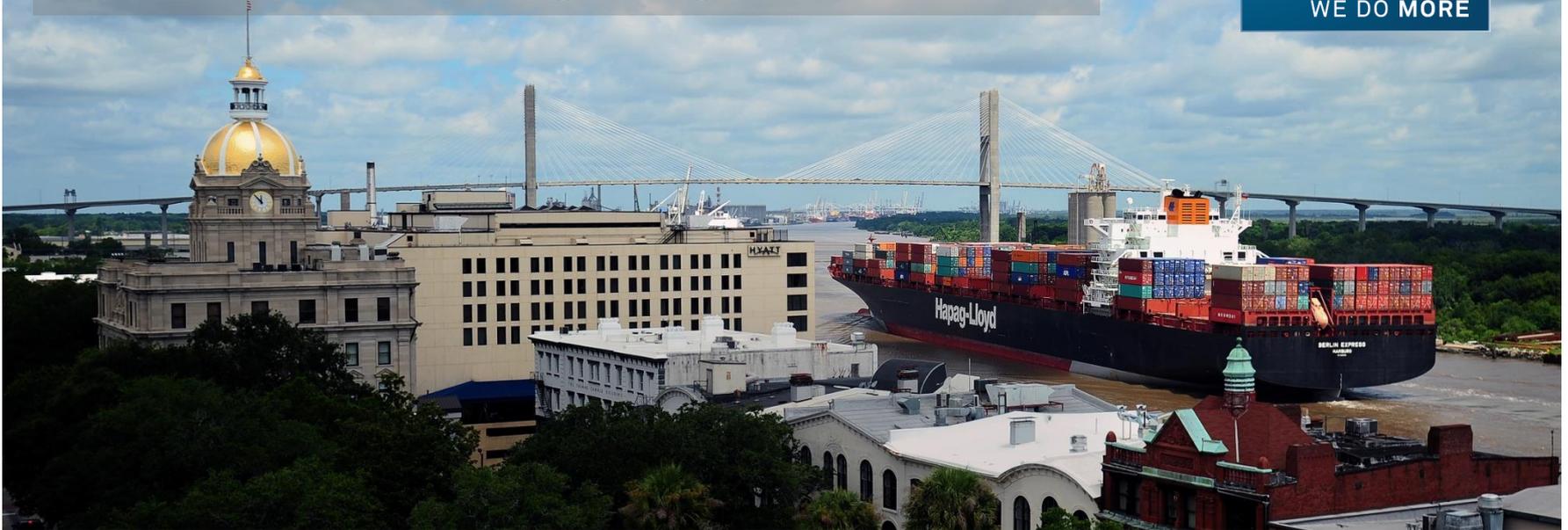


10 INDUSTRY DYNAMICS: THE VIEW FROM SAVANNAH



AAPA SHIFTING INTERNATIONAL TRADE ROUTES WORKSHOP

Curtis Foltz
Executive Director, Georgia Ports Authority
January 23, 2014

MORE DEEPWATER TERMINALS



Garden City
Terminal



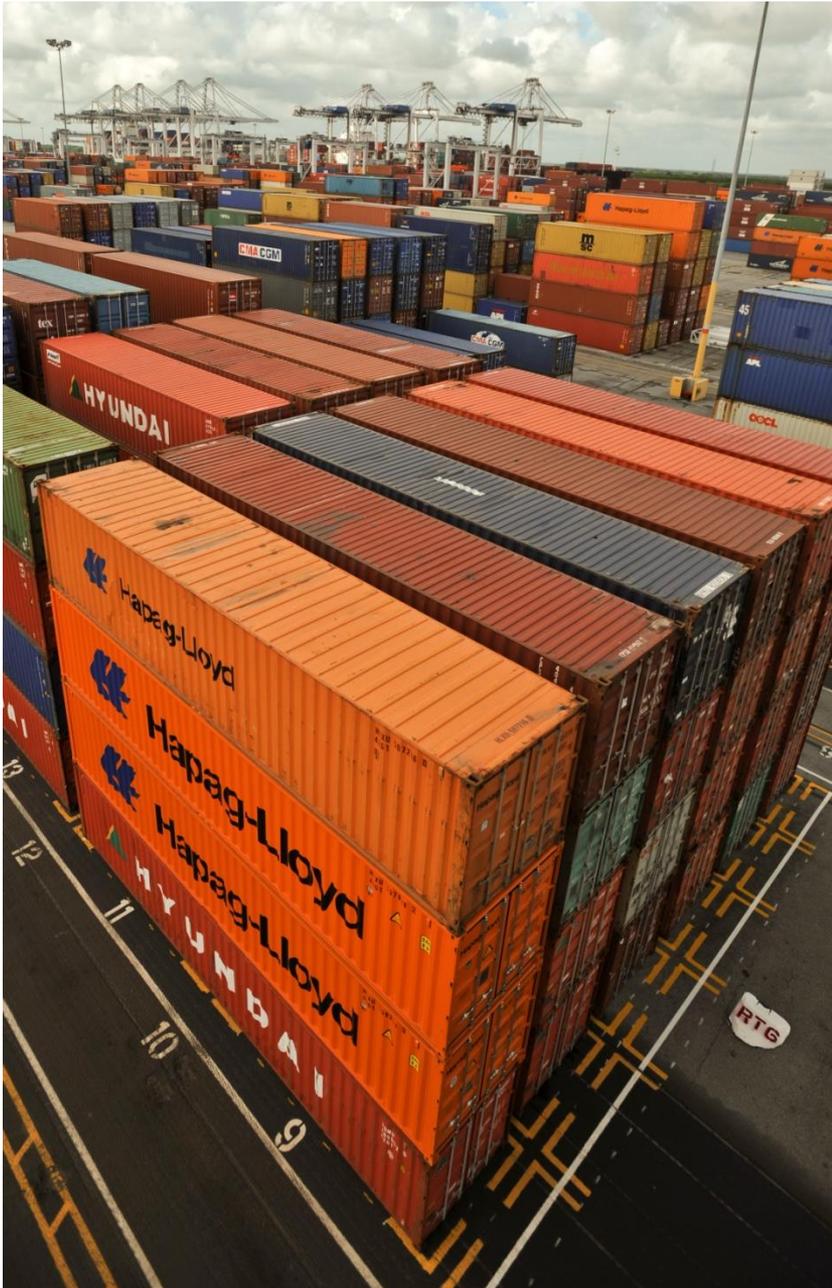
Ocean
Terminal



Colonel's
Island Terminal



Mayor's Point
Terminal



FY 2013 AT A GLANCE

27 million tons +2.4%

2.9 million TEUs

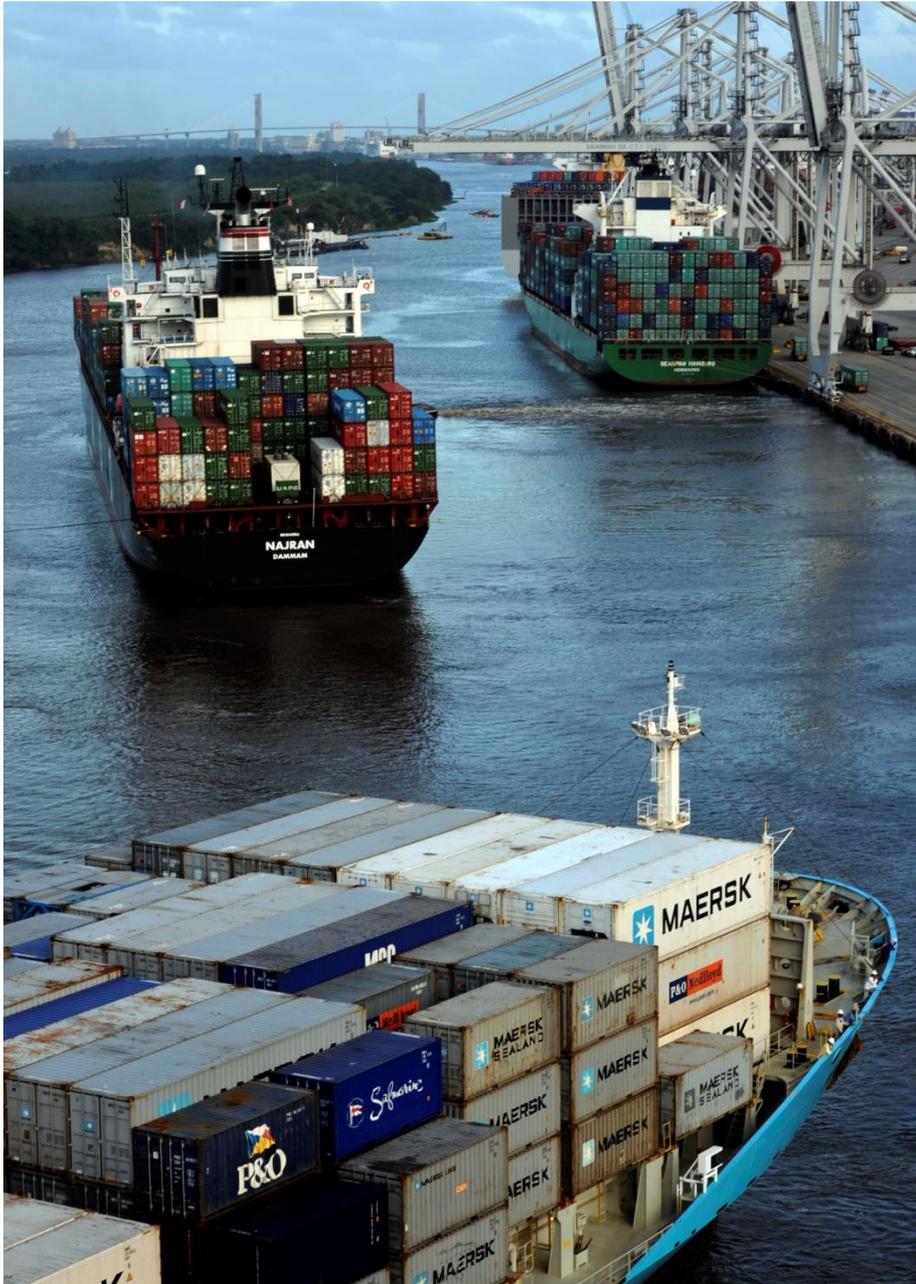
637,000 Autos/Machinery

315,000 Intermodal
containers

2.5 million tons bulk



10 INDUSTRY DYNAMICS



1. NETWORK CONSOLIDATION A REALITY

Needed for scale economy
investments to pay off

8,000-9,000 TEU EC workhorses

20-40% lower operating cost per
slot on larger vessels



2. LANDSIDE

SCALE BECOMES VERY IMPORTANT

Bigger ships need more terminal capacity/fewer, more efficient hubs

Capacity 20% ahead

CAPEX plan 10 years out

Constantly invest in port equip./IT

Attention to outside the gates



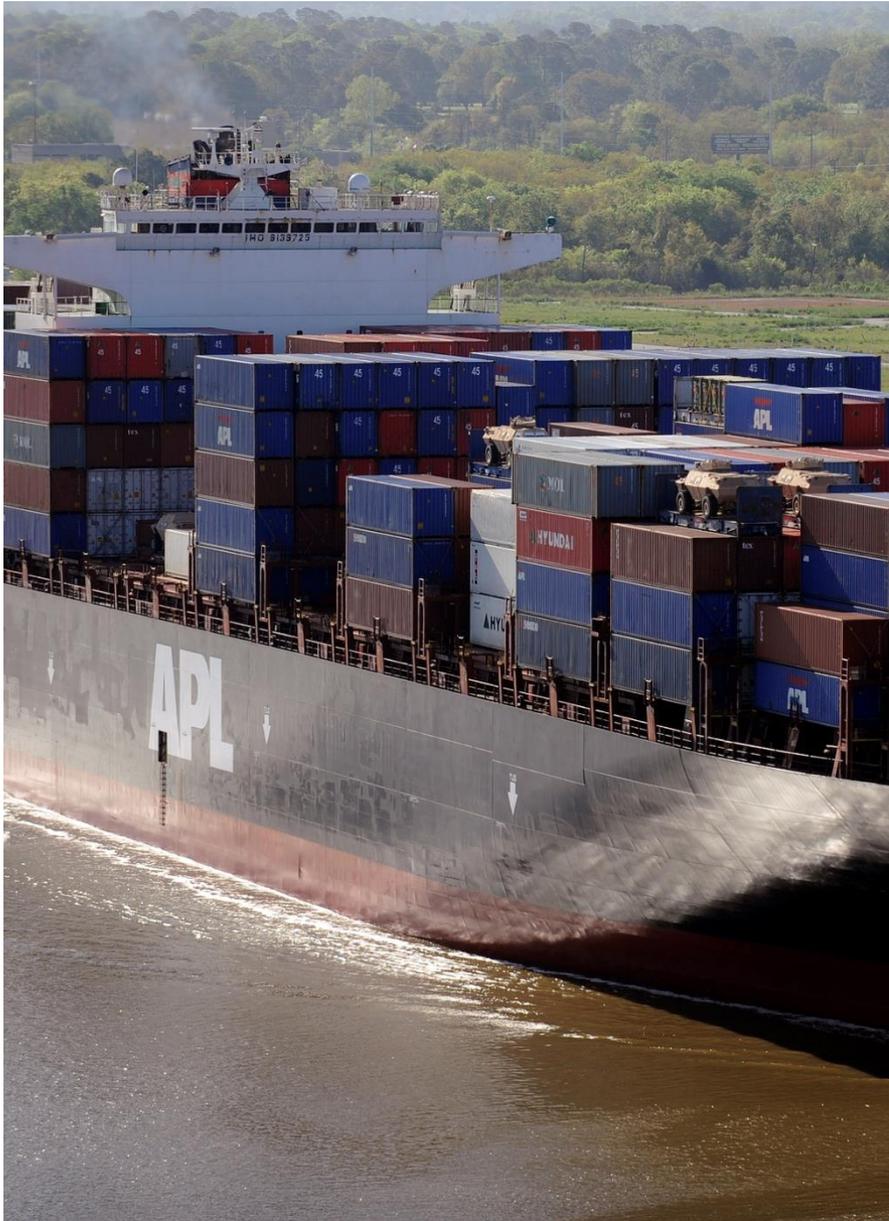
3. INFRASTRUCTURE CHALLENGES AT NATIONAL LEVEL REMAIN

Aging infrastructure

Lack of capacity growth

No national strategy

Foreign competitors modernizing



4. IMPACT OF PC EXPANSION ON TRADE WILL BE GRADUAL

Some: full shift already happened

Others: massive shift to come

Our view: gradual, driven in part
by shippers' DCs

Even after expansion, PC will face
competition from Suez Canal

Tolls matter



5. EC VIA SUEZ GROWTH TO CONTINUE

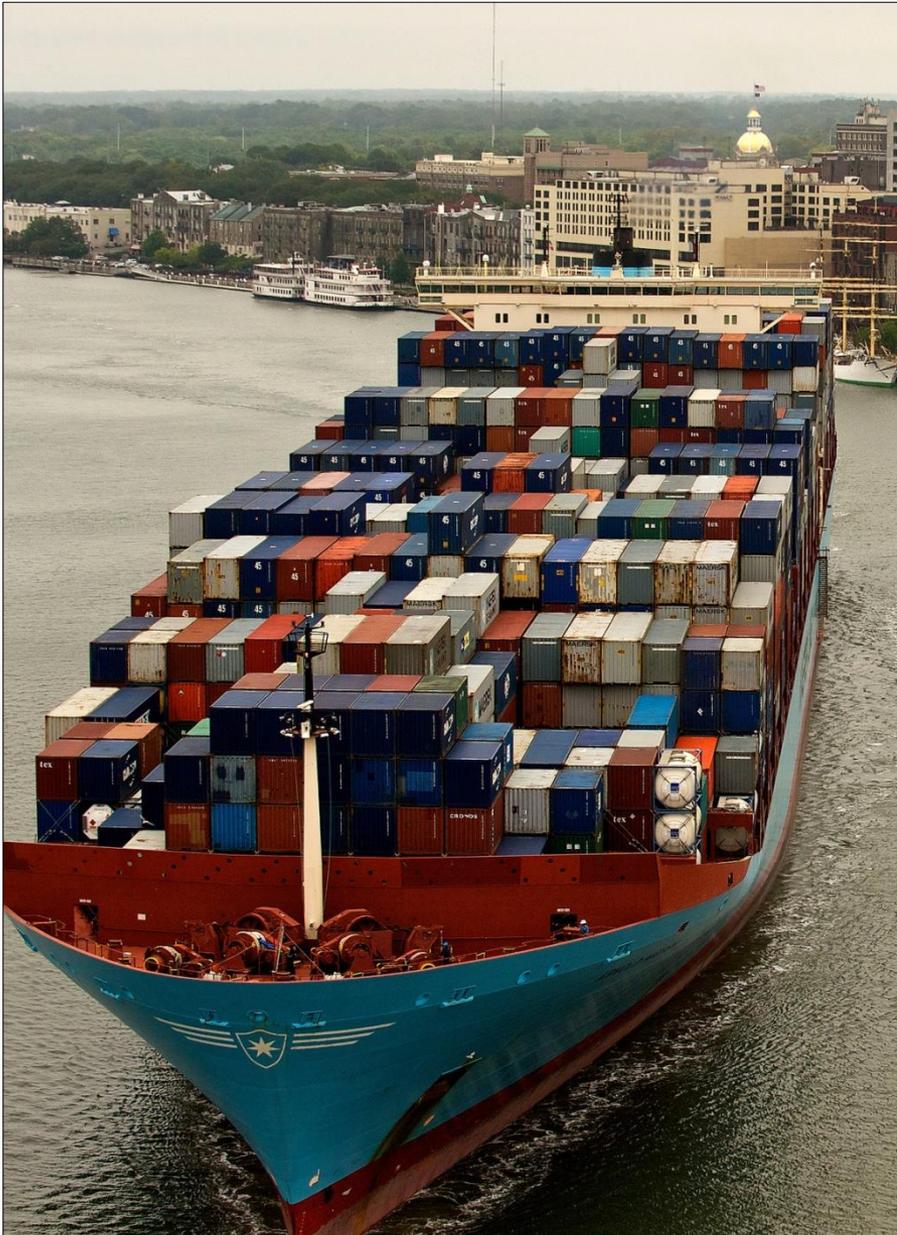
Share of U.S. imports from South and SE Asia growing

Region favors Suez route

Suez-Savannah services +80% in past 5 years

Larger vessels via Suez calling **now**

All 11 U.S. EC-Suez services call on Savannah



6. U.S. SE WILL CONTINUE TO BE REGION TO WATCH

SE: 35% of pop. but 25% of
total U.S. container trade

Region is fastest growing;
growing populations consume
more

When economically feasible,
shippers want close access to
pop. centers



7. SUSTAINABILITY MATTERS

Needs to be industry-wide or progress will remain uneven
GPA not mandated; just right thing to do

Encourage systems-wide approach



8. “RE-SHORING” IS MAKING SOME INROADS

Kias manufactured in GA

BMWs made in SC/ exported
to Europe

Caterpillar plant now in GA



9. EXPORTS ARE KEY TO SUSTAINED U.S. ECONOMIC STRENGTH

Exports key to U.S. economic future

How we support exports matters
GPA and GA deeply committed to exports

10. U.S. ECONOMIC OUTLOOK IMPROVING!

US economic recovery

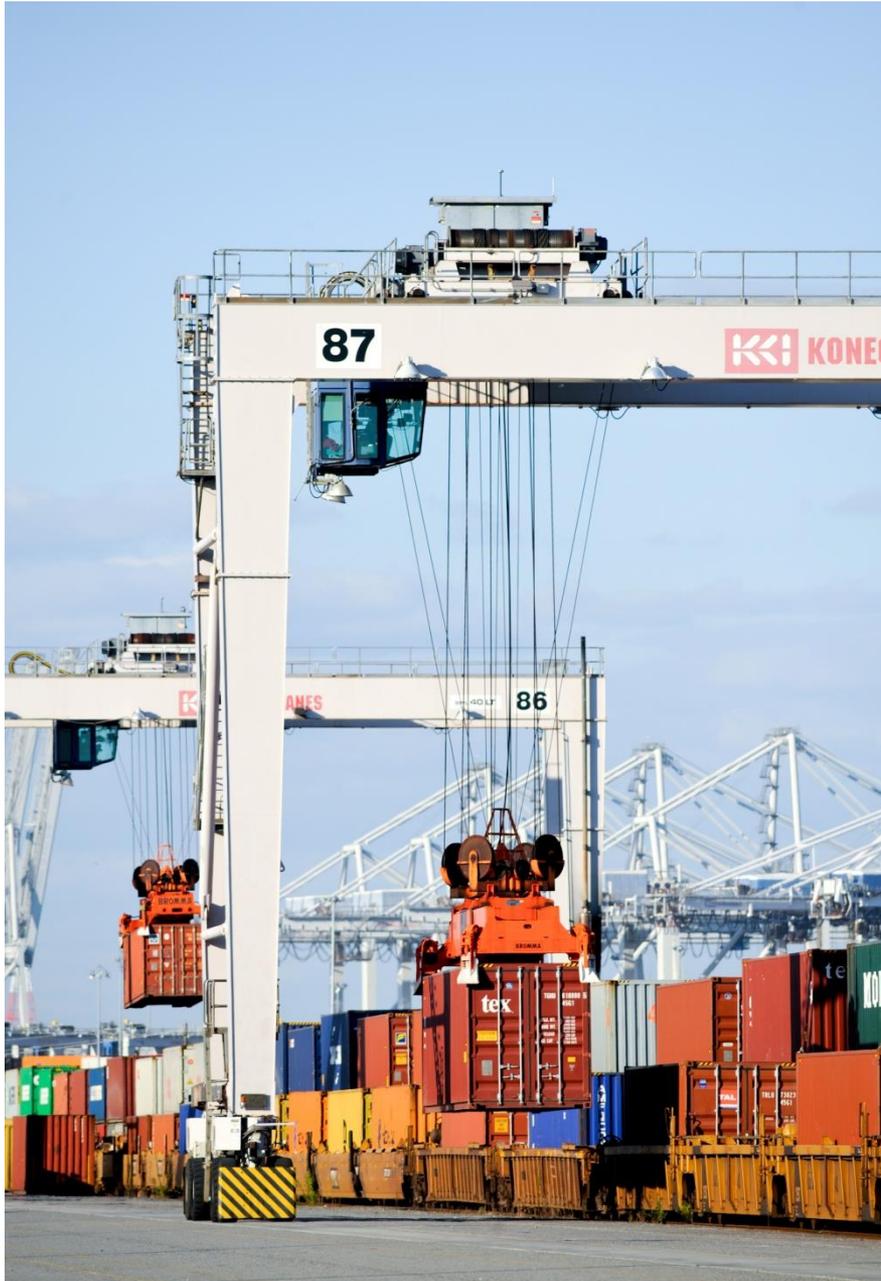
Asia, Latin America

Europe





GPA Positioning for Future Growth



GPA CAPITAL INVESTMENT OVER THE NEXT 10 YEARS

\$1.4 billion

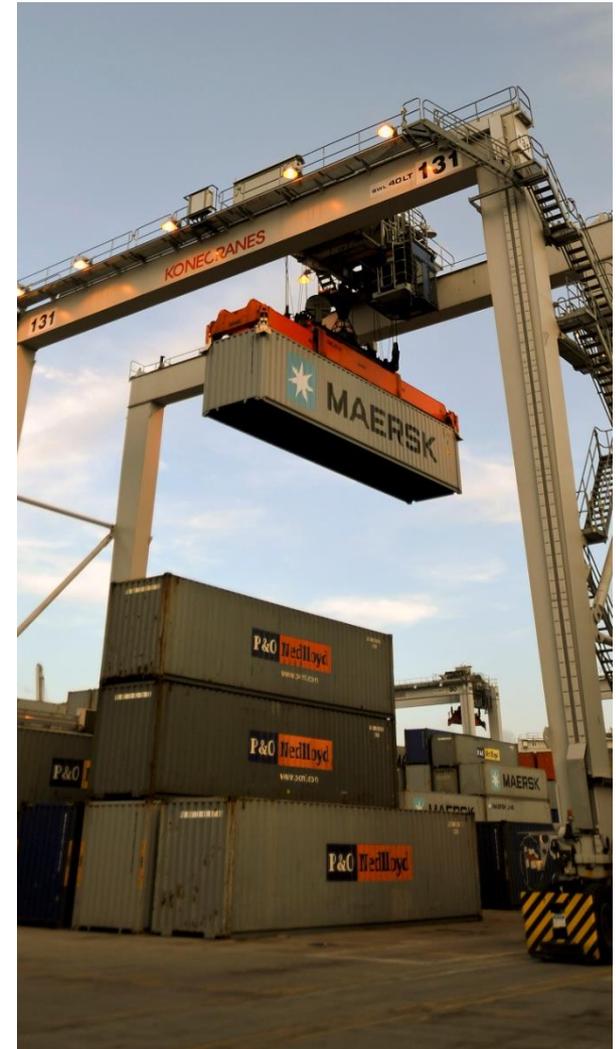
CAPITAL INVESTMENT

10 YEAR SPENDING BY

CATEGORY



Technology Projects	\$ 67,950,000
GCT Berth Upgrades	\$ 62,219,000
GCT Container Storage/Support	\$ 78,617,000
GCT Equipment	\$ 366,050,000
GCT Intermodal & Gate Projects	\$ 109,063,000
GCT Facility Projects	\$ 38,370,000
Ocean Terminal	\$ 116,895,000
Brunswick Terminals	\$ 68,842,000
Infrastructure Reserve	\$ 167,500,000
Annual Reserve/Future Projects	\$ 330,969,000
Total GPA Projects	\$ 1,406,475,000
Savannah Harbor Expansion Project (SHEP)	\$ 652,000,000
Grand Total	\$ 2,058,475,000



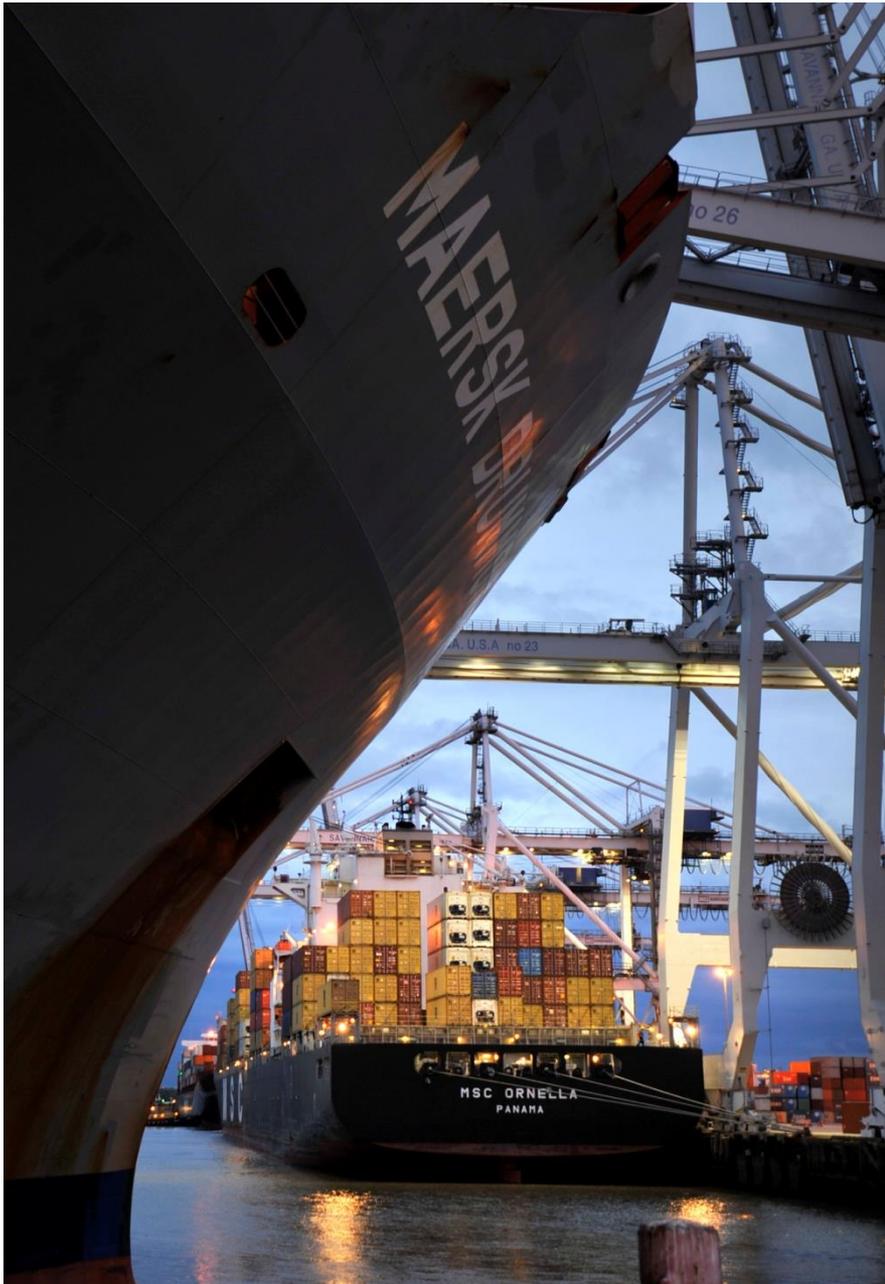
SAVANNAH HARBOR EXPANSION PROJECT (SHEP)

Record of Decision issued
Oct. 2012

\$266 million in state funds
available for construction

WRDA in Congress conference
committee

Construction to begin this year





ROAD AND RAIL PROJECTS

Mason ICTF Expansion

Cordele Intermodal MOU

Garden City Terminal
Beltway

Garden City Terminal Beltway



- Reduces traffic
- Cuts turn times
- Reduces emissions



THANK YOU
