

Virginia Port Authority Board of Commissioners
Marketing/Business Development Committee Meeting
September 25, 2012

Open Session Minutes

Committee Members Present:

Jennifer D. Aument, Chair
Scott R. Bergeron, Vice Chair
James M. Boyd
Juliann J. Clemente
Jeffrey D. Wassmer
Ting Xu

Commissioners Present:

Michael J. Quillen, Chairman
Manju S. Ganeriwala
John N. Pullen
Frank E. Laughon, Jr.
Robert M. Stanton

Staff:

J. J. Keever, Senior Deputy Executive Director, External Affairs
Rodney W. Oliver, Deputy Executive Director and CFO
Jeffrey A. Florin, Deputy Executive Director, Operations and COO
Russell J. Held, Deputy Executive Director, Development
Laura Smith, Development and Foreign Trade Zone Specialist
Carla Welsh, Public Relations Program Manager
Joe Harris, Media/Public Relations Manager
Debra J. McNulty, Clerk to the Board

Guests:

Jeffrey R. Allen, Senior Assistant Attorney General-Chief, Transportation Section
Norman A. Thomas, Assistant Attorney General-Transportation Section
Joseph A. Dorto, President and CEO, VIT
Thomas Capozzi, Vice President, Global Sales and Customer Service, VIT
Regina P. Brayboy, Vice President, Administration and Financial Services, VIT
Cornelia Steinert, PointTrade Services, Inc.
Eric Sutton, Powell Tate
Brian Wommack, Powell Tate
Joel Rubin, Rubin Communications Group
Michael Shapiro, The Daily Press

Pursuant to call by Ms. Aument, the Marketing/Business Development Committee convened an open session on this date at 10:35 a.m., in the Authority's Boardroom, 600 World Trade Center, Norfolk, Virginia.

Mr. Held provided an overview of VPA's Foreign Trade Zone program and presented Resolution 12-12, authorizing the Port Authority application for reorganization of Foreign Trade Zone #20 under Alternative Site Framework.

Mr. Held explained that the Authority is the Grantee for General Purpose Foreign Trade Zone #20 and has been operating FTZs for over 30 years. He introduced Ms. Laura Smith, the Authority's Development and Foreign Trade Zone Specialist, and Ms. Cornelia Steinert, with PointTrade Services, Inc., a consultant on FTZ issues.

Mr. Held advised that VPA is requesting the Board's approval of Resolution 12-12 in order to include two additional sites to FTZ #20 – the Suffolk Intermodal Center (CenterPoint) as a magnet site and Katoen Natie as a usage-driven site. Mr. Held explained how companies can import product through a foreign trade zone for cargo going through U.S. commerce or for re-export, thereby avoiding or deferring duties that result in significant savings and aids economic development.

Mr. Held explained that, under the current set-up, VPA has certain buildings and properties that are designated foreign trade zone sites within FTZ #20. In order to operate more quickly and efficiently, he explained that the entire Hampton Roads region would be classified as Alternative Site Framework which would allow VPA to turn sites on and off within 30 days as opposed to waiting five or six months for approvals.

Mr. Held presented a map and pointed out the active and inactive FTZ sites. He mentioned that there is also an increase in manufacturing returning to the U.S., which his department is tracking. Mr. Held reported that calendar year 2011 saw \$1.5 billion in merchandise through the zone, driven mostly by Stihl and Canon. There are five FTZs throughout Virginia, with Hampton Roads being the most active. Mr. Held advised that his department has reached out to the other zones and he reported that the Richmond Airport zone has one user, Dulles has one (Fortessa), and there is one user in the New River Valley zone.

Mr. Held announced that the Virginia Conference on World Trade will be held in Roanoke on October 18, 2012, and that he will be a moderator for the panel on Foreign Trade Zones. He noted that Ms. Steinert will also be on the panel.

Mr. Fralin asked about Norfolk Southern's Elliston intermodal site. Mr. Held deferred to Ms. Steinert and she advised that the Dublin FTZ is currently working on their ASF application and she suggested that the Elliston site join Dublin in their application as a magnet site. Ms. Steinert suggested that Norfolk Southern contact Mr. Aric Bopp, with Virginia New River Valley Economic Development. Mr. Held added that distribution centers or businesses locating within the vicinity of the intermodal facility would also want to make application for FTZ status.

Action: Upon motion by Ms. Aument, seconded by Mr. Bergeron, the Marketing/Business Development Committee approved Resolution 12-12, for recommendation to the full Board.

At 10:45 a.m., Ms. Clemente presented a motion, seconded by Mr. Bergeron, that the Marketing/Business Development Committee convene a closed session under the Virginia Freedom of Information Act pursuant to 2.2-3705.1 (5) and 2.2-3711 (A)(28), (38) and (40), pertaining to the ongoing PPTA process, and specifically excluded from disclosure pursuant to Va. Code Sec. 2.2-3705.6 (1), (3) and (11), for the discussion of a (draft) Resolution 12-13, regarding VPA evaluation of proposals to operate the port submitted under the Public-Private Transportation Act (PPTA).

VIT Staff and guests were asked to leave the meeting at this time.

At 11:15 a.m., by motion proposed, seconded and carried, the meeting resumed in open session and the following resolution was read by Ms. Clemente and seconded by Mr. Bergeron:

"Whereas, the Virginia Port Authority Marketing/Business Development Committee had convened a closed meeting on this date pursuant to an affirmative recorded vote and in accordance with the provisions of The Virginia Freedom of Information Act; and

Whereas, Section 2.2-3712 of the Code of Virginia requires a certification by the Marketing/Business Development Committee members that such closed meeting was conducted in conformity with Virginia law;

Now, therefore be it resolved, that the Marketing/Business Development Committee hereby certifies that, to the best of each member's knowledge, (i) only public business matters lawfully exempted from open meeting requirements by Virginia law were discussed in the closed meeting to which this certification resolution applies, and (ii) only such public business matters as were identified in the motion convening the closed meeting were heard, discussed or considered by the Committee."

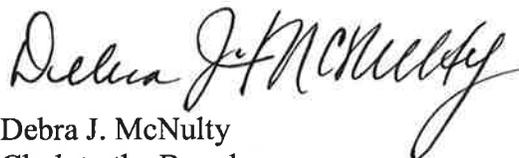
The resolution passed by a roll call vote of the Committee members as follows:

Ayes:

Ms. Aument
Mr. Bergeron
Mr. Boyd
Ms. Clemente
Mr. Wassmer
Ms. Xu

There were no public comments. The meeting adjourned at 11:15 a.m.

Respectfully submitted,



Debra J. McNulty
Clerk to the Board