



**SOUTH
CAROLINA
PORTS**

Think Deep

The big picture on trade, competition, and South Carolina Ports.





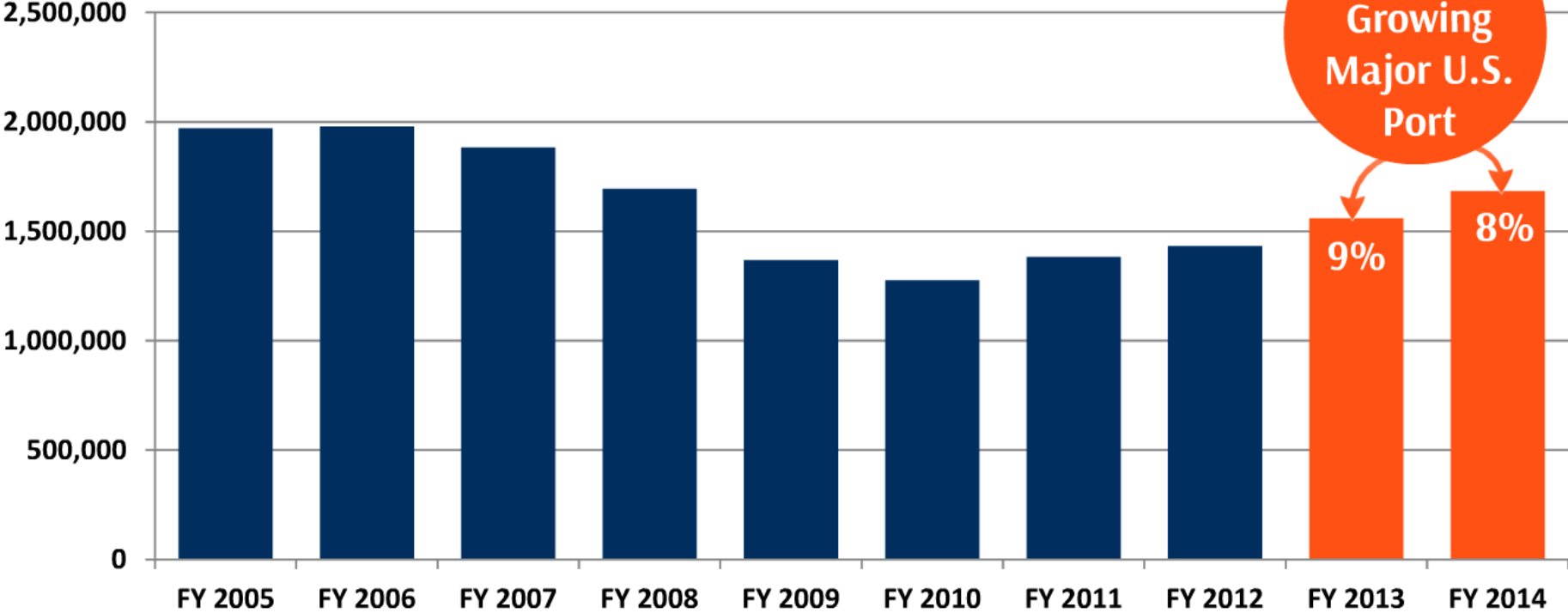
SC Ports Authority

- A business with the people of SC as shareholders.
- An enterprise agency.
- 1 in 10 SC jobs are port-related.
- Nearly \$50 billion in annual economic output.

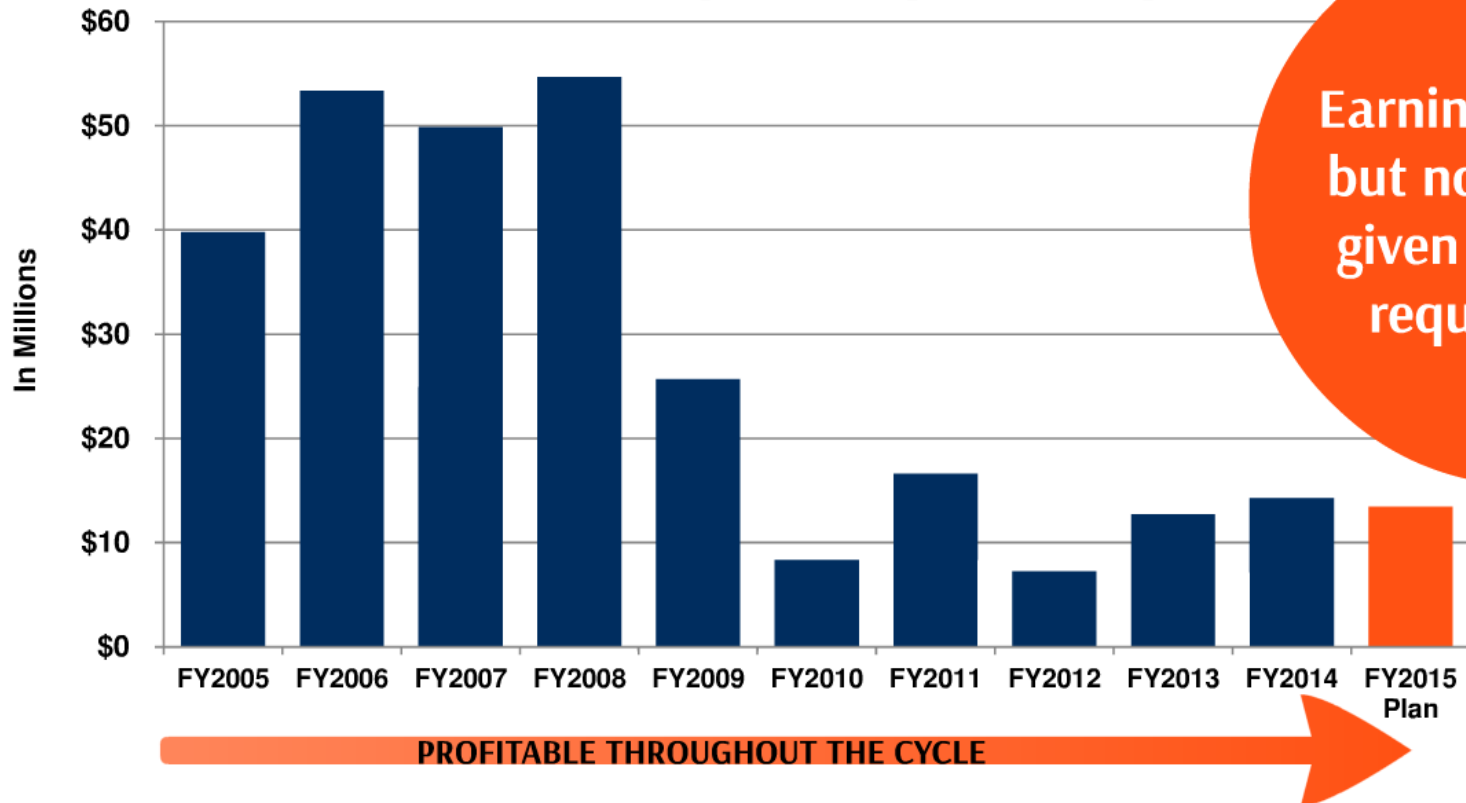
State's most important strategic asset.

Recovery From Pre-Recession Period

SCPA In-House Stats / Shown In TEUs / Loads & Empties



SCPA 10-Year Operating Earnings



Earnings rebound, but not sufficient given the capital requirements.

The S.C. port system is state's most important strategic asset.

3 Phases:

2009-2014

Repositioning & re-establishment of growth.

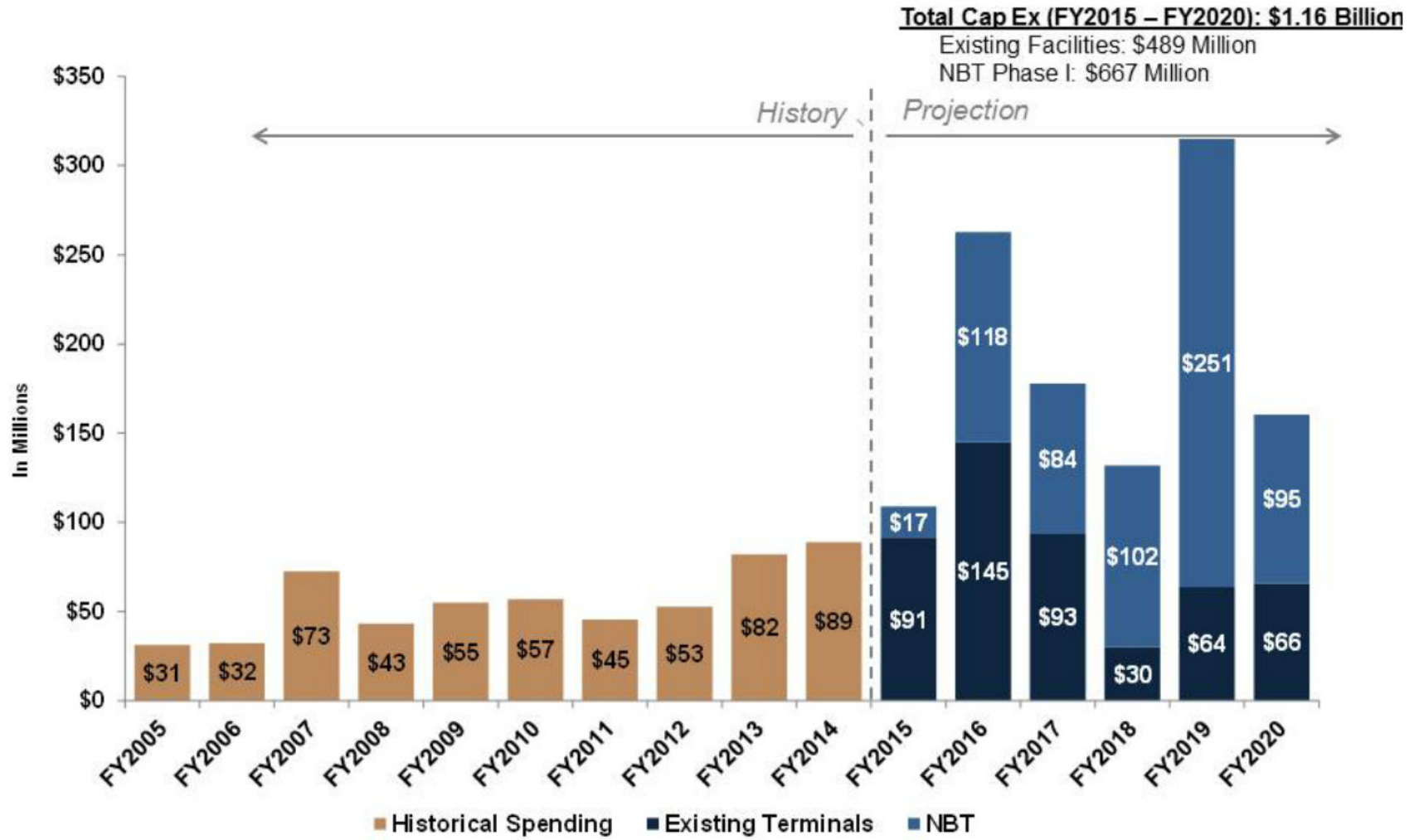
2015-2020

Above market growth and investment.

2021-2030

Sustained growth with the U.S. port marketplace.

New Container Terminal	\$700 Million	South Carolina Ports Authority (\$1.35 Billion)
S.C. Inland Port	\$50 Million	
Other Infrastructure & IT Projects (Interstate Highway Expansion, Existing Facility Improvements, Container Cranes, New IT Systems, etc.)	\$600 Million	
Harbor Deepening to 50 Feet	\$300 Million	State of South Carolina (\$725 Million)
Port Access Road	\$225 Million	
New Dual Access Intermodal Railhead	\$200 Million	
Total 10-Year CAPEX Commitment		\$2 Billion



New Terminal Complete in 2019

- Additional 2 million TEU of capacity.
- 250-Acres & 3,800-feet of berth space.



South Carolina Inland Port

- SCPA owned and operated.
- 6 Export trains/week.
- 5 Import trains/week.
- Serving Upstate SC.
- Charlotte & Atlanta.
- Growing reach into nearby states.
- Open 24/7 for truck missions.





94 Million

Consumers live within a one-day truck trip from Greer.

100 Mile Range

Population: 6,535,000

Key Cities: Asheville, Atlanta, Charlotte, Columbia, Knoxville, Spartanburg.

250 Mile Range

Population: 22,742,000

Key Additional Cities: Birmingham, Charleston (SC), Charleston (WV), Chattanooga, Greensboro, High Point, Lexington, Macon, Nashville, Raleigh.

500 Mile Range

Population: 94,282,000

Key Additional Cities: Baltimore, Cincinnati, Cleveland, Columbus, Indianapolis, Louisville, Memphis, Pittsburgh, St. Louis, Tampa.

**The South Carolina Inland Port is driving
new capital investment in our state.**

>> Port-dependent business trending up.



Mega-Trends: US Port Industry

- US container volume growth will be half that of the previous decade.
- South Atlantic port growth will be 2x that of US port market.
- Exports leading the way.
- Import growth with e-commerce theme.
- Mega-ships & mega-alliances coming.
- Potential new round of carrier mergers.
- For carriers, cost is king.

Large infrastructure requirements for all top ports.

Port rates must compensate for level of investment needed.

This is a cost game.



Maersk Line Triple E Class Vessel / 18,000TEU

Soon To Be Calling USEC Ports

Based on a MOL Quest-class vessel.

Vessels up to 14,000 TEU
1,200' LOA
167' Beam



BMW X5

Boeing 787

Yorktown Aircraft Carrier

9,000 TEU Vessel

14,000 TEU Vessel

70 Million

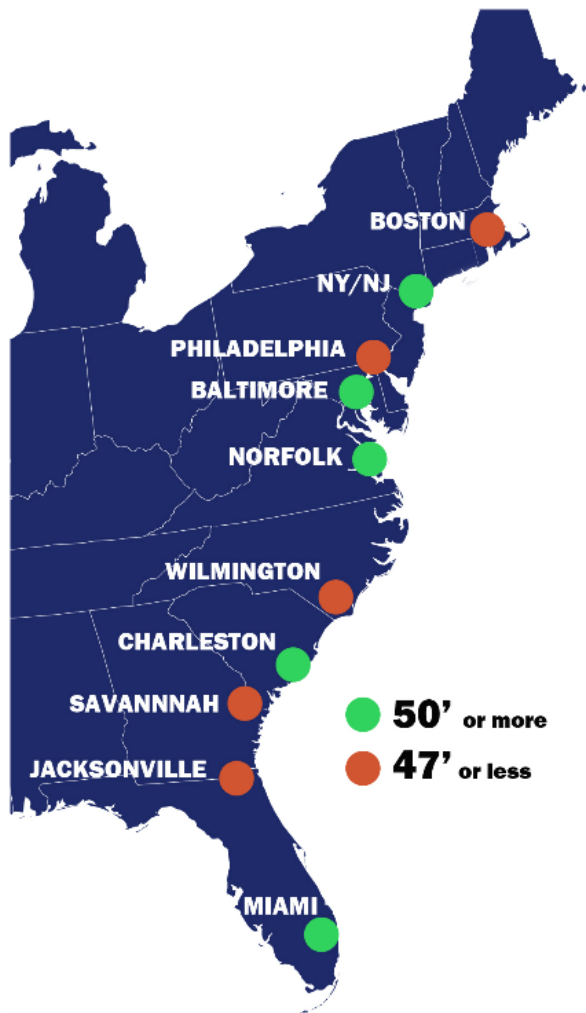
Pairs of adidas running shoes on a 14,000 TEU ship.





Harbor Deepening

- Deepening on-track.
- SC Legislature: \$300 million.
- Draft EIS October 2014.
- Recommends 52-foot channel.
- Chief's Report September 2015.
- Construction begins.
- Bayonne Bridge by 2016.
- Deepening complete in 2019.



Future Harbor Depths:

50'

Is the minimum standard for 24/7 access for Very Large Containerships.

Charleston is the only port in our region capable of delivering the required depth.



+46%

Population growth 2000-2030

Population & reshoring to drive trade @

2X the national average.

We're in the growth zone, but we must have efficient infrastructure.

- Shipping Channels.
- Marine Terminals.
- Highways.
- Rail Lines.



Intermodal Rail Is Vital To Success

- 2011-2013 Intermodal rail volume is up 50%.
- Only 16% of current container volume moves via rail.
- Targeting 25%.
- SC Commerce to construct a new dual-served, near-port intermodal yard.

Volume Growth



Competitive Rail



Indigenous Cargo

Grow The Base

Economic

081P3 SMOI



Discretionary Cargo

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Development



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Imports With A Focus On
E-Commerce



INTERMODAL

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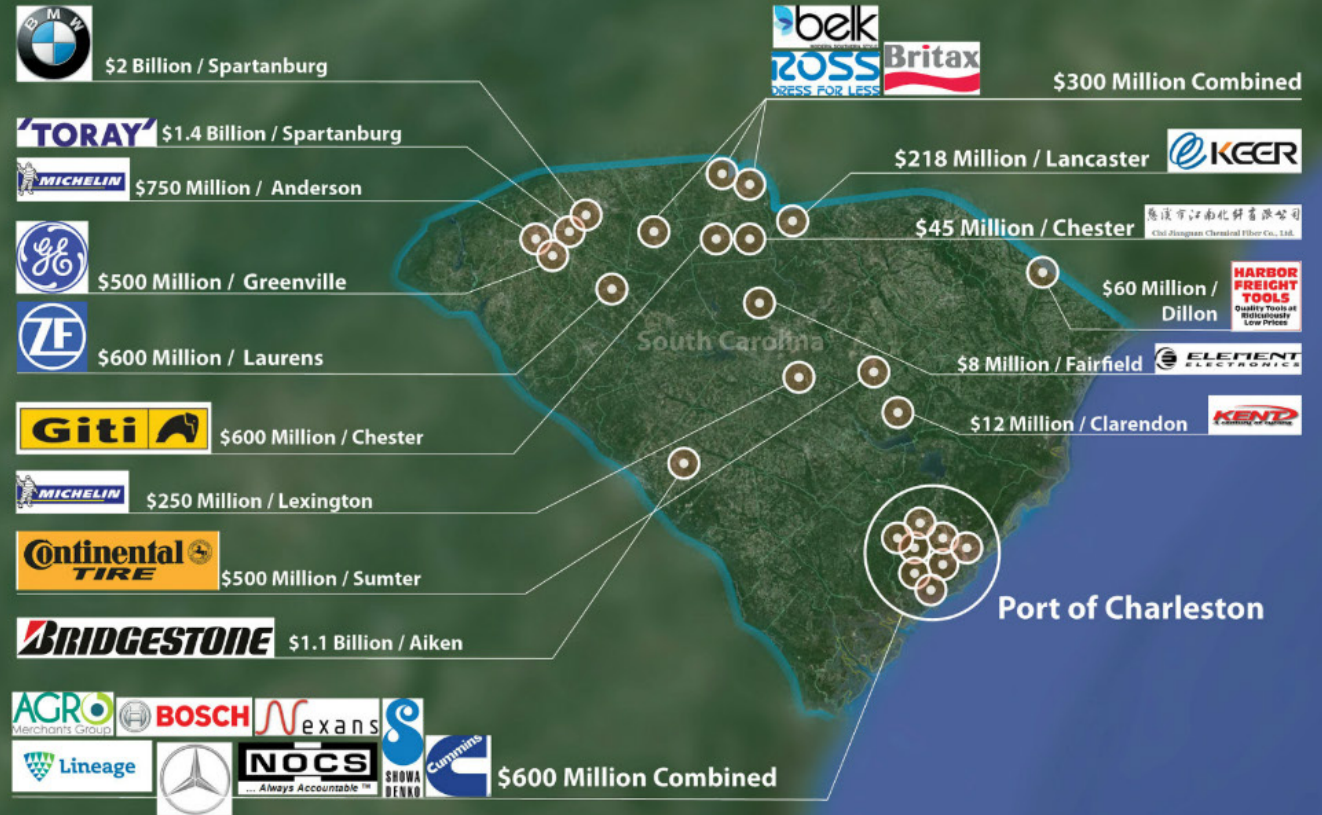
Competitive Rail



Volume Growth



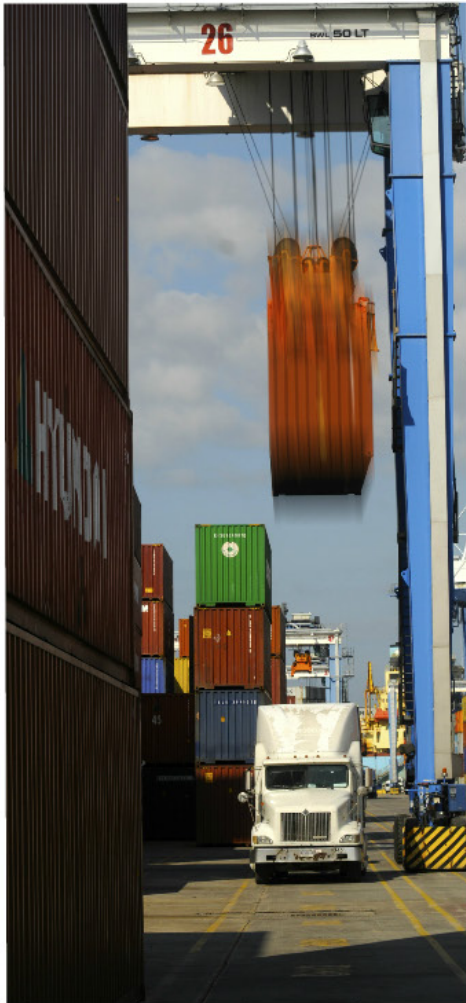
\$8 Billion
 invested in SC by
 port-dependent
 firms in the last
 3 years.





The Port of Charleston is well-positioned for the future.

- >> Located in the fast-growing Southeast U.S.**
- >> Outstanding port fundamentals.**
- >> Deepest water in the Southeast.**
- >> Only new terminal under construction in U.S.**
- >> A culture of innovation and efficiency.**
- >> Supportive leadership from lawmakers.**



**There is
no shortage
of challenges!**

- >> A slower growth marketplace vs. 2000-2010.
- >> A competitive Southeast U.S. port marketplace.
- >> Infrastructure scaled for the new era.
- >> Huge investment requirements to compete.
- >> Availability of large, low-cost land tracts.
- >> Improving revenue while remaining competitive.



The Port Must Lead The Way.

Our best days are ahead of us, not behind.



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