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Newsome: SC Ports poised for growth, big year ahead SCPA CEO Jim Newsome delivers 12th State of the Port Address



CEO Jim Newsome has led SC Ports to double cargo volumes over the past decade.

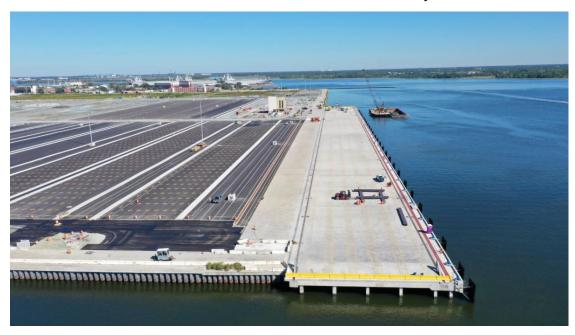
CHARLESTON, SC - OCT. 28, 2020 - SC Ports Authority continues to advance infrastructure projects and attract new business, securing its position as the preferred U.S. container port ahead of an incredibly significant year.

SC Ports is investing more than \$2 billion to build timely, world-class infrastructure, ensuring ample capacity and big-ship capabilities for decades to come.

In 2021, SC Ports will open the Hugh K. Leatherman Terminal, further enhance Wando Welch Terminal, deepen Charleston Harbor to 52 feet, welcome massive ship-to-shore cranes, expand Inland Port Greer, and celebrate Walmart building a new distribution center in the Charleston region as the port grows its cargo base.

"2021 will be a truly historic year for the port," SC Ports President and CEO Jim Newsome said during his 12th State of the Port Address. "We will launch operations at the Leatherman Terminal in March, and we remain on track to have the deepest harbor on the East Coast. We are adding capacity to serve our customers, while growing and diversifying our cargo volumes. We bring great energy and optimism to the opportunities ahead of us."

Newsome delivered his annual State of the Port Address virtually, a first for the event, which is hosted by the <u>Propeller Club of Charleston</u>. The Propeller Club of Charleston has hosted the State of the Port for more than 50 years.



The Hugh K. Leatherman Terminal will open in March. (Photo/SCPA/Walter Lagarenne)

### **Building Leatherman Terminal**

SC Ports will open <u>Phase One</u> of the <u>Hugh K. Leatherman Terminal</u> in March, marking the country's first container terminal in more than a decade.

The Leatherman Terminal will have a 1,400-foot wharf, <u>five ship-to-shore</u> <u>cranes</u> with 169 feet of lift height above the wharf deck, 25 hybrid rubber-tired gantry cranes, an expansive container yard, and optimized operations and technology — all designed to handle growing cargo volumes and 19,000-TEU vessels.

<u>Phase One</u> will add 700,000 TEUs of annual throughput capacity to the port. At full build-out, the terminal will add 2.4 million TEUs of capacity to the port, doubling existing port capacity.



The record-setting CMA CGM Brazil called on SC Ports in September. (Photo/SCPA/Marion Bull)

# Investing in infrastructure

SC Ports will celebrate the 40th anniversary of <u>Wando Welch Terminal</u> next year. Ongoing investments will yield 15 ship-to-shore cranes with 155 feet of lift height, 65 rubber-tired gantry cranes, a strong wharf to handle big ships, a new refrigerated container yard, efficient terminal operations and a capacity of 2.4 million TEUs.

The significant <u>Charleston Harbor Deepening Project</u> is fully funded and on schedule. All five dredging contracts have been awarded. The project, led by the <u>U.S. Army Corps of Engineers, Charleston District</u>, has received extraordinary backing from the S.C. Legislature, Congressional delegation and Trump Administration.

The 52-foot depth, combined with the widening of entrance channels and turning basins, will enable mega container ships to access port terminals any time without tidal restrictions. This strategic advantage is crucial to SC Ports' infrastructure investments and global competitiveness.

"The recent arrival of the 15,072-TEU <u>CMA CGM Brazil</u> — the largest container ship to ever visit the East Coast — points to our successful long-term strategy of investing in port infrastructure and deepening our harbor to handle up to 19,000-TEU vessels next year," Newsome said. "In 2021, SC Ports will be able to handle four 14,000-TEU container ships simultaneously. We already expect even larger container vessels on the U.S. East Coast in 2021."



SC Ports sees strong growth opportunities in retail. (Photo/SCPA/English Purcell)

### Growing cargo volumes

SC Ports saw an opportunity to grow its cargo base with the boom in retail and e-commerce.

"We are pros at handling high-demand supply chain needs for the automotive and advanced manufacturing industry, which will translate seamlessly into supporting retail distribution," Newsome said.

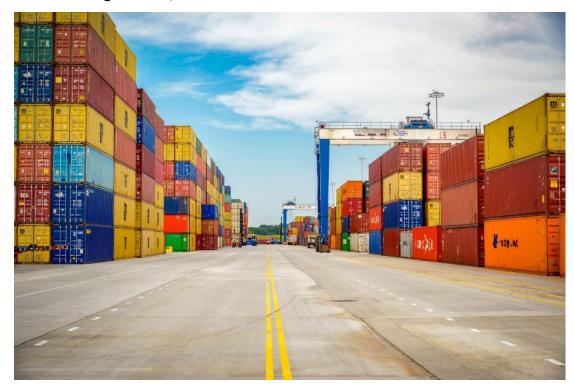
SC Ports' efficient operations and available land in South Carolina are attractive to distribution center operators. SC Ports purchased 1,000 acres in Dorchester County to recruit retailers, which proved successful when Walmart announced its decision to invest \$220 million into building a 3-million-square-foot distribution center in the Ridgeville Commerce Park. The project will create 1,000 jobs and boost port volumes by 5%.

"Walmart — the largest retailer in the world — decided to put their seventh import distribution center in Ridgeville, South Carolina, and import goods through SC Ports," Newsome said. "This is a gamechanger for the port. It is a signal to the major retailers that we're prepared to be a force in retail distribution and that we can handle their requirements. Walmart is at the cutting-edge of supply chain sophistication and performance, and their confidence in us speaks volumes."

As SC Ports works to grow retail imports, the port also looks to increase exports to maintain an attractive container balance for ocean carriers and shippers. SC Ports is seeing growth in agricultural and forest products, plastic resins, and refrigerated and frozen goods, among other areas.

Four plastic transloading companies with a combined export capacity of more than 70,000 containers have invested in the Charleston region, and two area companies specializing in refrigerated and frozen goods have a combined capacity of 500,000 square feet. SC Ports has invested in its refrigerated cargo handling capabilities to accommodate anticipated growth.

"SC Ports has purposively transitioned our focus toward diversifying our cargo base, and we are seeing success," Newsome said.



SC Ports plans to expand rail-served Inland Port Greer. (Photo/SCPA/Craig Lee)

### Expanding rail networks

SC Ports is focused on growing <u>intermodal container rail</u>, a critical component to capturing more cargo. SC Ports moves 25% of its containers via intermodal rail, up from 12% a decade ago.

SC Ports has also seen great success with its rail-served inland ports. <u>Inland Port Greer</u> and <u>Inland Port Dillon</u> expand the port's reach inland, giving cargo owners access to U.S. population centers and global markets through the Port of Charleston.

"Our inland ports are a natural extension of the port's capability into the interior of the state," Newsome said. "They really give us a robust supply chain footprint."

SC Ports plans to further expand Inland Port Greer, as well as create near-dock rail through the Intermodal Container Transfer Facility, a future cargo facility near the Leatherman Terminal in North Charleston that will be dual-served by both Class I railroads.



SC Ports and the maritime community keep freight moving. (Photo/SCPA/English Purcell)

## Keeping freight moving

SC Ports finished <u>fiscal year 2020</u> with relatively steady volumes, handling 2.32 million TEUs, despite the disruption caused by the global pandemic.

"Fiscal year 2020 was a truly transformational year for the port. We accomplished a great deal and made significant investments in our infrastructure amid great challenges," Newsome said. "I would like to <a href="thankthe">thankthe</a> members of the maritime community for keeping freight moving and ensuring the timely delivery of goods during a global pandemic."

SC Ports' well-run operations and advantageous location in the booming Southeast market point to a strong rebound. The <u>first quarter</u> of fiscal year 2021 already reflects strength in containers, vehicles and inland ports.

"We are seeing a good recovery from the pandemic, and I'm very optimistic about the future. We believe in the strength of our port and our maritime community," Newsome said. "Our goal is to be the preferred port of the top 10 U.S. container ports, and we deliver on that every day. Companies know that they can rely on our efficient operations to get the job done and to meet their needs."



Newsome thanked the SC Ports team and broader maritime community. (Photo/SCPA/English Purcell)

### Recognizing our team

SC Ports is a great <u>economic engine</u> for the state, supporting business growth and new investment. Port operations generate a \$63.4 billion annual economic impact in South Carolina. SC Ports creates 1 in 10 jobs statewide, which pay 32% higher than the average wage, according to a 2019 study by the University of South Carolina.

Newsome thanked Gov. Henry McMaster, the S.C. Legislature, the Congressional delegation, SC Ports' Board of Directors and SC Ports' senior management team for supporting port operations and initiatives, particularly related to infrastructure projects and harbor deepening.

Newsome said that none of the port's successes would be possible without SC Ports' teammates and the broader maritime community.

"Great people are behind our successful port. I am so incredibly proud of our organization and the greater maritime community. Their experience, expertise and commitment to delivering a great product are unmatched," Newsome said. "Our future at SC Ports is very bright. Our best years are ahead of us. I've never felt more committed to that idea than I do right now."

Click here to see the State of the Port presentation.

### **About South Carolina Ports Authority**

South Carolina Ports Authority (SCPA), established by the state's General Assembly in 1942, owns and operates public seaport and intermodal facilities in Charleston,

Dillon, Georgetown and Greer. As an economic development engine for the state, Port operations facilitate 225,000 statewide jobs and generate nearly \$63.4 billion in annual economic activity. SCPA is soon to be home to the deepest harbor on the U.S. East Coast at 52 feet, and the Port is an industry leader in delivering speed-to-market, seamless processes and flexibility to ensure reliable operations, big ship handling, efficient market reach and environmental responsibility. For more information on SCPA, please visit <a href="https://www.scspa.com">www.scspa.com</a>.

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