



October 22, 2018

Eric Reusch
Chief Wilmington Regulatory Field office
69 Darlington Ave
Wilmington NC 28403

Debbie Wilson
DCM District Manager
127 Cardinal Dr. Ext
Wilmington NC 28405-3845

Re: North Carolina State Ports Authority
Port of Wilmington
Turning Basin Expansion Project

Dear Mr. Reusch and Ms. Wilson,

North Carolina Ports Authority is underway with several large capital projects designed to modernize our facilities and improve our capabilities, so that we can continue to provide essential global logistics services to our business community. In the last few years we have invested over \$125 million improving our berth infrastructure in Wilmington as well as purchasing “neo-panamax” ship to shore container cranes. These investments were made to support the strategic plan that was implemented over three years ago. Additionally, a master terminal modernization investment is now underway designed to increase the capacity of the container terminal by over 50% due to forecast increased volume.

Improved water access to the Port of Wilmington is also critical as new very large containerships transit from foreign ports to the U.S. East Coast. The opening of the new Panama Canal, over two years ago, resulted in an unprecedented evolution in the container shipping industry. Vessels transiting the canal have tripled in size due to its increased dimensions. To prepare for the initial opening of the canal, NC Ports underwent a project to increase the size of the Wilmington channel turning basin. As ships become larger, both their length and beam increase in size. Accordingly, the turning basin needed to be lengthened to accommodate the first generation of these new panamax vessels.

Immediately, after the completion of the expanded turning basin, the Port of Wilmington received container services from Asia that were over twice the carrying capability of prior vessels. If the larger turning basin was not completed, Wilmington would have been at a significant disadvantage to our neighboring ports. The outcome



could have resulted in the discontinuation of container business at Wilmington. Since that time, several new container services commenced calling at Wilmington and many of those services are with new neo-panamax ships. Presently, Wilmington is scheduled for over 150 ships calls in the coming year with vessels that require the larger turning basin.

As the container market develops globally, shipping companies continue to increase the size of their vessels. As such, many of our shipping customers are requesting that N.C. Ports further modify our turning basin to allow for even larger container ships in the future. Our neighboring ports, who we compete with for business, are either underway with similar turning basin expansions or already have the capabilities needed. This proposed project for the turning basin will provide for ships that have a total length of over 1,200' and will accommodate the largest vessels that can transit through the Panama Canal. This is a needed investment for the future. Our business development team recently had meetings in both Asia and Europe with the leading container ship carriers and in all cases they stated that a turning basin capable to handle up to 14,000 TEU (twenty foot equivalent) is required by the summer of 2019 if the port wants to continue to serve these lines. Our proposed turning basin expansion can accommodate these vessels.

Please feel free to contact me if you have any questions. N.C. Ports delivers \$15.4 billion annually to our state's economy. It is essential this project moves forward on time.

Thank you

A handwritten signature in black ink, consisting of several overlapping, sweeping strokes that form the name "Paul J. Cozza".

Paul J. Cozza
Executive Director