

**SOUTH JERSEY PORT CORPORATION
2013 ANNUAL REPORT**



SJPC • PO BOX 10 • CAMDEN NJ 08103
www.SouthJerseyPort.com

2013 Annual Report

SJPC EMPLOYEES IN 2013



EXECUTIVE
DIRECTOR & CEO
KEVIN CASTAGNOLA



DEPUTY
EXECUTIVE DIRECTOR
JAY JONES



TREASURER
& CFO
PATRICK ABUSI



PORT ENGINEER
HENRY
D'ANDREA

Daniel F. Aaron
George R. Aaron
David Acevedo
Robert Albanese
Michael Anderson
Stephen Anderson
Robert Bak
Eddie W. Bell
Steven A. Bell
Robert F. Bessing
Patrick R. Boyle
Robert Britland
David Buffetta
Joseph Burleigh
Manuel R. Cachu
Nicholas Capaldi
Lawrence Casanova
Albert Celeste
Anthony R. Colavita
Michelono Colavita
Urban Cooper
Kenneth E. Cosby
Kevin Costello
Wieslaw Czajka

Vincent D'Alessio
Timothy J. D'Amico
Ronald Daniels
George Decker Sr.
Michael B. Dehoff
Michael Deliberis
Joseph P. Deluca
William R. Deluca III
Harry Demiani
Louis Ditomaso
Athina Efelis
Stephen Endres
Bobby Farrish
Donell Farrish
Earl Farrish
Edward T. Froman
Raymond Gallagher
Alvin Gindhart
Oanh Glanz
Kevin Greenjack
Patrick J. Haley
Jesse Hamrick
Karol R. Hoffman
Robert J. Jack

Thomas Johnson
Pawel Kasprzak
Thomas Kavano Jr.
Roland Kates
Joseph Knecht
William Kelley
Leonard Korte
George A. Kuesel III
Herbert Lambert
Michael E. Lang
Edward Loatman
David Lenhart
Louis Malatesta
Armando Maldonado
Panteleimon Mastalos
Rosemarie McBride
Timothy McCarthy
Roy McCormick IV
David McGoldrick
Bernadette Meads
William H. Means
Douglas L. Miller
David Mitchell
George Mortimer

Joseph M. Monturano
Frank Nestore
Shawn Norman
Lien Nguyen
Joseph O'Leary
Juan A. Pena
Antonio Pimpinella
Joseph Puglia
Robert W. Purcell
Kenneth Rossi
Ricky Santiago
Shane M. Schooley
Richard Sewekow
William Smith
Kevin Stewart
John R. Striewski
Joseph Thomas
Robert J. VanFossen
Michael L. Vindick
Thomas Vondale
Robert A. Weyand Jr.
Linda White
Andrew Wojcik
Noe Yax-Santos

South Jersey Port Corporation



SALEM MARINE TERMINAL

Location:	Salem, New Jersey at Exit 1 of the New Jersey Turnpike
Lessee:	National Docks LLC
Specialized cargoes:	Sand and gravel
Other cargoes:	Various dry bulk and project cargoes, wearing apparel, and motor vehicles
Terminal area:	28 acres (11.33 ha.)
Berths:	1: 350 LF (106.7 m.), 130 ft. sheathed (40 m.)
Storage capacity:	60,000 SF of shed and warehouse space (5,574 sq. m.)
Highway access:	Direct access to Rt. 49, Rt. 45 with access to US 130, I-295 and NJ Turnpike
Special features:	The Port of Salem is designated as Foreign Trade Zone No. 142 in combination with nearby Millville (NJ) Airport)

2013 Annual Report



BROADWAY TERMINAL PIER 5

Owner:	South Jersey Port Corporation
Lessee:	Camden Waterfront LLC
Location:	Port of Camden, Broadway Terminal, 2500 Broadway, Camden, New Jersey
Specialized cargoes:	Perishables
Terminal area:	28 acres (11.3 ha.)
Berths:	1 berth: 1,135 LF (346 m.)
Depth at MLW:	35 ft. (10.7 m.)
Storage capacity:	3 temperature-controlled warehouses: 60,000 SF (5,574 sq. m.), 75,000, SF (6,968 sq. m) and 53,400 SF (4,961 sq. m) 1 dry - 25,000 SF (2,322.6 sq. m.)
Reefer plugs:	175
Direct transfer:	Direct to truck/rail, LCL and FCL handling
Truck gates:	2
Loading docks:	40
Other features:	2,000 ft. of rail siding for intermodal COFC transfer

South Jersey Port Corporation



BROADWAY TERMINAL

Location:	Broadway at Morgan Boulevard, Camden, New Jersey
Cargoes:	Petroleum coke, furnace slag, dolomite, other dry bulks, steel products, wood products, minerals, cocoa beans and perishables
Terminal area:	106 acres (42.8 ha.)
Berths:	2: 1,700 LF (518.16 m.)
Depth at MLW:	Pier 1 — 35 ft. (10.7 m.), Pier 2 — 40 ft. (12.2 m.)
Storage capacity:	36 dry warehouses providing 1.128 million SF (102,600 sq. m.)
Cranes:	Multi-purpose electric — 95 tons (86.2 metric tons)
Direct transfer:	Direct to and from truck/rail/vessel
Truck gates:	3
Highway access:	Direct to I-676, I-76, US Rt. 130 & I-295
Rail connections:	CSX, NS, and CP rail systems
Other features:	Full-service facility for all breakbulk and bulk cargoes; bulk cargo storage area with direct rail service; marine-related industrial park services

2013 Annual Report



JOSEPH A. BALZANO MARINE TERMINAL



Location:	Joseph A. Balzano Boulevard, Camden, New Jersey
Specialized cargoes:	Wood products, steel products, cocoa beans, furnace slag, salt, containers, and recycled metals
Other cargoes:	Project and dry bulk cargoes
Terminal area:	122 acres (49.4 ha.)
Berths:	4: 2,655 LF (701 meters)
Depth at MLW:	35 ft. (10.7 m.) to 40 ft. (12.2 m.)
Storage capacity:	21 dry warehouses comprising 1,168,441 SF (108,591 sq. m.)
Heavy lift cranes:	One multi-purpose bulk/container crane, 95 tons (86.2 metric tons); one general purpose cargo/container crane, 35 tons (31.8 metric tons)
Direct transfer:	Direct to and from truck/rail/vessel
Truck gates:	Balzano Boulevard main gate & 6 storage area gates
Highway access:	Direct to I-676, I-76, US Rt. 130 and I-295
Rail connections:	CSX, NS, and CP rail systems with integrated on-dock rail infrastructure
Other features:	Food grade warehousing; all warehouses and sheds served by rail; innovative direct discharge for bulk cargoes; custom cargo carriers for direct discharge to storage; all-weather loading; temperature control warehouse

South Jersey Port Corporation



Opening Soon . . .

PAULSBORO MARINE TERMINAL

Location:	A new omniport on the Delaware River, Paulsboro, New Jersey
Terminal area:	200 acres (80.9 ha.)
Berths:	Phase I: 850 LF marginal berth (244 m.) Phase II: additional 950 LF (290 m.) 500-Linear-Foot barge berth (152 m.)
Depth at MLW:	Deep draft berthing of 40 ft. (13.7 m.)
Truck gates:	One
Highway Access:	Dedicated one-mile access roadway to Interstate 295
Rail connections:	CSX, NS, and CP rail systems with integrated on-dock rail infrastructure

2013 Annual Report

the southern New Jersey peninsula to the national rail mainline at northeast Philadelphia. In the second prong of the strategy, the SJPC is working with the New Jersey Department of Transportation to reconfigure and rebuild a South Jersey rail network to the northern New Jersey/New York rail network. Combined, these projects will give our customers direct and efficient access to the industrial heartland of North America.

GREEN PORT ACTIVITY

Modern ports are Green Ports that have an unflinching commitment to operate in the most environmentally friendly manner possible and to be good citizens in our host communities. Being “green” continues to be a core principle of the SJPC. Our marine terminals thrive in urban centers where the SJPC is a major employer. The SJPC is committed to providing family-sustaining jobs for our community and being a good neighbor in the process. Our Green Port initiatives are indispensable to both. It’s a commitment to port operations that are both efficient and environmentally sound. Neither is exclusive of the other, but rather mutually essential. Maximizing grants from the U.S. Environmental Protection Agency, the SJPC continues to repower its fleet of cargo movers, cranes and vehicles with engines that get better mileage and minimize pollutants. Engines for forklifts and cargo movers have been replaced with cleaner and more energy-efficient engines. In the process, the SJPC has reduced its carbon footprint, reduced its energy costs, and greatly extended the life cycle of its equipment. Our newest crane, located at Broadway Terminal, is fully electric powered, which produces no emissions unlike its diesel-powered predecessors. Our greening also has extended to port beautification and being a good neighbor through the SJPC’s “Green Tree” initiative. At first blush, the tree program would appear to be a program to soften the industrial image of our Camden marine terminals. And it is. But is also a passive air cleansing system and sound dampner. Trees are nature’s air filters. They filter out pollutants and discharge fresh oxygen. They absorb sound and screen and soften the optics. These trees, like an earlier berm planted with grass, trees and bushes between the port and its neighbors, help make the Port a good neighbor.

South Jersey Port Corporation

HIGHLIGHTS OF 2013

PAULSBORO MARINE TERMINAL

During 2013, the Paulsboro Marine Terminal (PMT), the first general cargo port to be constructed on the Delaware River in more than 50 years, continued to evolve from a derelict tank farm on the Delaware River into a modern omniport targeted for operation in early 2016. With the old piers, storage tanks and other useless structures removed, the landscaped sculpted, storm drainage installed and environmental mitigation proceeding on schedule, the construction of an access road and bridge across the Mantua Creek moved forward, as planned.

The access road and bridge, funded by a grant from the State of New Jersey, will connect the new terminal to the interstate highway network within minutes. It will also protect the tranquility of the homes and businesses of the town and enhance the port operations. The limited access road and bridge add an additional layer of security to the port and give shippers a direct link to the nation's industrial heartland. Future cargoes from PMT can reach 100 million consumers throughout the Northeast, Midwest and Canada within 24 hours. Increase that to 48 hours and the range includes half of all heavy industry in the USA and three quarters of the populations of both the United States and Canada.

RAIL DEVELOPMENT

In tandem with developing instant highway access for its customers, the SJPC is replicating at the PMT the dockside intermodal, rail access it has at its other marine terminals. This allows loading and offloading of cargoes directly between ship and train. Once loaded, the trains will access a continually upgraded Class I track network to get to the heartland.

To maximize rail connectivity and efficiency, the SJPC is collaborating with local partners and Conrail who together are working on major rail upgrades throughout southern New Jersey. Funded largely by a federal TIGER III grant, it's a multi-year plan, to improve the rail access to the nation's heartland. It's a modern two-prong strategy that was first noted in Benjamin Franklin's colonial day observation that New Jersey is a keg tapped on both ends—by New York and Philadelphia commerce.

The initial prong of the SJPC's rail strategy targets rail improvements to tracks throughout the South Jersey region and to the Delair Bridge that connects

2013 Annual Report

A WORKFORCE WITH SKILLS FOR TODAY IS THE FOUNDATION OF A SUCCESSFUL PORT.

"You can have the world's best deep-water port, with the best facilities possible, and instant access to highways and rail that, within hours, penetrate the richest markets in the world, but if you don't have the trained, skilled workforce to make it work, your terminal will underperform," Kevin Castagnola, executive director of the SJPC, observed.

"We're not going to allow that to happen at our terminals. Our workforce infrastructure makes the concrete and steel, and all of the machinery and the choreography of a port work successfully. The degree of success depends on how well trained that workforce is. . . and we're making sure we have the best.

"What separates SJPC's terminals from others is the quality, skills and adaptability of our work force. It's an edge that we've honed over the decades through on-the-job training. In today's business environment that's not enough, so the SJPC has formed a consortium to pre-train potential employees with needed skills and also to upgrade the skills of our present workforce."

The South Jersey Port has become a partner in the "South Jersey Port Workers Consortium." It's a job training partnership with Holt Logistics; Delaware River Stevedores; Camden Iron and Metal; Camden County College; New Jersey Collegiate Consortium; and the Camden County Workforce Investment Board.

"These are just the charter members," says Mr. Castagnola. "It's a good start and we expect it to grow with other port-district employers joining." Ports are a very competitive business and are the foundation of local economies. This effort is not just about the jobs at terminals but is also about the jobs in other businesses and industries that are supported by the port.

The consortium will fund its job training through a series of federal and state grants mirroring similar efforts in the manufacturing sector.



South Jersey Port Corporation

A STATE-WIDE ECONOMIC STIMULUS PROGRAM EMPHASIZES GROWTH AT THE SJPC TERMINALS



Signing the Act—New Jersey Governor Chris Christie signs the New Jersey Economic Opportunity Act into law in the presence of the co-sponsors of the legislative act.

New Jersey, the home of the electric light bulb, the transistor, flat screen television and one of the world's most skilled workforces, is serious about attracting job creation ... \$600 million serious. That's the lure of New Jersey Economic Opportunity Act of 2013, a state-wide economic stimulus program with very generous incentives to attract businesses to New Jersey, with a strong emphasis on the terminals of the South Jersey Port Corporation.

The Economic Opportunity Act incentivizes job creation, makes our state more competitive and lets private sector employers know that New Jersey is the place where they should open their doors, according to New Jersey Governor Chris Christie. The new law also builds on the State's commitment to reclaiming New Jersey's cities. It places extra emphasis on spurring development and private sector job growth in "Garden State Growth Zones," identified in the legislation which includes Camden, a host city of two of SJPC's marine terminals. The Act further identifies under the GROWNJ Program, port districts as additional qualified incentive areas which encompass SJPC's port facilities.

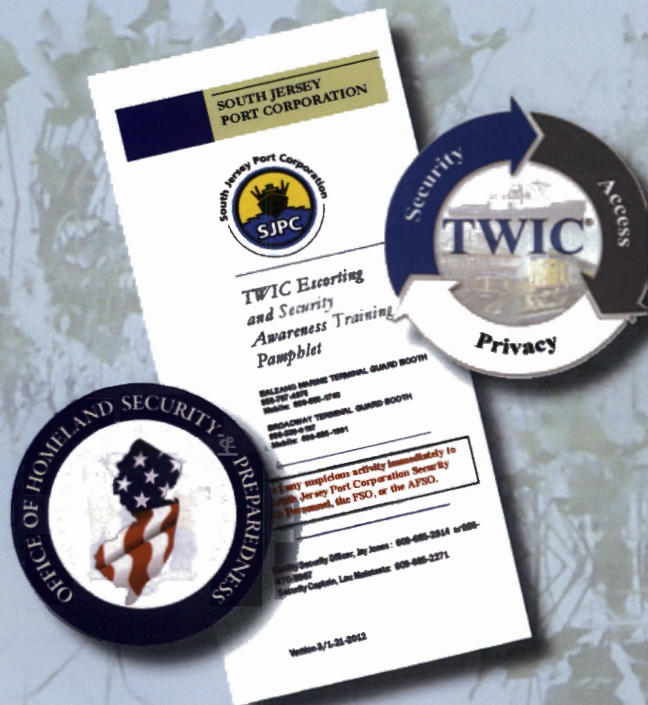
Gov. Christie, along with Senate President Stephen Sweeney and Senator Donald Norcross who represent SJPC host communities, have created what may be New Jersey's most ambitious job-creating incentives with consideration for New Jersey's ports as key areas for significant economic growth, according to SJPC Chairman Richard Alaimo. "They tailored the Act with strong incentives for businesses creating jobs in the eight counties of southern New Jersey, especially in Camden City, Gloucester City and Paulsboro, where ports have long been major contributors to the regional economy."

The new law provides for \$600 million in tax credits and folds five incentive programs into two: "GROW NJ" and "ERGG" (Economic Redevelopment Growth Grant program).

2013 Annual Report

As a result of this original training effort, SJPC arranged through the New Jersey Office of Homeland Security and Preparedness to offer a similar training program entitled, Security Awareness And Vigilance For Everyone (SAVE). The one-day training session provided security personnel with a behavior assessment technique to counter threats and to enhance security measures in a layered defense concept. The training enhances the abilities of security personnel responsible for protecting specific areas by providing behavior assessment screening training.

SJPC also partnered with the state OHSP for three FEMA technical assistance program grants. SJPC sought and received technical assistance to enhance planning and documentation for emergency operations; continuity of operations and evacuation.



South Jersey Port Corporation

SECURITY IS THE HIGHEST PRIORITY OF THE POST 9/11 PORT

In the post 9/11 world, security is the highest priority at all of SJPC's terminals and it is an integral part of our core mission.

Even before the tragedy of 9/11, security was a legacy from the days when the SJPC's marine terminals were the building site of America's mighty naval fleet that helped win World War II. The shipbuilding wharves, piers and slips needed to be protected from foreign sabotage. Those shipbuilding facilities have given way to a modern marine terminal.

Today, threats are far more sophisticated and dangerous. Where in World War II potential casualties at a port facilities could be counted in the hundreds, today's terrorists have visions of sneaking weapons of mass destruction past our borders.

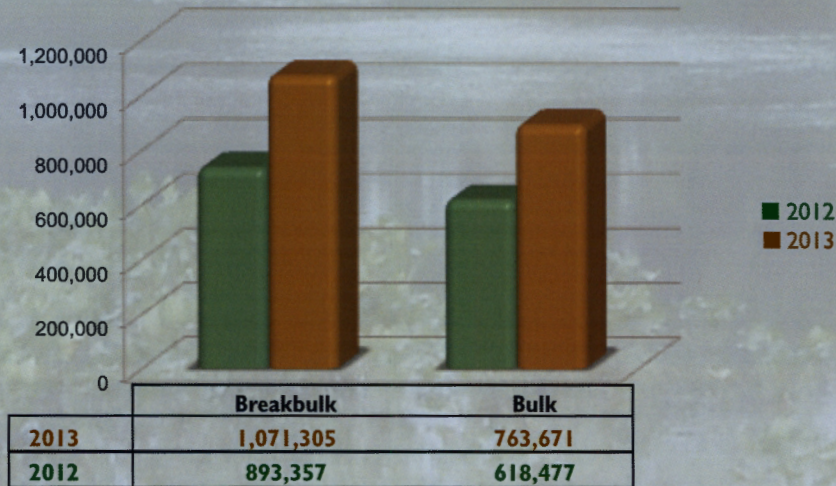
The SJPC takes very seriously its obligations in this security matrix and assigned Deputy Executive Director Jay Jones as its Facilities Security Officer.

Our organization collaborates actively with a number of federal and state agencies to employ effective training and equipment in the on-going efforts to avoid security breaches and potential high risk activities on the port's property.

During 2013, FSO Jones participated in PATRIOT training (the Proactive Terrorist Recognition And Interdiction Operations And Tactics Training System), provided through the New York/New Jersey Port Authority and the New Jersey Office of Homeland Security and Preparedness. The training gives front line workers and managers tools to prevent, rather than respond, potential criminal behaviors.

2013 Annual Report

CARGO TONNAGE BY TYPE



“Winter steel” is a term to describe the import of high quality steel, destined for midwestern manufacturers, that is diverted to alternate ports when the Saint Lawrence Seaway freezes. In recent years, these steel importers have chosen the SJPC’s marine terminals in Camden, New Jersey, as their preferred diversion port.

The SJPC’s deep-water ports and highly efficient terminals with dock-side rail are within a day’s truck haul of the northeast and midwestern industrial base of the United States and eastern Canada. A roll of steel, off-loaded in Camden, can arrive at plants throughout the midwest, eastern Canada and from Montreal to the Carolinas in as little as a half a day.

The SJPC’s terminal personnel have developed an expertise in the safe and careful handling of these very expensive rolls of steel. It is a relationship of mutual confidence between shipper and terminal personnel. With increasingly harsher and longer winters, the SJPC is seeing an ever-growing expansion in “winter steel” tonnage. The number of “winter steel” ships that it is handling is extending past winter into spring. The SJPC expects this trend to continue and hopes to expand the “winter steel” relationship incrementally into the warmer months.

As business grows to pre-recession levels, the SJPC continues to build for the future at its planned new marine terminal at Paulsboro, down the Delaware River, south nine miles from its main docks. At the developing terminal, the access bridge has been completed; final site preparation is nearly done; and bids for the construction of the first phase of an eventual three-berth marginal wharf facility will soon be let.

South Jersey Port Corporation

2013 WAS A PIVOTAL YEAR FOR EXPANSION AND GROWTH AT SJPC

For the South Jersey Port Corporation 2013 was a pivotal year of cargo growth, port expansion and exciting incentives designed to attract business and jobs to its terminals.

With the scourge of the economic downturn now behind it, the SJPC's marine terminals were once again humming with increased cargo tonnage, especially with high quality steel imports. These imports were destined for midwest manufacturers and industries, filling a steadily growing consumer demand for durable goods, from washing machines to cars.

The global recovery—steadily growing although at times sputtering—has taken hold and the SJPC and the State of New Jersey are determined to build on it. To fuel the New Jersey recovery the State of New Jersey is offering \$600 million in incentives aimed towards the SJPC terminals and their host communities in order to attract investment, jobs and job creation.

Governor Chris Christie, who along with Senate President Stephen Sweeney and Senator Donald Norcross (who represent many of SJPC's host communities), crafted New Jersey's most ambitious job-creating incentives ever, The Economic Opportunity Act of 2013. The legislation includes a 10-year tax credit of \$500 to \$5,000 per job created or retained, and enhanced tax credit benefits of up to \$50,000 per new employee or \$25,000 per retained employee per year. Multiplied by the term of the grant, up to 10 years, these incentives result in potential awards of \$150,000/\$75,000 per employee. These are only a few of the incentives being offered through the New Jersey Economic Development Authority, administrators of the program, to grow New Jersey's port assets.

While these incentives are already attracting wide interest from potential tenants, the SJPC has also seen a very promising trend in the growth of "winter steel."

2013 Annual Report

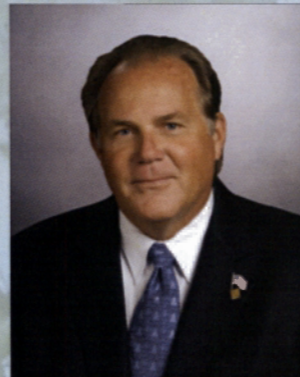
2013 BOARD OF DIRECTORS



Director
Robert A. DeAngelo, Sr.
City of Paulsboro



Director
Jonathan S. Gershen
Mercer County



Director
Craig F. Remington
Camden County



Director
Sheila F. Roberts
City of Camden



Director
Christopher Chianese
Treasurer's Designee



Director Andrew P.
Sidamon-Eristoff
State Treasurer

South Jersey Port Corporation

2013 BOARD OF DIRECTORS



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Richard A. Alaimo
Burlington County



Director
Chad M. Bruner
Gloucester County



Director
Joseph A. Maressa, Jr.
Camden County



Director
Eric E. Martins
Mercer County



Director
Francis X. Smith
Salem County



Director
Rev. Carl E. Styles
Cumberland County

2013 Annual Report



DICK ALAIMO
CHAIRMAN



CHRIS CHRISTIE
GOVERNOR



KIM GUADAGNO
LT. GOVERNOR

TO NEW JERSEY'S GOVERNOR CHRISTIE, LIEUTENANT GOVERNOR GUADAGNO, AND MEMBERS OF THE LEGISLATURE

On behalf of the directors and management of the South Jersey Port Corporation, I am proud to report that 2013, buoyed by a recovering economy, was a good business year for the SJPC.

Our success is the direct result of prudent, cost-cutting actions taken to maintain our fiscal health throughout the business-challenging global recession. A rebound that built slowly in 2011 and 2012 at the SJPC, continued more aggressively in 2013 with a 21 percent increase in tonnage over 2012. Revenues have grown and so have our operational profits.

Business grew in 2013 at such a sustained rate that we have ramped up our workforce from 86 to 100 employees in order to handle the increased cargo. However, we maintain a cautious eye on further right-sizing of staff adjusted by need and revenues.

Overall, the tonnage growth at our marine terminals—especially in imported steel and cement—reflect real, and hopefully sustained, growth of our nation's and region's economy.

It's a growth that the SJPC has been preparing for with the development of the new Paulsboro Marine Terminal (PMT). Site development continued during the year and the construction of an access bridge across the Mantua Creek to the terminal was essentially completed in 2013. We anticipate a pier construction contract to be awarded in late 2014 with operational opening targeted for 2016.

Maximizing access to federal grants, we continue to upgrade freight rail lines throughout Southern New Jersey for more efficient flow of cargoes from our docks to the heartland of the nation and into Canada. With grants from the U.S. Environmental Protection Agency, the SJPC is repowering the motors of its cranes and cargo handling vehicles with more environmentally friendly engines.

With a solid 2013 as a foundation, we look for sustained growth in 2014 as part of a continued growing global economy.

Sincerely,

A handwritten signature in dark ink, appearing to read "Dick Alaimo".



A quasi-state agency with the authority to build and operate marine terminals in the seven southern counties of New Jersey, the South Jersey Port Corporation currently manages and operates two deepwater marine terminals in the City of Camden on the Delaware River and a barge facility on the Salem River, in the City of Salem. SJPC is developing a new omniport, the Paulsboro Marine Terminal in Paulsboro on the Delaware River, which is anticipated to open in 2016. The South Jersey Port Corporation is also the grantee of Foreign Trade Zone #142 in Salem and Millville, New Jersey. An important part of the South Jersey Port Corporation mission is to foster economic development and create jobs in the Delaware River region. For more than 85 years, the South Jersey Port Corporation has been essential to New Jersey and the Delaware Valley regional economy and anticipates playing an increasingly important role in the economic life of the area in the coming years.

(The cover and background photo used throughout this report was taken at the wetlands replacement site at the SJPC's new marine terminal being developed in Paulsboro, New Jersey.)

The complete 2013 SJPC Annual Report can be found in an electronic version on the USB drive attached below or on the SJPC website at www.SouthJerseyPort.com.



South Jersey Port Corporation 2013 Annual Report



Wetlands Replacement Project at SJPC's new Paulsboro Marine Terminal