

SJPC

an agency of the state of



2012

Annual Report





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 2015. 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 80 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.



DICK ALAIMO
CHAIRMAN



CHRIS CHRISTIE
GOVERNOR



KIM GUADAGNO
LT. GOVERNOR

To New Jersey's Governor, Lt. Governor, and Legislators

On behalf of the Board of Directors and staff, I respectfully submit the 2012 Annual Report of the South Jersey Port Corporation (SJPC). I am proud to report that in 2012, the South Jersey Port Corporation continued to make operational profits at its terminals in Camden and Salem while moving forward with the major expansion at Paulsboro and upgrading our current intermodal facilities with unparalleled links to the heartland of North America.

The State of New Jersey supports the SJPC as a job creating economic development tool for southern New Jersey by assuring the region's access to global markets through deep-water ports. Its success has been through a long history of private-public partnerships with its tenants, customers and community and leading the enhancement and expansion of New Jersey's marine-related transportation infrastructure that in turn create thousands of private sector family sustaining jobs, both directly and indirectly.

Through prudent management we right-sized our work force, maximized equipment and facilities and maintained a passionate focus on our customer service. This all requires agility of our management team and work force whose experience and skills morph to meet the specialized needs of our partners. In 2012, we have had a rebound in our core cargoes: steel products, wood products, and general cargo, and maintained our reputation as America's premier plywood and cocoa bean port. We look to 2013 with sustained optimism.

Flexibility. Innovation. Resolve. Prudence. These are all core values of the SJPC. This is what makes the SJPC a service agency of the State.

Respectfully yours,

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

South Jersey Port Corporation
2012 Board of Directors



Chairman
Richard A. Alaimo
Burlington County



Director
Chad M. Bruner
Gloucester County



Director
Robert A. DeAngelo, Sr.
City of Paulsboro



Director
Jonathan S. Gershen
Mercer County



Director
Joseph A. Maressa, Jr.
Camden County



Director
Eric E. Martins
Mercer County



Director
Craig F. Remington
Camden County



Director
Sheila F. Roberts
City of Camden



Director
Francis X. Smith
Salem County



Director
Rev. Carl E. Styles
Cumberland County



Director
Christopher Chianese
Treasurer's Designee



Director Andrew P.
Sidamon-Eristoff
State Treasurer

BOARD OF DIRECTORS

The Board of Directors of the South Jersey Port Corporation is at full membership with five directors from the Camden/Gloucester subdistrict; three directors from the Burlington/Mercer subdistrict; two members from the Cape May/Cumber/Salem subdistrict; and the Treasurer of the State of New Jersey as a permanent ex-officio member. Chairman Alaimo and Director Styles were both reappointed by Governor Christie in 2012.

The Year in Review: Holding to our core values

**INNOVATION.
PERSISTENCE. PRUDENCE.
FLEXIBILITY. RESOLVE.**

These are the core values underpinning the South Port Corporation's 2012 record of successfully navigating the stubborn recession. Now, in the first half of 2013, we are seeing promising signs of a sustainable recovery.

INNOVATION.

It's a practical industrial design and relatively low-tech, but nothing symbolizes South Jersey Port Corporation's continuing success more than a 40-foot, 20-wheel patented cargo carrier. It's the key to how South Jersey Port Corporation's Camden terminals became—and continue to be—the premier cocoa bean ports for the eastern United States. It's a laser focus on customer service that delivers optimal efficiency and lower costs for our customers.

The SJPC-operated marine terminals are ideally located—in the heart of the richest consumer market in the world. Our terminals have dockside rail, transit sheds, more than two million square feet of covered warehousing, modern electric cranes and direct access to the nation's super highway network. These incredible assets are meaningless without effective

It was this type of customer service that crowned the SJPC terminals king of east coast cocoa bean imports and the nation's leading plywood port.

Historically, beans arrive in slings of 25 bags each within the ship's holds. Each sling, unloaded directly to the dock by crane, then required longshoremen to pick up each sling, place it on a pallet and then move it to an on-dock transit shed to await delivery. The rehandling of the slings at shipside, made

The SJPC developed a better method that would take all 400 bags in one movement from shipside to warehouse 300 yards away. The SJPC, working with its cocoa bean warehousemen and the International Longshoremen's Association developed the solution. It's a labor saving, patented flatbed trailer, the "cargo carrier," that ferries an entire crane swing of 400 bags of cocoa beans from the hold of the ship to the warehouse without physically touching the dock. It was a simple, yet revolutionary, idea. It increased efficiency and reduced labor costs. It resulted in a ten-fold increase of cocoa bean imports into the port.

Today tons of cocoa beans, mostly from Africa's Ivory Coast, move through the Camden ports and one million square feet of warehousing. CICT supplies beans to the six major chocolate processors, all within 90 miles of the Camden ports. The processors, in turn, provide the processed bulk chocolate and

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SOLVE. PRUDENCE. FLEXIBILITY. RESOLVE. PRUDENCE

chocolate liquor to the candy makers including Mars and Hershey.

PERSISTENCE.

When Superstorm Sandy, the largest Atlantic hurricane on record, devastated much of New Jersey in October of 2012, it largely spared the SJPC terminals. Operations at the marine terminals of the South Jersey Port Corporation, located inland along the Delaware River that separates New Jersey from Pennsylvania, continued with little interruption except for the half day that the Delaware River was closed for traffic as a precaution. As soon as the Coast Guard re-opened the river to ship traffic, the South Jersey Port Corporation was back in business, along with all of our marine-related tenants and their businesses.

Sadly, much of New Jersey was not as fortunate and a massive rebuilding effort is under way. The \$60 billion rebuilding effort will require hundreds of thousands of tons of construction materials—cement, wood, steel, and concrete—all core cargo commodities that have been a bedrock of the South Jersey Port Corporation. We expect that much of those materials will cross our docks.

While spared Sandy's wrath, since 2007 the SJPC has soldiered through the global recession that in the final quarter of 2012 seemed to be ebbing. Our terminals are beginning to rebound in cargoes that waned under the global recession. Those losses were

RESOLVE.

We are seeing promising signs of a sustainable recovery. Housing prices have risen more rapidly from mid-2012 to mid-2013 than in the past seven years. Standard and Poor's 500-stock index stands solidly at an all-time high. The overall stock market increased in value by 16 percent. Consumer confidence hit its highest level in five years.

Major developers of the off-shore wind energy industry have identified Paulsboro as the preferred port for developing and servicing off-shore wind generation, which could translate into tens of thousands of jobs. Those jobs would be initially in logistical support and servicing of proposed windmill farms off the New Jersey, Maryland, Delaware and New York coasts. As offshore wind farms grow, the logistics, staging and servicing role for our new terminal can expand to manufacturing of turbines, blades and other components with significant increase in the work force. The stakes are huge and so are the rewards in terms of jobs, the economy and the environment.

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FLEXIBILITY.

While the potential of off-shore wind energy is promising, there are numerous regulatory, technical and financial issues to be resolved. Prudently, while moving forward with agreements of understanding and cooperation with the wind energy industry, the SJPC continued to explore additional options for Paulsboro Marine Terminal. More options mean more opportunities for success.

Paulsboro Marine Terminal is located in industry-friendly, land-rich Gloucester County, New Jersey, across the Delaware River from Philadelphia International Airport. The overall construction phases include three additional berths, as well as a barge berth. It will include heavy lift crane, dockside rail and direct access to Interstate 295, placing it within minutes of Philadelphia, two hours of Washington, D.C., and New York City, and accessible to 100 million consumers within 24 hours. This strategic location, as well as SJPC's proficiency in customer service and expertise in handling cargoes (especially specialty cargoes), will serve to establish the Paulsboro facility as one of the most efficient and sought-after marine terminals on the Delaware River.

The SJPC also provides access to Foreign Trade Zone No. 142, giving businesses the advantages of operating within the eastern seaboard's largest concentration of industrial, manufacturing, and agricultural and commercial bases. FTZs offer domestic manufacturers and processors the benefits of duty deferral, duty elimination on water, scrap and yield loss, and relief from inverted tariffs. It allows customers to meet federal and/or local

expanded shipside rail capacity, an enhanced capability to the North America rail network and markets for its customers.

The Delaware River Rail/Port Improvement Project is divided into three components, starting with Conrail's Delair Bridge approach rehabilitation utilizing \$12.5 million of the grant with a \$12.5 million match. The Salem County component is comprised of two projects: the Oldmans Trestle Rail Bridge replacement, at a cost of \$3.5 million including a local match of \$500,000, and the Salem Running Track rehabilitation, at a cost of \$1.55 million and a local match of \$750,000.

The SJPC component is the Paulsboro At-Grade Rail Infrastructure at a cost of \$3.2 million with a local match of \$1 million. This component leverages the ongoing construction of the new Paulsboro Marine Terminal with the rail upgrades are to be completed in 2013. This project will upgrade the line, and build a new two-mile connection to the new docks under construction.

Overall, the grant translates into hundreds of construction jobs and thousands of future long-term jobs. The TIGER grants are designed to augment local investments into the transportation infrastructure to spur economic and job development.

While the \$18.5 million award was welcomed by all the partners, rail improvement is an ongoing, evolving process for Southern New Jersey's rail

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infrastructure. The South Jersey Port Corporation and its partners look forward to future partnerships in seeking additional federal funds to bring the regional freight lines up to the tasks that lie ahead.

IMPROVING.

At SJPC's existing facilities, SJPC staff enhanced its operations and improved its security during 2012. Staff began the work necessary to transition to barcode-scanning cargoes so we can offer our customers enhanced real-time, on-demand cargo data from the moment the cargo arrives at the dock to when it leaves our terminal gates.

Customer service—whether bar codes, specially designed cargo carriers or working with the Seaman's Institute to address the needs of visiting seafarers—is the extra step that brings success. Our on-ongoing program continued to meet and exceed federal security compliances for marine terminals under the Maritime Transportation Security Act provisions. Staff managed a perfect U.S. Coast Guard annual inspection for the Balzano and Broadway Terminals. Our facilities also maintained their Designated Waterfront Facility compliance at the Balzano Marine Terminal, enabling the facility to be certified to receive CDC cargoes.

The State of New Jersey has proven once again that it is stronger than a storm, whether Sandy or an economic one. So, too, is the South Jersey Port Corporation.



JOSEPH A. BALZANO MARINE TERMINAL BROADWAY
PIER 5 SALEM MARINE TERMINAL PAULSBORO
TERMINAL BROADWAY MARINE TERMINAL B



Joseph A. Balzano
Marine Terminal



Broadway Marine Terminal



Salem Marine Terminal



Paulsboro Marine Terminal

2012 Annual Report

WAY MARINE TERMINAL BROADWAY TERMINAL
ARINE TERMINAL JOSEPH A. BALZANO MARINE
ADWAY TERMINAL PIER 5 SALEM BROADWAY

*Facilities
and
Capabilities*

SOUTH

JERSEY



Opening Soon...

PAULSBORO MARINE TERMINAL

A New Omniport On The Delaware River

200 Acres • Planned 2,400-Linear-Foot,

Deep Draft Berthing;

500-Linear-Foot Barge Berth

One-Mile Limited Access Roadway to Interstate

CSX, NS, and CP Rail Systems with Integrated On-Dock Rail Infrastructure



JOSEPH A. BALZANO MARINE TERMINAL

Location:	Joseph A. Balzano Boulevard, Camden, NJ
Specialized cargoes:	Wood products, steel products, cocoa beans, furnace slag, salt, containers, and recycled metals
Other cargoes:	Project and dry bulk cargoes
Area:	122 acres (49.4 ha.)
Berths:	4: 2,655 linear ft. (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 sq. ft. (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
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



BROADWAY TERMINAL

Location:	Broadway at Morgan Boulevard, Camden, NJ
Cargoes:	Petroleum coke, furnace slag, dolomite, other dry bulks, steel products, wood products, minerals, cocoa beans and perishables
Area:	106 acres (42.8 ha.)
Berths:	2: 1,700 linear ft. (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 sq. ft. (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

BROADWAY TERMINAL PIER 5

Owner:	South Jersey Port Corporation
Lessee:	Camden Waterfront LLC
Location:	Port of Camden, Broadway Terminal, 2500 Broadway, Camden, NJ
Specialized cargoes:	Perishables
Terminal area:	28 acres (11.3 ha.)
Number/size of berths:	1 berth: 1,135 linear ft.
Depth at MLW:	35 ft. (10.7 m.)

BROADWAY TERMINAL PIER 5, continued

Storage capacity:	3 temperature-controlled warehouses, 60,000, 75,000, and 53,400 sq. ft. 1 dry - 25,000 sq. ft.
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



SALEM MARINE TERMINAL

Location:	Salem, NJ, 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
Area:	28 acres
Berths:	1: 350 linear ft. (130 ft. sheathed)
Storage capacity:	60,000 sq. ft. of shed and warehouse space
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

South Jersey Port Corporation
Employees in 2012



Executive Director
and CEO
Kevin Castagnola



Deputy
Executive Director
Jay Jones



Treasurer
Pat Abusi



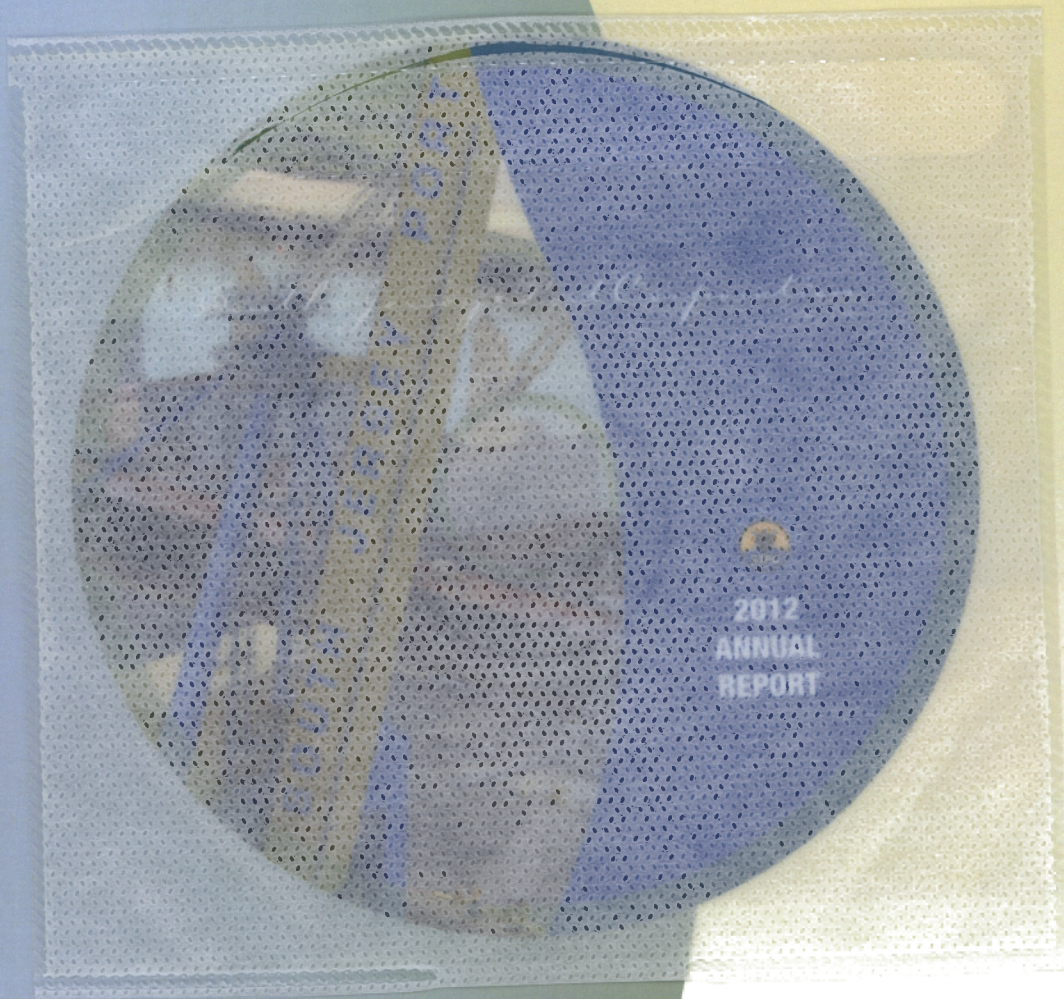
Port Engineer
Henry D'Andrea

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
Albert Celeste
Anthony R. Colavita
Michelino Colavita
Urban Cooper
Kenneth E. Cosby
Wieslaw Czajka

Vincent D'Alessio
Timothy J. D'Amico
George Decker Sr.
Michael B. Dehoff
Michael Deliberis
Joseph P. Deluca
William R. Deluca III
Michael Delvescio
Harry Demiani
Jason M. DeTata
Louis Ditomaso
Athina Efelis
Stephen Endres
Anthony Enos
David A. Farmer
Bobby Farrish
Donell Farrish
Earl Farrish
Edward T. Froman
Raymond Gallagher
Alvin Gindhart

Oanh Glanz
Kevin Greenjack
Patrick J. Haley
Karol R. Hoffman
Robert J. Jack
Thomas Johnson
Pawel Kasprzak
Joseph Knecht
William Kelley
George A. Kuesel III
Herbert Lambert
Michael E. Lang
Edward Loatman
David Lenhart
Louis Malatesta
Panteleimon Mastalos
Rosemarie McBride
Timothy McCarthy
David McGoldrick
Bernadette Meads
William H. Means

Douglas L. Miller
Antonio Pimpinella
Joseph M. Monturano
Frank Nestore
Shawn Norman
Lien Nguyen
Juan A. Pena
Robert W. Purcell
Kenneth Rossi
Ricky Santiago
Shane M. Schooley
Debbi-Anne Silverman
Kevin Stewart
John R. Striewski
Joseph Thomas
Robert J. VanFossen
Michael L. Vindick
Robert A. Weyand Jr.
John Yarnall
Noe Yax-Santos





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