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September 13, 2019

The Honorable Secretary Elaine L. Chao U.S. Department of Transportation 1200 New Jersey Avenue, SE Washington D.C. 20590

Dear Secretary Chao,

This letter is to communicate our support for the Philadelphia Regional Port Authority's (Philaport) 2019 Port Infrastructure Development Program the *Southport Wharf Development and Port Expansion* project.

Our company, DVR Philly, LLC, has a Fifteen (15) year lease with Two (2) extensions of Five (5) years each on 156.5 acres at Southport. Our lease has generated the development of the Auto Port of Philadelphia at Southport. The Auto Port is currently home to Glovis America, Inc, which is the logistics arm of Hyundai and Kia. Currently, over 180,000 cars per year are being processed in the Auto Port of Philadelphia with growth potential to put that number above 300,000 in the future.

Glovis' customers are Original Equipment Manufacturers (OEM's) that ship cars to our facility from other locations. The ships carrying those cars are referred to as Roll On Roll Off vessels (RoRo ships). The RoRo ships berth at either the Packer Avenue Marine Terminal or Pier 122. Due to increased volume in container ships as well as RoRo ships more vessels are calling on Pier 122, which can only accept ships bow first on the south side of the pier. The north side of the pier is not usable for any purpose, especially Roro Ships.

Members of DVR Philly, LLC were the driving force to improve Pier 122 as a temporary solution to a longer term need of a new berth. Prior to June 27, 2017 no ship had called on Pier 122 in approximately 20 years. Thanks to our effort there are now numerous ship calls each month. While that should be viewed as a positive it must also be viewed as a temporary step to a longer-term solution.

The situation at Pier 122 and Packer will have a limiting effect on Glovis' ability to generate additional business from new OEM's. The method of berthing the ships, bow first on a finger pier, adds cost to the operation and causes Philadelphia to be a bit less competitive than other ports such as Baltimore, Wilmington and Newark.

We believe that if awarded this project will have significant benefits. The berths immediate proximity to vehicle and other rolling stock and container operations provide numerous efficiency and logistical benefits. These benefits include placing vehicles at a first point of rest in immediate proximity to the processing center, more efficient berthing operations and reducing transfers between processing centers. Once completed this will enable for more efficient export vehicle opportunities as well as intermodal delivery via rail

Successful development of this project which will represent the first Deepwater berth construction in Philadelphia in almost 50 years. Thank you for your consideration of this application and our allowing us to demonstrate our support. We look forward to working with you to ensure the Port of Philadelphia's continued success.

Sincerely,

John Contrevo

DVR Philly, LLC