Peaks and valleys are commonplace in the history of Virginia’s coal exports. In 2015, export volume continues to decline. 2013 coal exports reached a high of 50 million tons of coal through Virginia's ports, its highest volume since 1991 at 58 million tons. “Hampton Roads is on track this year to lose 8 million tons of export volume, and virtually all of that will come from the pockets of Central Appalachian producers,” said Jim Thompson, Director of IHS Coal. Central Appalachian region has seen significant reductions in coal production: 37 percent since 2011 and 50 percent since 2008. The impacts are being felt along the industry supply chain. Norfolk Southern’s Lamberts Point terminal, one of the world’s largest terminals, showed a 20 percent drop in export coal volumes the first quarter. Alpha Natural Resources operated 145 mines and employed 14,500 in 2011; it has since closed 80 mines, laying off 7,000 employees. An Old Dominion University study estimates that 42 million tons of coal being moved through Virginia’s port terminals generates $900 million in goods and services, creating 4,200 jobs in the Hampton Roads area.

“The change and the challenges the U.S. coal industry has experienced over the last years are greater than any in the past three decades”, Alpha’s Chairman and CEO Kevin Crutchfield said in an August news release. Increasing federal regulations are a major factor in the industries predicament. On August 3, 2015 the EPA announced the Clean Power Plan, setting standards to reduce carbon dioxide emissions by 32 percent from 2005 levels to 2030. Regulations on mercury and air toxin standards have contributed to the retirement of 400 coal-fired plants, with an expected additional 468 plants to retire, as well as an increased abundance of inexpensive natural gas, has shifted power generation in the U.S. In 2010, 47 percent of electricity was generated from coal, a decline to 36.6 percent is expected by 2016. Overseas demand for coal is down, especially in China where steel production has decreased. The price of met coal, used in the production of steel, has dropped 72 percent since 2011.

“There is no doubt more uncertainty ahead, but also transformational opportunity in the coal sector for those who make proactive, strategic decisions,” says Crutchfield. So what proactive and strategic decisions need to be made? What do mining companies and mining dependent companies do to protect their industries?

The following six companies have taken a first step and have been accepted to participate in the first year of the Go Global with Coal & Energy Technology Program: Ceramic Technology Inc., Consolidated Steel, Inc., MineQuest Inc., PBE USA, PEMCO Corporation, and Simmons Equipment Company.

The Go Global with Coal & Energy Technology (GGCET) program, a collaboration of the Governor’s Office, the Virginia Coalfield Economic Development Authority (VCEDA) and the Virginia Economic Development Partnership (VEDP) as a result of the Governor’s 2014 Energy Plan was announced at an event in Bluefield, Virginia. GGCET will give businesses in the Coalfield region an opportunity to export their expertise and products, helping them prosper and create jobs.

“Selling into global markets strengthens Virginia companies,” said Martin Briley, President and CEO, VEDP. “As more and more mining operations are conducted outside of the U.S., Virginia coal and energy technology companies have to look to international markets for growth. VEDP is eager to work with companies in the GGCET program to find new customers around the globe.”

“VCEDA is very excited about the Go Global with Coal and Energy Technology program, which will assist our region’s coal and energy technology companies with support and access to resources to help expand their international sales and markets,” said Ron McCall, Chairman of the VCEDA Board.

For more information on the Go Global with Coal and Energy Technology Program, please contact Diane Thomas, VEDP-Southwest Region DThomas@YesVirginia.org.
VIRGINIA MARITIME ASSOCIATION

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MARITIME BULLETIN is published
12 times a year by
Virginia Maritime Association.
Subscriptions are available through
membership in the Association.

Recipient of Presidential “E” and
“E Star” Awards for Excellence in Export Service
Recipient of ASAE Communication Excellence & Honorable Mention Award

VPA Signs 40 Year Lease of Port of Richmond

On September 14, 2015, Richmond City Council approved a proposal allowing the Virginia Port Authority (VPA) to lease of the Port of Richmond for the next 40 years, the longest term allowable under state law. VPA and the Port of Richmond already have a lease agreement that began in 2011 and expires in 2016.

Cargo volumes at the Port of Richmond have grown year over year under VPA’s management. In 2013, the barge service transported more than 6,400 containers, in 2014 that number increased by 49% transporting 9,500 containers, and in 2015 cargo increased again by 49% and barges transported more than 14,000 containers to and from Richmond. To keep up with the steady volume, the barge service was increased from two trips a week to three trips a week.

Gov. Terry McAuliffe stated, “This is a forward-thinking agreement that allows the Port of Virginia to continue to develop and invest in this important maritime asset while working with the city and state on generating economic development – port users – in and around the Port of Richmond. This strengthens the Port of Virginia network of terminals and will contribute to the New Virginia Economy for the next four decades.”

The Port Authority will replicate the model used at the Virginia Inland Port in Front Royal, where freight containers are transferred between trucks and trains. Approximately $18 million in capital investments are underway or planned at the 120-acre port along the James River. John Reinhart, VPA’s CEO and Executive Director, noted that Richmond will receive between $4 million and $7.2 million over the life of the lease.

Richmond Mayor Dwight C. Jones said the partnership with VPA holds promise for unlocking the value of the Port of Richmond, which is positioned to be one of the greatest economic drivers for the Richmond region.

TEU Volumes Starts FY 2016 on a High Note

July 2015 was the most productive July for TEU cargo volumes in the past decade. It also marks the fifth consecutive month that TEU volumes exceeded 210,000.
CPB Intercepts First-in-Nation Pest at Ports of Virginia

On August 28, U.S. Customs and Border Protection (CBP) agriculture specialists intercepted a wood boring pest found on untreated wooden pallets that traveled to the Port of Virginia from Poland. The U.S. Department of Agriculture (USDA) confirmed the new pest, a bark beetle, scientifically known as Pityophthorus glabratus Eichhoff, is the first of its kind in the United States.

CBP agriculture specialists have extensive training and experience in the biological sciences and agricultural inspection. All infested and contaminated shipments are safeguarded and transferred for appropriate re-export and/or destruction under CBP agriculture specialist supervision, or for treatment in accordance with USDA’s Animal and Plant Health Inspection Service/Plant Protection and Quarantine requirements.

Mark J. Laria, Area Port Director for CBP, noted, “This is another example of our agriculture specialists performing a thorough inspection and finding a new potential threat to the U.S. agriculture industry.” According to the U.S. Forest Services website, as of 2011, 41.7 million acres of western states forests were destroyed due to infestations of other types of bark beetles over the last decade.

The U.S. forest product industry produces $200 billion in annual sales and employs approximately one million workers.

VPA Looks to Outside Group for Efficiency Measures

The Commonwealth Center for Advanced Logistics Systems (CCALS) will be working with the Virginia Port Authority (VPA) to help improve operational efficiencies as cargo volumes continue to grow at the state-run marine terminals. A researcher from the group will be at the Port of Virginia this fall to review vessel berthing and scheduling processes.

CCALS is a collaboration of businesses, government entities, and Virginia universities, including Virginia Commonwealth University, Virginia State University, Longwood University and its affiliated University of Virginia. The mission of the logistics center and its affiliated manufacturing center, CCALS and CCAM, respectively, is to transform logistics and manufacturing by improving the technological, mechanical and human factors that make up those industries systems.

Mark Manasco, the center’s President and Executive Director, noted “the Port is a massively, complex operation with everything from tide and weather that factor into that…and trying to make all of that come together in a very efficient, effective way is a very complex issue.” VPA spokesman Joe Harris, agrees that having an outside perspective is always helpful. “But having a different set of eyes and a different set of thinking and then employing some cutting-edge technology, we think there’s a real opportunity here to find those efficiencies… This project is really aimed at how we can become better at what we do.”

The Port of Virginia is one of the few East Coast ports ready to handle larger vessels that will transit the Panama Canal. “In order to meet these demands now and in the future, we have to pursue every avenue to operate our terminals as efficiently, effectively, and as safely as possible,” stated John Reinhart, VPA’s CEO and Executive Director. “Connecting with the knowledgebase and experience at CCALS is an innovative solution that will help steer our efforts to further refine our berthing and scheduling processes.”

Green Operator Program Relaunched

The Port Authority Virginia (VPA) relaunched its successful 2006 Green Operator Program (GO) in partnership with Virginia Clean Cities. The Program provides funds to replace older vehicles with more emission-efficient engines. GO can provide up to $20,000 toward the purchase of drayage trucks and up to $6,000 towards the cost to install retrofitted devices.

GO was the first voluntary truck replacement program ever developed by a U.S. Port. GO remains the most successful clean-truck program in the country by reducing NOx, CO, VOC, SO2 and PM emissions from trucks servicing the port. The program helped to reduce the Port of Virginia facilities emissions by as much as 25 percent. Currently 400 trucks are in the program, and the goal is to retrofit or replace five percent of the 2,700 trucks servicing the port.

Virginia Clean Cities (VCC) headquartered in Harrisonburg, VA, is a regional nonprofit organization dedicated to advancing energy, economic, and environmental security through petroleum reduction and facilitating increased deployment and use of alternative fuel infrastructure and vehicles. Virginia Clean Cities is a state and federally recognized coalition of stakeholders staffed in partnership with James Madison University.

Virginia Maritime Association members that participate in the GO Program are: C&K Trucking, LLC; CrossGlobe; RJR/Dallas Mavis; Gilco Properties, Inc.; GTL Transport Co., Inc.; Port City Transportation; Total Transportation Services; and Service Transfer.

For more information on the Program, please call the Green Operator Hotline at 804-482-1790. Applications can be submitted via the program website at http://www.greenoperator.org.
### Distribution of Coal Dumpings at Hampton Roads

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Source: Hampton Roads Coal Piers

### Port of Hampton Roads TEU's

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Source: Virginia Port Authority

### Customs Receipts - Virginia Customs District

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Source: U.S. Customs and Border Protection

### Passenger Cruises

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Source: Nautilus

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**I-64 Bottleneck Congestion Getting Uncorked**

Gov. Terry McAuliffe announced on September 8, 2015, that construction began on the first of three segments to widen Interstate 64 from two lanes to three lanes in both directions from the Northern edge of Newport News to Williamsburg.

The Hampton Roads Transportation Planning Organization (HRTPO), identified the widening as one of the region’s top transportation projects. Voting members of the HRTPO include representatives from the Cities of Chesapeake, Hampton, Newport News, Norfolk, Poquoson, Portsmouth, Suffolk, Virginia Beach, and Williamsburg, and the Counties of Gloucester, Isle of Wight, James City, and York, as well as the Virginia Senate, Virginia House of Delegates, Transportation District Commission of Hampton Roads, Williamsburg Area Transit Authority (WATA), the Virginia Department of Transportation (VDOT), Virginia Department of Rail and Public Transportation (DRPT), and the Virginia Port Authority.

From start to finish, the project is estimated to cost $595 million to widen 21 miles of I-64. The Hampton Roads Transportation Accountability Commission (HRTAC) is providing approximately $250 million from the Hampton Roads Transportation Fund to support the first two segments of the project. The balance of the project will be paid with a combination of regional gas and sales taxes, along with federal and state money.

Hampton Roads’ first phase, widening the interstate almost 6 miles between Jefferson Avenue and Yorktown Road is scheduled to be complete by 2017. Work in the median and the sides of the highway to add a 12-foot-wide lane and a 12-foot-wide shoulder in each direction will be done by Lorton-based Shirley Construction Co. Working in this fashion will limit the effects on daily traffic, stated a VDOT news release.

According to Transportation Secretary Aubrey Lane, if the Commonwealth Transportation Board makes financing a priority for widening I-64 from VA199 near Williamsburg to I-295 outside Richmond, that project could be complete by 2019.

During the ceremonial groundbreaking, Gov. McAuliffe stated, “Our dream is coming true…Today is the first step… We are on our way to reducing congestion and delays, improving traffic safety, and providing better access for emergency evacuation on I-64 in the Hampton Roads region.”

**Suez Canal Expansion Project Complete**

It only took one year and $8 billion to complete the expansion of the Suez Canal, dubbed by Egyptians as Egypt’s “gift to the world.” Construction of the second Suez Canal, one of the largest maritime projects, began in August 2014. It is one of the most important waterways in the world, linking the Mediterranean and Red Seas. The Suez Canal is operated by the Suez Canal Authority. The canal itself is 101 miles (163 km) long and 984 feet (300 m) wide. It begins at the Mediterranean Sea at Point Said flows through Ismailia in Egypt, and ends at Suez on the Gulf of Suez.

According to Vice Admiral Mohab Mameesh of the Suez Canal Authority, the goal was to turn the one-way canal into a two-lane highway, increasing the number of ships that can transit the canal daily. Prior to the expansion, approximately 50 ships could move through the canal, after the expansion the canal can support 97 ships daily. Nearly 10% of all global maritime trade passes through the Suez Canal. In 2014, 18,000 ships utilized the canal. Mameesh hopes that number increases to 20,000 ships. Last year the canal earned approximately $5.5 billion in revenue, Egyptian President Abdel Fatah el-Sisi hopes to increase the figure to $13.5 billion by 2023.

The new canal is expected to be the cornerstone of Egypt’s next grand industrial project that will be situated along its shores. The government hopes to create $100 billion in revenue while creating 1 million jobs.

**TCC Receives Grants for Students to Streamline to ODU**

The Office of Naval Research awarded a $495,216 grant to enable Tidewater Community College (TCC) graduates to transfer their associate degree toward a bachelor’s degree at Old Dominion University (ODU) in general engineering technology with an emphasis in mechatronics.

When developed, the program will expand TCC’s Mechatronics program by adding a track for maritime mechatronics, providing business, industry and public sector employers with a larger pool of skilled technicians.

Mechatronics is a multidisciplinary field of engineering that includes a combination of systems engineering, mechanical engineering, electrical engineering, telecommunications engineering, control engineering, and computer engineering. A technician trained in mechatronics has the skills to repair any of these systems.

Initially, the effort will reach out to high school students by introducing them to mechatronics careers through dual enrollment classes. Additionally, an effort will focus on mapping the technical skills needed for maritime mechatronics technicians and engineering technologies.

TCC President Edna V. Baehre-Kolovani is, “thrilled to provide employers with a pipeline of highly-qualified and trained students who are ready to work in this growing industry…and we know that our graduates are landing full-time jobs that enable them to earn a good living.”
The Association In Action

In November all 140 seats in the Virginia General Assembly are up for election. Incumbents and candidates are campaigning, educating themselves, raising funds, and building support so they will be successful on election day. This August was busier than most in terms of the opportunities for VMA to speak with current and future officer holders about the issues facing the port and maritime industry.

VMA participated in the August 6 kick-off meeting by VDOT to set a height for the replacement of the I-64 High Rise Bridge in Chesapeake, VA. The High Rise Bridge is planned to be replaced with a fixed-span bridge as part of the I-64 Widening in Chesapeake between I-464 and Bowers Hill. During preparation of the environment documentation, the bridge height was specifically left as between 95 feet and 135 feet in order to set that value later. The purpose of the meeting was to discuss the project and VDOT’s process for obtaining input from different stakeholders regarding this bridge height.

On August 31, the VMA participated with the Coast Guard, Navy and the Virginia Pilot Association in a meeting to discuss and sign-off on updated business rules for Department of Defense High Value Unit (HVU) escorts. All parties agreed to this set of rules to be followed for coordinating aircraft carrier, submarine, and any other HVU transits requiring protective zones and waterway restrictions.

Committee Update

CARGO OWNERS COMMITTEE (Aug. 5): Recognizing improvement, productivity levels at the container terminals remained the focus of attention for the committee’s importers & exporters. The Virginia Port Authority (VPA) offered an overview of steps taken to increase throughput and other measures and capital investments underway for continuous improvement. Among other topics discussed was the prospects for an extension of the labor agreement between waterfront employers and the International Longshoremen’s Association.

INLAND TRANSPORTATION COMMITTEE (Aug. 6): Motor carrier members were provided an overview of the VPA’s Green Operator Program. The program provides independent operators and fleet owners the opportunity to apply for up to $20,000 toward a newer truck or up to $6,000 toward a retrofit to reduce air pollution and greenhouse gases associated with the transport of cargo. An extensive discussion took place with VPA employees about operations and personnel changes made to improve trucking operations at the container terminals.

EDUCATION & TRAINING COMMITTEE (Aug 6): The focus of the meeting was the preparation and plans for conducting a survey on training needs that would boost employment levels for workers in logistics positions.

TOWING & BARGE OPERATORS COMMITTEE (Aug. 12): In addition to updates on regular agenda items, other topics included legislation that would amend the Jones Act, updates related to ballast water treatment systems, and VDOT’s proposals for replacement of the I-64 High Rise Bridge.

COMMUNICATIONS & OUTREACH COMMITTEE (Aug. 18): Addressing the association’s future branding needs, following months of review and consideration, the committee selected a new VMA logo and moniker for recommendation to the Board of Directors. The committee also discussed the status and next steps for the ongoing economic impact analysis of the maritime industry and communication priorities for business, community, and elected leaders.

COMMERCE DEVELOPMENT COMMITTEE (Aug. 20): The committee participated in a webinar to better understand and consider a potential new VMA member service producing trade data reports for association members. Near final changes were made to the draft of a marketing tri-fold. It will be distributed to VMA member companies and all economic development groups to assist in marketing all aspects of Virginia’s ports. The committee discussed promotion of the Virginia International Trade Alliance (VITAL) program.

JOINT COMMITTEES (Aug. 25): The Steamship Trade Committee, Terminal Operators Committee, and the Towing & Barge Operators Committee met jointly with VDOT regarding plans for replacement of the I-64 High Rise Bridge across the Southern Branch of the Elizabeth River. VDOT discussed the project and obtained input from commercial navigational and land use stakeholders regarding the bridge height, horizontal clearance, and fendering construction.

STEAMSHIP TRADE COMMITTEE (Aug. 28): The committee received information from Virginia International Terminals about planned tariff changes to be effective October 1, 2015. Other agenda items included Navy aircraft carrier movements and the impacts on commercial sailings, the height requirements for replacement of the I-64 High Rise Bridge, and bridge openings at the James River Bridge.
NEW MEMBERS

BENNETT AND ZYDRON, P.C.
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Mr. John E. (Eddie) Zydron
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website: www.southernstate.com

ADDITIONAL REPRESENTATIVES

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Sales Consultant
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website www.papco.com

Membership Roster Updates

The Virginia Maritime Association’s 2015-2016 Membership Roster was recently mailed to VMA members. In the interim of updating and printing the Roster, some member information was changed or incorrectly published. Therefore, in our desire to provide the most current membership contact information, we have included a list of those changes. Please note, our website www.VAMaritime.com (membership tab) always has the most up-to-date membership contact information, as well as membership resources. If you have not received your Membership Roster or have a correction to your listing, please contact Susan Wisniewski at 757-628-2661.

(Pg. 28) Crenshaw, Ware & Martin
Name correction: Mr. David F. Hartnett

(Pg 36) Hampton Roads Port Services
Phone number correction: 757-575-5231

(Pg 43) LBH USA
New Address:
3888 S. Sherwood Forest Road
Baton Rouge, LA 70816
Phone: 222-802-9693

(Pg. 52) Orange Peel Transportation
New Address:
2568 Precision Drive (23454)

(Pg 58) Suffolk Solutions
New Address for Mr. Brian Arndt
11504 Thamsford Court
Richmond, VA 23233

(Pg 59) Tecnico
Phone number correction: 757-545-4013

(Pg 61) Troutman Sanders
New Address for Mr. B. Jason Barlow and
Mr. John E. Holloway
222 Central Park Avenue, Suite 2000
Virginia Beach, VA 23462
Club Contacts

- Customs Brokers & Int’l Freight Forwarders Assn.
  CONTACT: Val Sutton • 853-1940

- Hampton Roads Coal Association
  CONTACT: Joe DeMatteo • 928-1520

- Hampton Roads Global Commerce Council
  CONTACT: Peter Trocchiano • 201-9796
  www.hrgcc.org

- Hampton Roads Traffic Club
  CONTACT: Michael Hirsch • 485-4799
  www.HamptonRoadsTrafficClub.org

- ODU Maritime Institute Speaker Series
  CONTACT: Sara Russell • 683-3964

- Organization for Women in Int’l Trade (OWIT)
  CONTACT: Sara Russell • 683-3964

- Propeller Club - Port of Norfolk
  CONTACT: Camille Cherry • 397-1131
  www.PropellerClubNorfolk.org

- Tidewater Motor Truck Association
  CONTACT: Frank Borum • 494-0276
  Ed O’Callaghan • 450-8484
  Nicole Sapienza • 810-1047

- Virginia Ship Repair Association
  CONTACT: Sylvia Bell • 233-7034
  www.VirginiaShipRepair.org

ANOTHER MEMBERS

PLATINUM ANCHORS:

- Branscome Infrastructure Group
- Coastal Services
- CSX
- Towne Bank
- Towne Insurance
- THE PORT OF VIRGINIA

GOLDEN ANCHORS:

- Bay Diesel & Generator
- CV International, Inc.
- T. Parker Host, Inc.
- Vandeventer Black LLP
- Virginia Economic Development Partnership
- Virginia Pilot Association

SILVER ANCHORS:

- Bennett and Zydron, P.C.
- CBRE | Hampton Roads
- Great Lakes Dredge & Dock Co.
- SunTrust Bank
- Tecnico Corporation
- VHB, Inc.
- Wells Fargo Bank

Virginia Maritime Association Membership Breakfast

“The Global Marketplace and the New Virginia Economy

Presented By:

THE HONORABLE MAURICE JONES
Secretary of Commerce and Trade

October 20, 2015
Registration 7:15 AM;
Breakfast Served 7:30 AM
Norfolk Yacht & Country Club

Upcoming maritime events are listed on VAMaritime.com/events
5 reasons to work with AXA Equitable’s Retirement Gateway® for 401(k) Plan

AXA Equitable’s Retirement Gateway® group variable annuity for 401(k) plans was designed specifically to help your members and employees with retirement planning. The plan, available only to Virginia Maritime Association members, can help you lower your retirement plan costs, reduce your fiduciary responsibilities, and simplify the process of maintaining a retirement plan. In these tough times, you can offer your organization’s staff and employees a valuable benefit while actually saving time and money for the organization.

Here are the five reasons you should consider working with AXA Equitable and offering the Retirement Gateway® 401(k) Plan to your staff and employees:

1. Potentially Save Money for Your Association and Your Employees

Retirement plan costs are generally higher for small plans than they are for large plans. With Retirement Gateway®, you get the advantages of economy of scale as well as customized pricing structure.

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Charges are as of August 04, 2015 and subject to change due to participation. Please speak with your financial professional for the complete pricing structure for your plan.

2. Addressing Your Fiduciary Responsibilities

Virginia Maritime Association members can substantially reduce and limit their ongoing fiduciary responsibilities. With Wilshire® 3(21) Fiduciary Service, Wilshire® Associates, Inc., a third-party investment advisor, acts as the plan’s investment co-fiduciary and performs the following fiduciary functions on behalf of your organizations:

- Plan investment asset class and fund selection
- Ongoing plan investment monitoring
- Execution of plan investment changes

Variable Annuities: Are Not a Deposit of Any Bank; Are Not FDIC Insured; Are Not Insured by Any Federal Government Agency; Are Not Guaranteed by Any Bank or Savings Association; May Go Down in Value

AXA Equitable Life Insurance Company (NY, NY)
3. Save Time and Money by Transitioning to the Retirement Gateway® for 401(k) Plans!

Member organizations with existing 401(k) plans can expect a seamless transition to Retirement Gateway® with ongoing support from AXA Equitable's:

- Plan Implementation Team
- Education Specialists
- Retirement Plan Account Manager

Please note: You should take all advantages and disadvantages into account before deciding to transition to a new 401(k) funding product.

4. Easier and More Convenient Than Running Your Own Plan

You can use the 401(k) plan to offer your associates value-added plan features, such as:

- Roth 401(k) feature
- Loan availability
- Individually directed brokerage accounts — access to mutual funds, stocks, bonds, exchange-traded funds (ETFs) and others
- NowPlan® Employee Education Program
- SmartPlan Online Enrollment and Education

5. Experience

AXA Equitable is one of the nation's leading providers of annuities and life insurance. Equally important, our continued alliance with governmental entities — including police and sheriff departments, correctional facilities and other municipalities — gives us an in-depth understanding of the retirement issues you and your associates may face.

Get started today! Call James Blassingham, Capital Financial Group, at (757) 461-2210 and find out more about how members can save toward retirement.