



BITZER Scroll, Inc.

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22-Apr-2016

Mr. Zelko Kirincich, Executive Director and CEO
Port of Oswego Authority
1 East Second Street,
Oswego, New York, 13126.

Dear Mr. Kirincich,

I am writing to you on behalf of our company BITZER Scroll Inc., and in support of a proposed Inland port for the Central New York area. Our company, based in Sindelfingen, Germany is the largest independent supplier of refrigerant compressors for the Heating, Air conditioning and Refrigeration (HVAC&R) industry. Our Syracuse, NY location is the Global Design and Manufacturing Center for Scroll type compressors. We have significant business in the USA and globally, with just over 50% of our production being exported around the world.

An Inland port would be a big benefit to both the remaining manufacturing businesses in the CNY area, and us. As our domestic OEM customers and component suppliers continue to move to low cost areas, efficient logistics are critically important for businesses that want to remain in this area. Our company was attracted to the area due to the availability of skilled engineering talent in the HVAC&R fields and the availability of skilled workers in precision metal working and machining. The proximity of engineering and manufacturing in the same location is a significant benefit to our speed to market and responsiveness, but is threatened by the loss of manufacturing infrastructure in the region.

Currently we receive some component parts from foreign sources and the parent company factories in Germany via sea freight through the Port of NY/NJ. However, nearly all our exports are through the same facility. In addition to the societal benefits of reducing trucking congestion on NY roadways and reduced truck pollution, we expect the Inland port would specifically benefit our operations.

- Shorter lead times to secure shipping containers
- Less re-scheduling of pick-ups due to lack of chassis in NY/NJ on the day they are needed
- More reliable scheduling, as NY/NJ shipments mean long dead haul to Syracuse that can be affected by driver availability, truck breakdowns, weather delays, road construction delays, etc...
- We would expect that for a modest increase in transit time, the inland rail movement to the port would be much less expensive and make our products more competitive to international customers.
- A well running inland port opens the possibility of greater logistical synergies with our operations in Oakwood, GA., where consolidated shipments from our European sources could further reduce costs and reduce damage caused by cross-docking of LCL shipments.

I am hopeful that your efforts along with the support of Centerstate CEO are successful in realizing this critical project for Central NY.

Sincerely,

A handwritten signature in blue ink, appearing to read "James Cullen", written over a horizontal line. The signature is stylized and cursive.

James Cullen
Director, Scroll Product Management