Port Selection Criteria

Port Criteria: Facility

1. Facility Criteria
   - Draft
   - Size of Terminal
   - Type of Facility
   - Cranes Available: Adequate Capacity
   - Specialty Services: OOG, Reefer, Hazardous
   - Expansion Capabilities
   - Infrastructure Support: Rail /Truck Access (on dock with storage)
   - Chassis: Availability, Storage and Pool Options
   - Security/Environmental Policy

Port Criteria: Operations

2. Operating Criteria (Cost/Productivity)
   - Berth Guarantee
   - Total Terminal Throughput
   - Crane Speed and Capacity
   - Productivity Guarantee
   - Gate Turn Times and Gate Operations Flexibility
   - Hours of Operation (PIERPASS)
   - Reduced Equipment Dwell Times
   - Demurrage
   - State-of-the-art Yard Equipment
   - Labor Environment, Work Rules (Flexible Shift Starts)
   - U.S. Customs and Agriculture Holds
   - EDI/Use of Technology (OCR/RFID/EDI)
   - Supply and cost of pilots and tug assistance

Port Criteria: Access

3. Access to Regional Metropolitan Markets

- Population Growth
- Port Capacity
- Infrastructure Capacity
- Seamless Handoffs

CONCERNS: Partnership

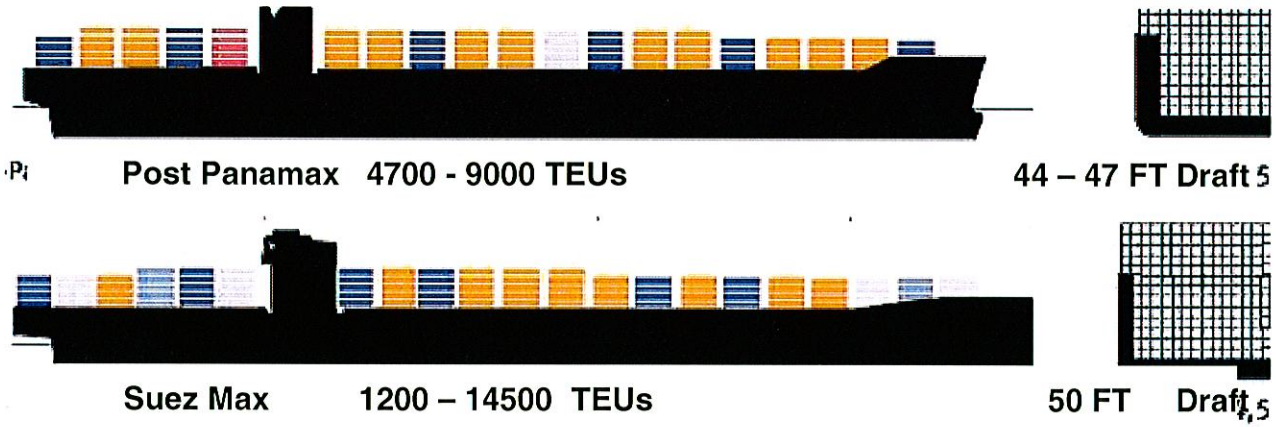
- Port Authorities
- Terminals
- Customers

➢ **Need better coordination and communication to form effective partnership**

CONCERNS: Draft

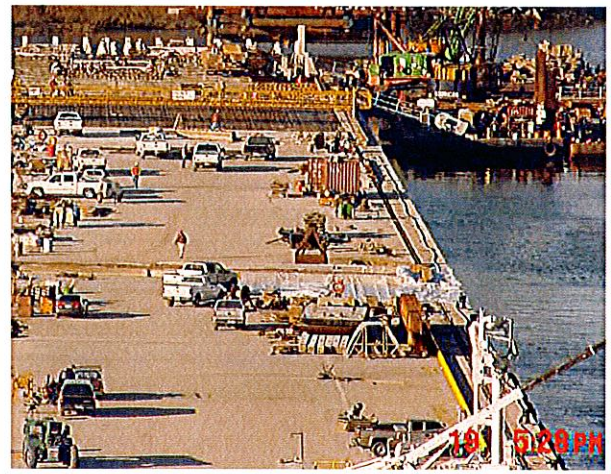
- Deep Water Draft is necessary to support new all-water services
- Requires public and private funding

➢ **Deeper channel is required to accommodate the larger super post-Panamax vessels**



CONCERNS: Expansion Capabilities

- Negatively impacted during recent growth spurt
  - Problems at the gate
  - Labor Shortage
  - Not enough equipment:
    - gantry cranes,
    - top handles, etc.



➢ **Is there sufficient investment to support the emerging growth while expansion plans are implemented?**

CMA CGM CONCERNS: Infrastructure Support

- On-Dock Rail Capabilities
  - Ideally need two Class 1 Railroads
- Good Interstate Highway Connection

➢ **The right infrastructure is the ideal cost and service solution to manage growth and constrained terminal capacity while meeting customer needs.**

CMA CGM CONCERNS: EDI/Use of Technology

- Technology can be applied to increase capacity:
  - In the vessel operation:
    - Crane speed and capacity – dual/tandem hoist
  - In the yard and on-dock rail operations:
    - Rail mounted gantry's (faster, safer, denser, electric, non-polluting)
    - In-motion scales/ portal systems
    - GPS on handling equipment

CONCERNS: EDI/Use of Technology

- In the Gate process:
  - Implement OCR and RFID
  - Appointment systems (integrated with yard planning)
  - PIERPASS Creativity

- By the fast and accurate exchange of data between all key stakeholders:
  - Ports, Carriers, Rail, Truck, US Customs, FDA, and Customers

➢ **Technology is an essential solution to effectively and efficiently manage growth and infrastructure constraints.**

Security Requirements

- Establish response and recovery plans
- Mandate and conduct annual exercises that test the quality of each port's response and recovery plans.
- Adopt federal legislation requiring Coast Guard Captain of the Port to implement a comprehensive risk-management plan
- Legislate for presidential appointment: National Port & Cargo Security Director
- Push for improved technology on cargo screening

Responsibility to the Environment

- Establish an environmental management system
- Conserve energy
- Recycle office and other wastes
- Participate in a ballast water initiative
- Form a voluntary green practices task force
- Conduct environmental training for on-port businesses
- Utilize alternatively-fueled vehicles for cleaner air

➢ **Ports must be proactive in protecting water, land, air, and natural resources for generations to enjoy and utilize.**

Challenges

Challenges

- World's trade with North America continues to grow.
- Ports have limited physical capacity to expand.
- Vessel size continues to increase. Must manage the growth of increased all-water service to East Coast
- Rail and road infrastructures reaching limits.
- Local communities concern over environmental issues.
- 2010: Existing capacity could be exceeded
  Projected capacity shortfall of 4.1 M TEU

➢ **Equals *1,000 additional acres* of required new container terminals at today's average productivity levels**

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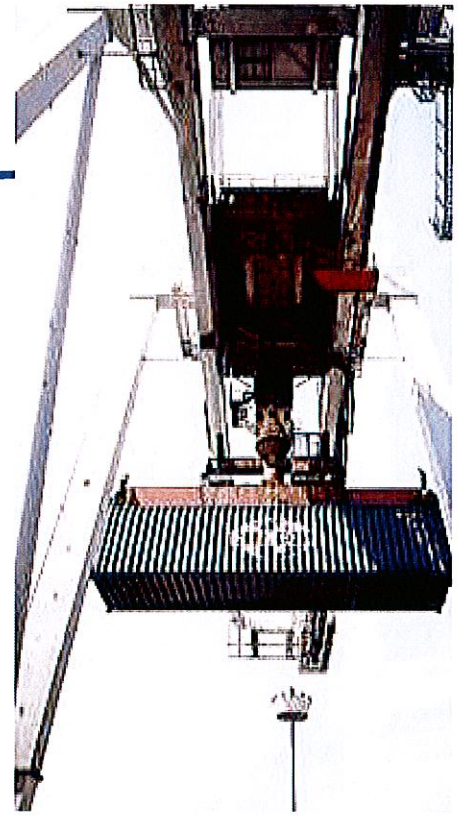
Solutions

Solutions



- Build more terminals
- Increase throughput through existing terminals:
  - Introduce new technology in vessel / yards / gate operations.
  - Reduce equipment dwell times.
  - Store / dispatch empties off-dock.
  - Rail "shuttles" to inland CY yards.
  - Move chassis out of terminals (global model).
  - Increase storage density.
  - Expand gate operations (PierPass model).
  - Reduce environmental impacts – electrify.

➢ **Communicate with all key stakeholders to apply creative solutions, reduce costs, and deliver customer satisfaction.**

Thank you

CMA CGM

MEETING FUTURE INFRASTRUCTURE NEEDS

WATERSIDE AND TERMINAL

IAN CAIRNS