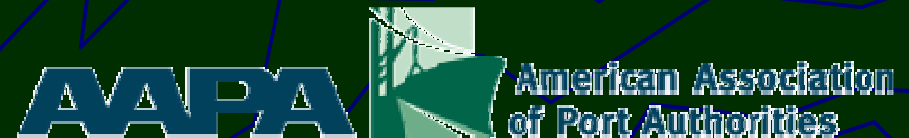


Special Seminar

Members of Port Authority Governing Boards and Commissions

Boston May 19-21, 2009



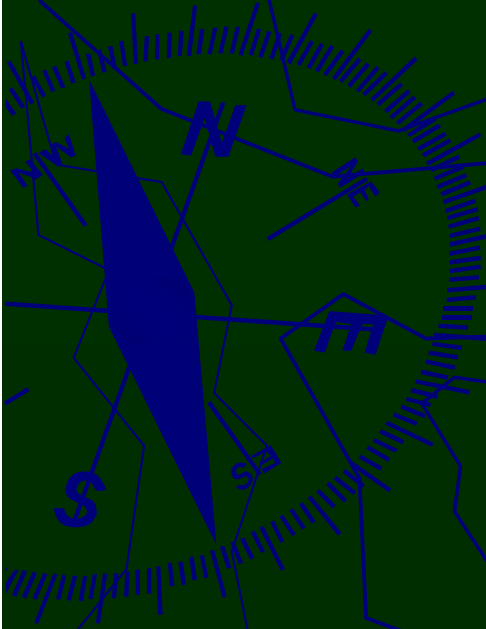
Alliance of the Ports of Canada, the Caribbean, Latin America and the United States

Good Governance,

Good Management,

and Public Support

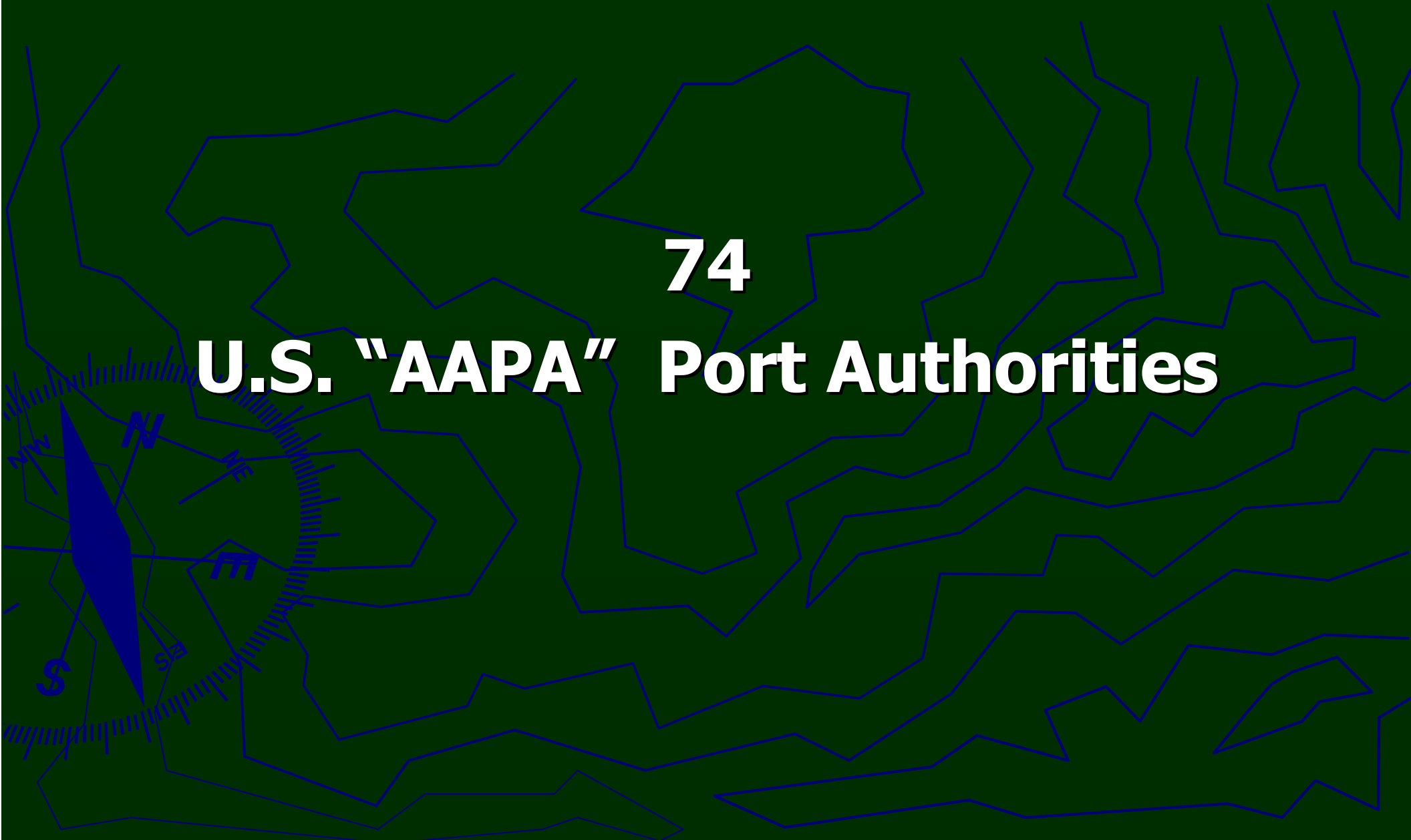
Equal Great Results !



The U.S. Port Authority “Industry”

74

U.S. “AAPA” Port Authorities



The Port Authority "Industry"

74

U.S. "AAPA" Port Authorities

479

Board Member Positions



The Port Authority "Industry"

479

Board Member Positions

46 Boards --Appointed

27 Boards---By Public Election

The Port Authority "Industry"

Total Operating Revenues

\$4.1 Billion

Public Port Authority Employees

13,200



The Port Authority "Industry"

Total Operating Revenues

\$4.1 Billion

Long Beach and Los Angeles

17.7 %






The Ghostly Shadows

Of

“Economic” Context



**Governance And Management
Challenged At Your Port ?**

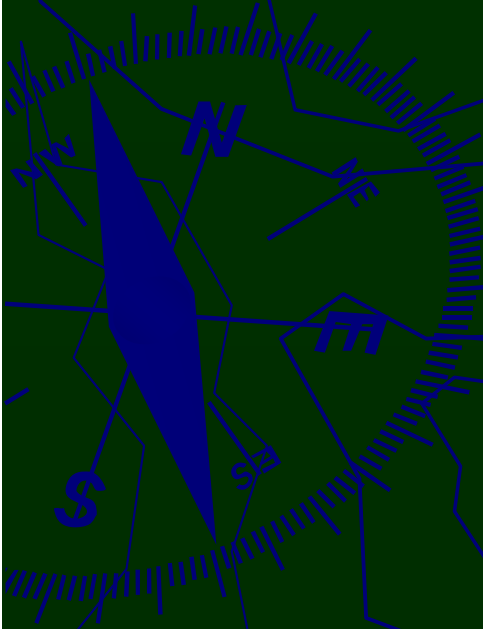
**Efficacy of Planning, Marketing,
Lease Structures.**

Tests and Tune-ups

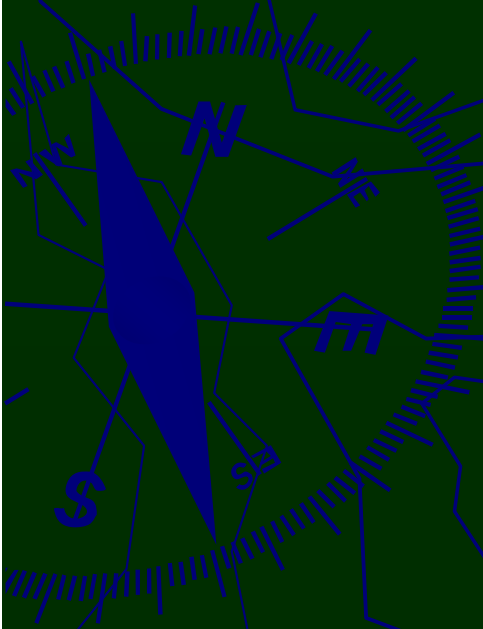
Lexicon

Of

“New Normalcy”



“Recessed”



"Recessed"

Relatively mild condition of discontent, ennui or disillusion triggered by job loss, portfolio plundering, or home value decline.

Not as serious as the experience of being depressed.



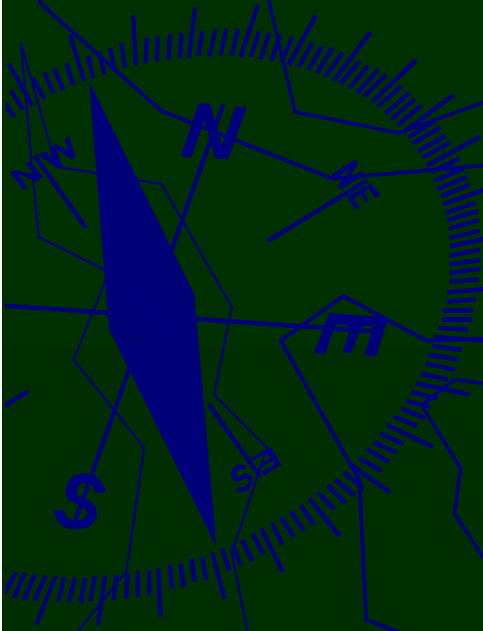
"Slayoff"



“Slayoff”

A particularly cold-blooded method of laying off employees, such as breaking the news on a company blog, leaving a note in an employee's chair, dispatching a mass email, or sending a certified letter to a worker's home.

“Recession Hacking”





“Recession Hacking”

Finding and using smart strategies and ideas for dealing with the downturn

A dark green background featuring a blue topographic map with contour lines. In the lower-left corner, there is a blue compass rose with a needle pointing towards the top-left. The text is overlaid on the map.

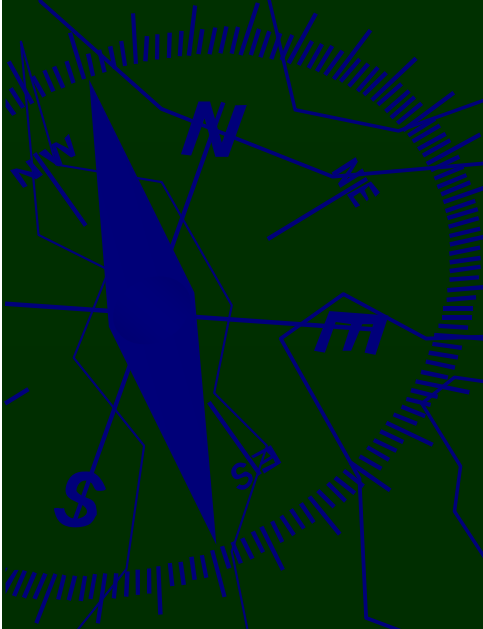
“Shovel Ready”

“Stress tests”

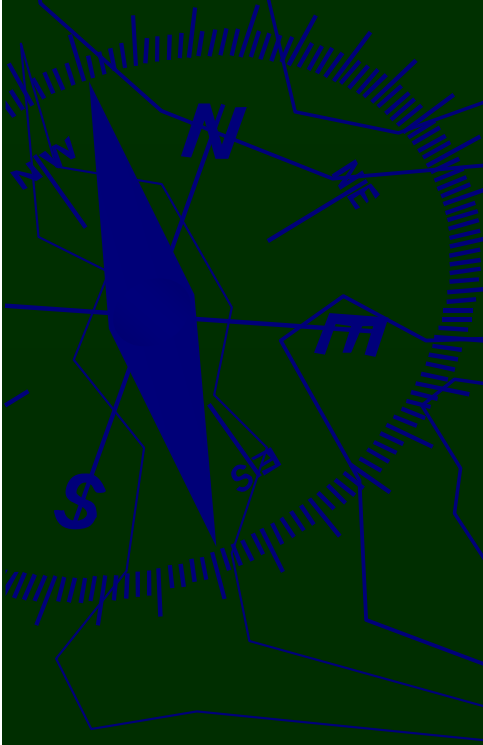
“Re-Purposing”

“Good Banks”

“Bad Banks”



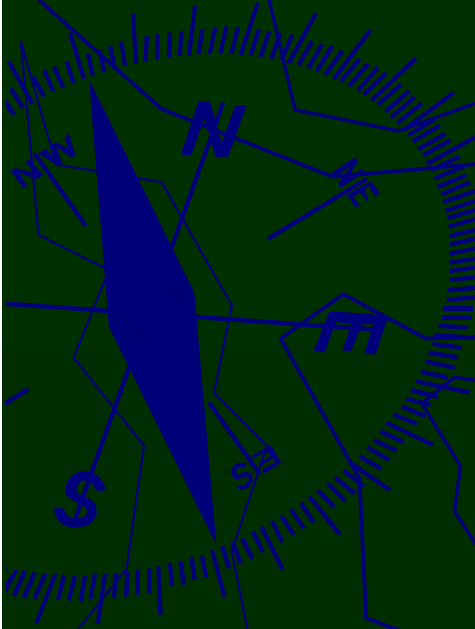
“Zombie Banks”



“Zombie Banks”

**A bank that really should have gone bust
but it's being kept alive by government guarantees
in the form of bailout money.....**

(Dead....but still Alive.)





bankster

crecession

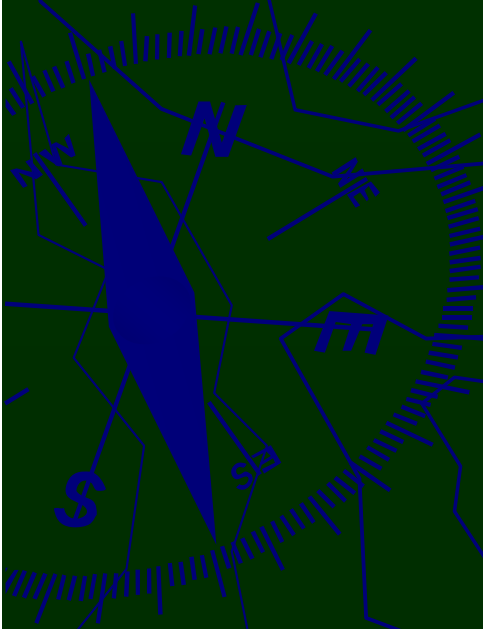
furcaction
staycation

porkulus

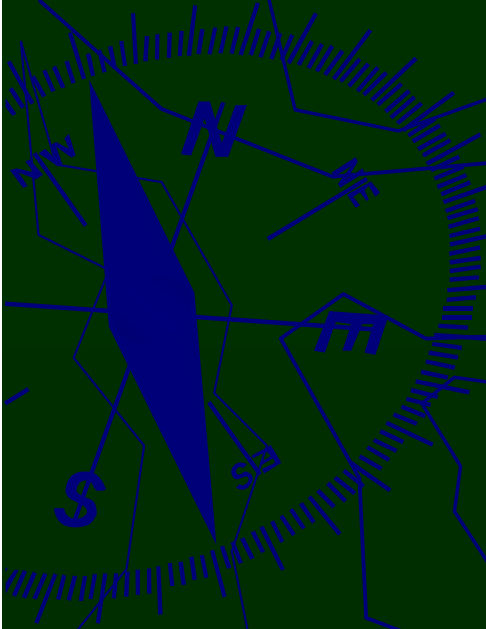
"Less Bad"

is now the *new*

"Pretty Good."



"TIGER"



"TIGER"

Transportation Investment Generating Economic Recovery

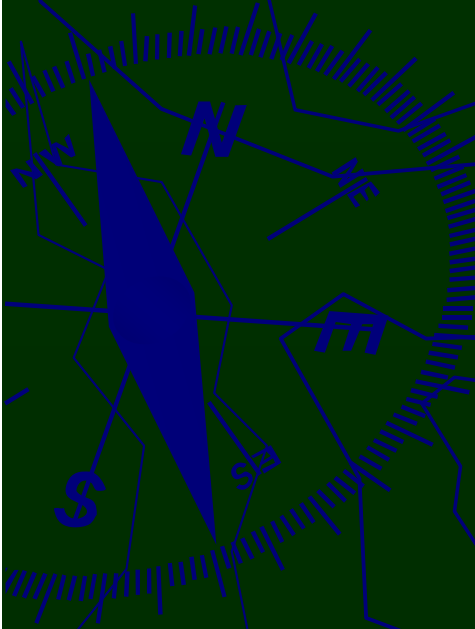
(a contrived acronym from the
Department of Transportation);

New transportation projects will be
stamped with the TIGER logo



“Furloughs”

“Stimulus”

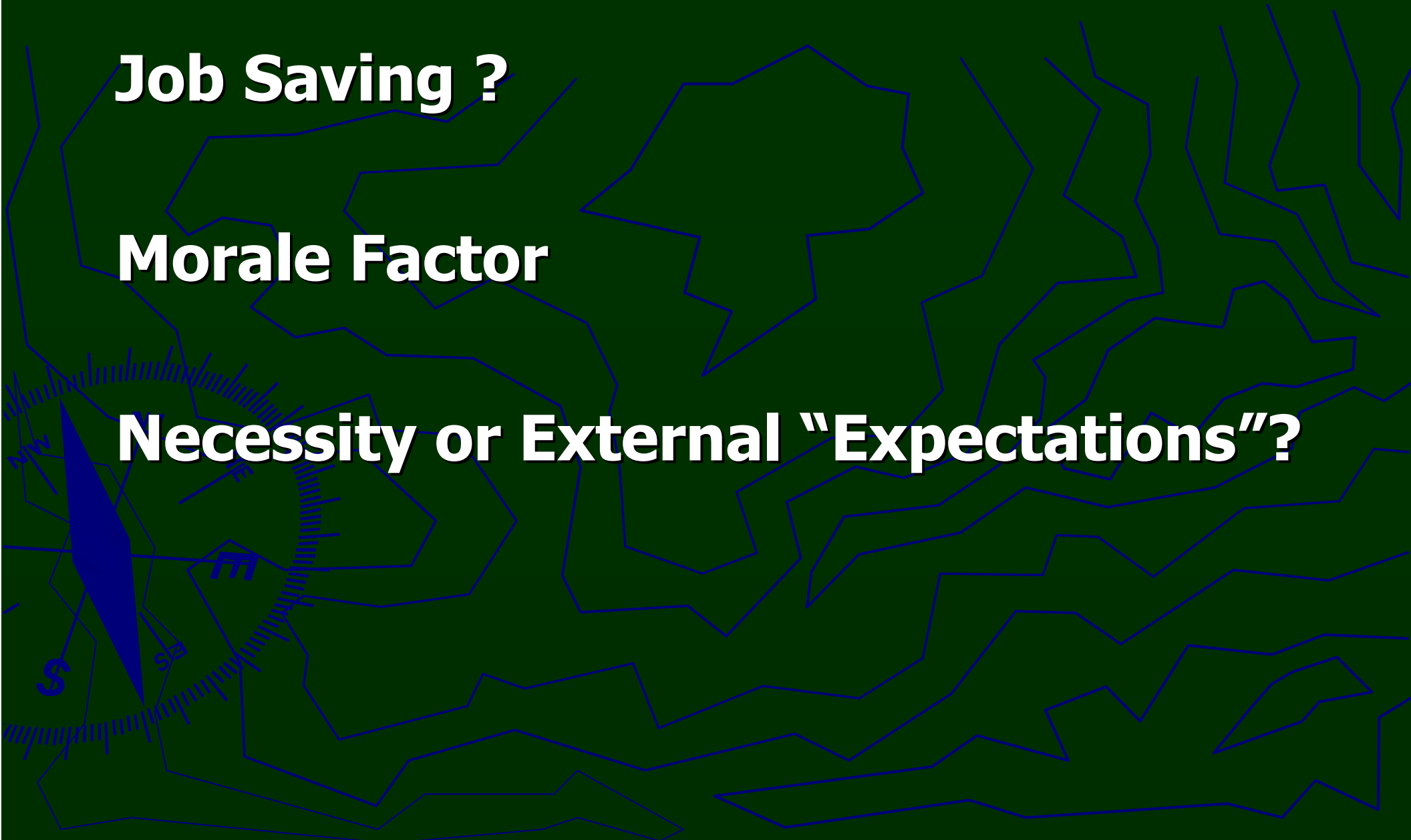


"Furloughs"

Job Saving ?

Morale Factor

Necessity or External "Expectations"?



"Stimulus"

Economic Stimulation

Then What?

Investments - Operations

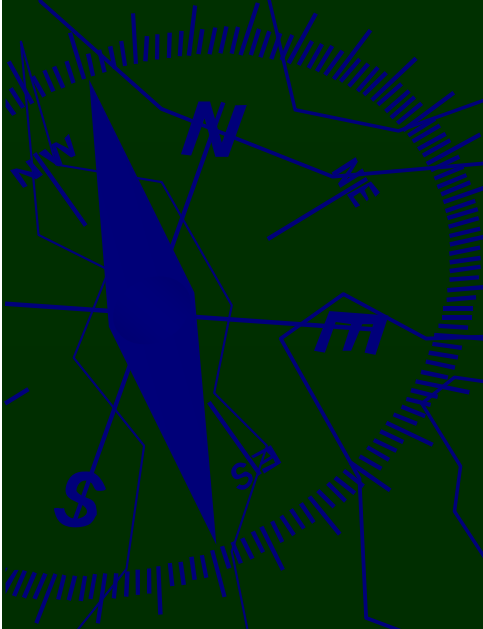
Windfall --- Recurring

Quick Sand.... or Gold Mine ?

“Stimulus”

Competitive Relationships

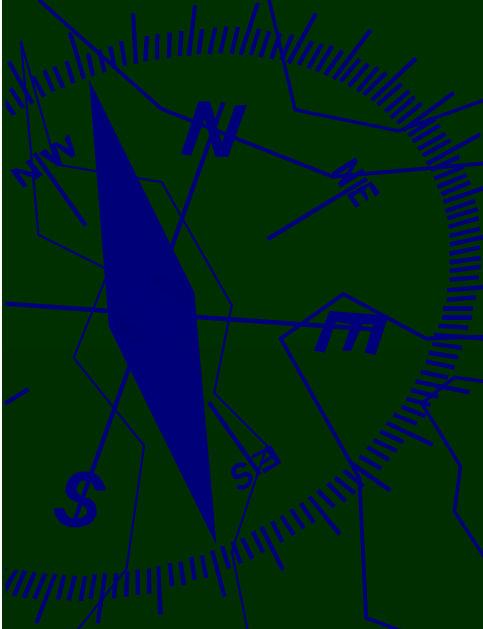
Among Ports ?



“Stimulus”

Competitive Relationship Among Ports ?

**Depends Upon Constancy
of the Federal Role**



Ports and Port Authorities

**Problems
Solutions**

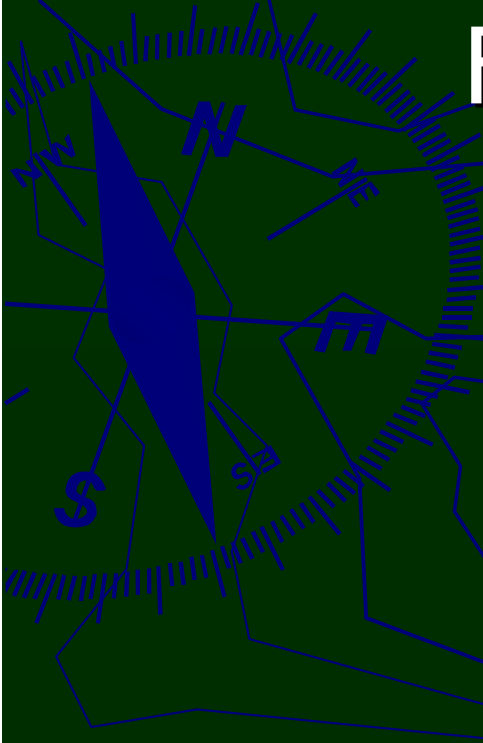
Reminder of The Role of Ports

'Bigger Than We Are'



Answer:

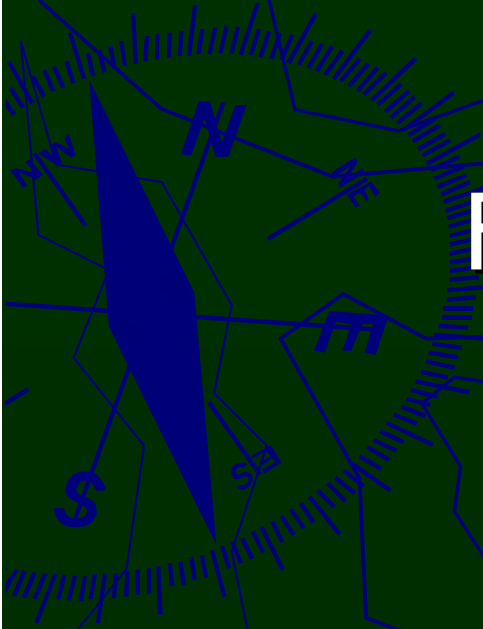
Will Likely Decline in 2009—
For First Time Since 2001



WORLD TRADE

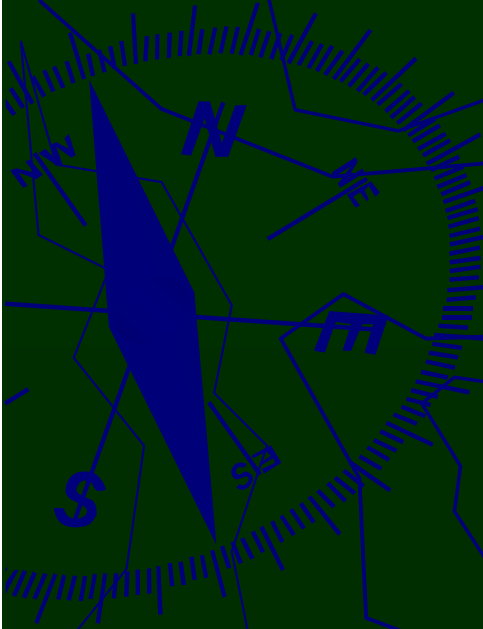
Will Likely Decline in 2009—

For First Time Since 2001



Answer:

Slightly More Than 50 per cent



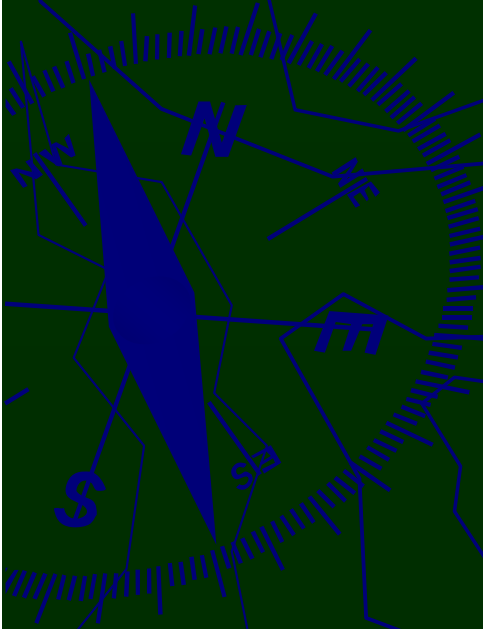
The background features a dark green map of Asia with blue lines representing shipping routes. A compass rose is visible in the lower-left corner, with a blue arrow pointing towards the top-left. The text is overlaid on this map.

Intra-Asia Routes To North America and To Europe

50+ per cent of World Container Traffic

Answer:

Six Are Located In China



Five Are Located In China?

World's 12 Largest Container Ports

L.A. 13

Long Beach 15

N.Y. 19



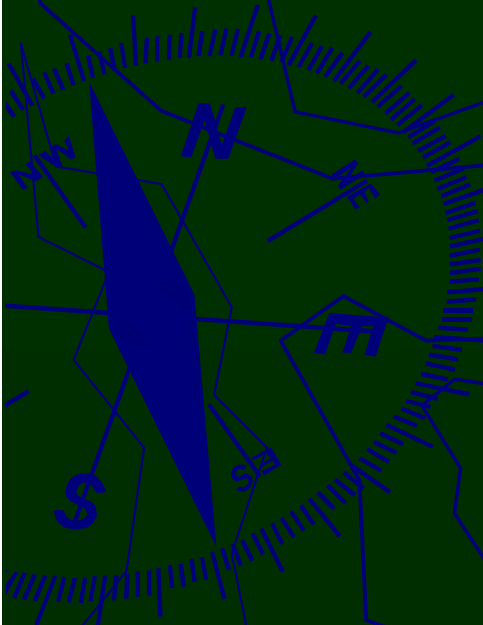
The crisis is severe, but there is no reason to panic

- World economy slumps into a recession; risks are on the downside; world trade declines
- Shipping market is highly affected; boom of the container shipping industry will come to an end; only stagnation in world container handling in 2009
- Major problem for shipping companies for now: overcapacities and low or even declining freight and charter rates
- Medium and long-term prospects for the container shipping market are intact
- Investment in container terminals and intermodal infrastructure in the seaports' hinterland are a must
- Scarcity of public funds generally benefits private investors

Answers:

11 Years

19 Years





Average Age of World Fleet

11 Years – **Container Ships**

19 Years – **World Fleet**



Answer:

Declined in 2008,
Equals 55 Per Cent of Current Fleet

CONTAINER SHIP ORDERS

Declined in 2008,
Equals 55 Per Cent of Current Fleet

(Bulk Vessels Lagging)





Opportunities And Challenges

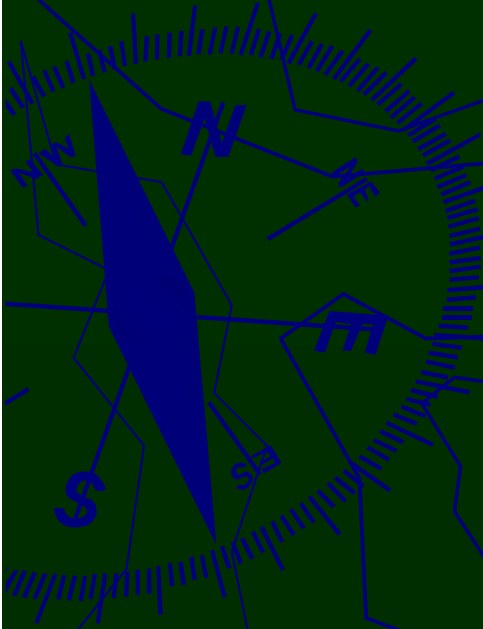
For Ports and Port Authorities

Are Shaped By External Trends

Very LARGE

External Trends

But.....



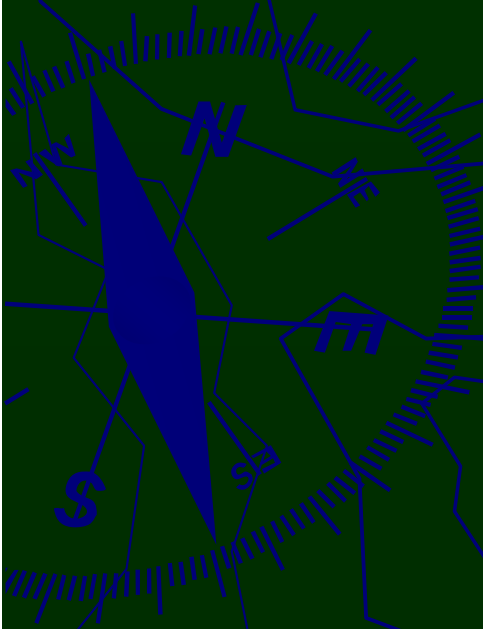
Fresh Thinking?

“Recession Hacking”

Finding and using smart strategies and ideas for dealing with the downturn



“New” Normalcy ?



Since 1970

Containers

Environmental Laws and Regulation

Deregulation-

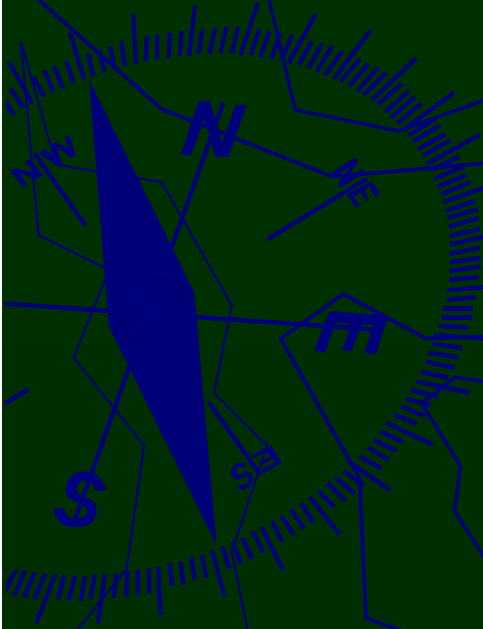
Inland Transport Modes

Intermodalism

Macro Economics

Currency of Global Trade

Four Decades.....





Four Decades.....

**-Post War Trade Patterns,
Export Dominated**



Four Decades.....

**-Post War Trade Patterns,
Export Dominated**

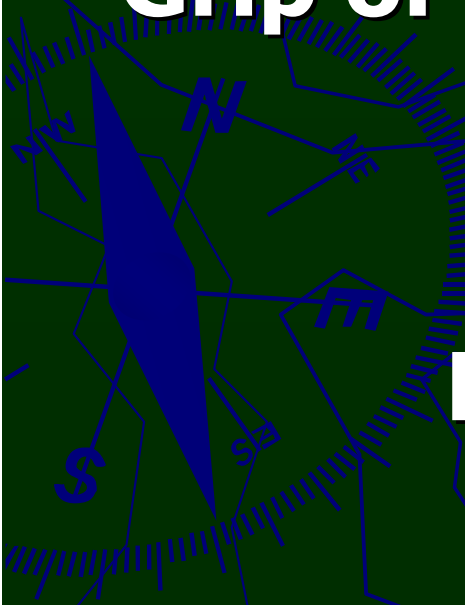
**-Global "Free" Trade
Import Dominated**

Four Decades.....

**Deregulation Altered
Traditional Flows of Commerce.**

Grip of Containerization/Intermodalism

**Major Impacts on
Ports and Port Authorities**



Four Decades.....

National Port Policy in Canada

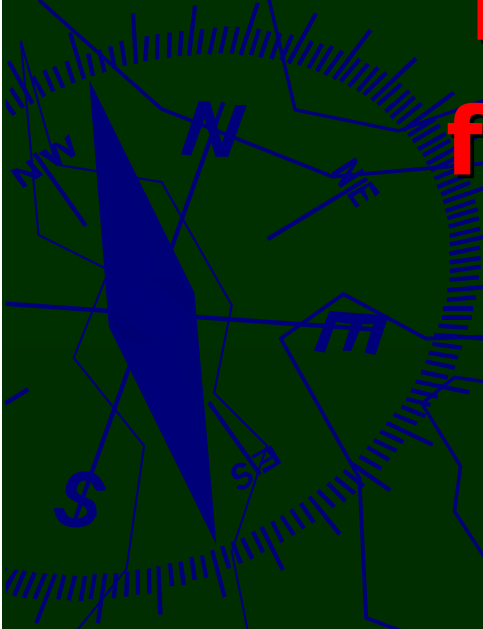
**Emergence of Latin American
and Caribbean Ports**

North American Free Trade Agreement



Four Decades.....

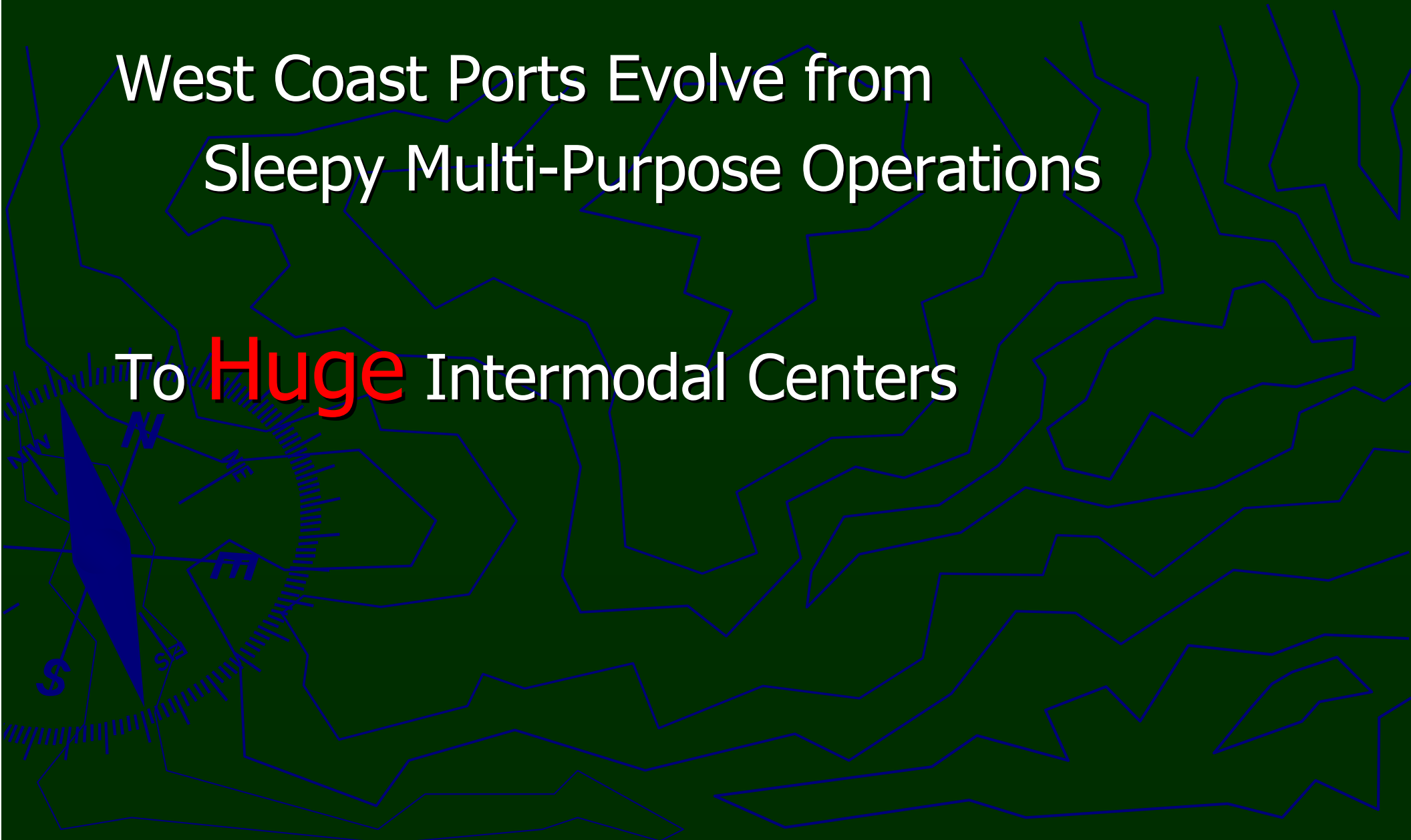
**Asian Nations...Especially China
Become Major Producers
for Global "Consumerism"**



Four Decades.....

West Coast Ports Evolve from
Sleepy Multi-Purpose Operations

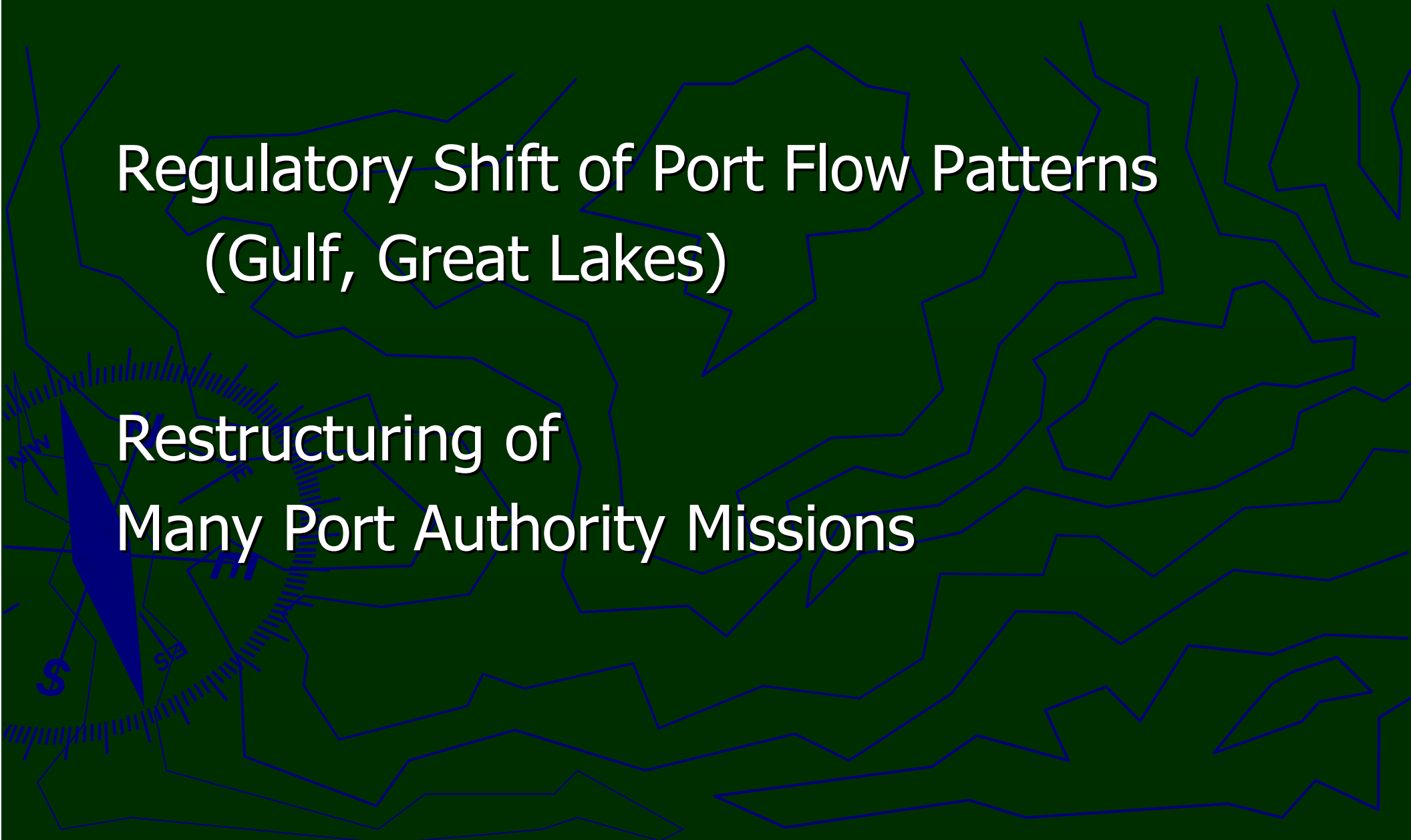
To **Huge** Intermodal Centers



Four Decades.....

Regulatory Shift of Port Flow Patterns
(Gulf, Great Lakes)

Restructuring of
Many Port Authority Missions



“New” Normalcy ?

Ha!



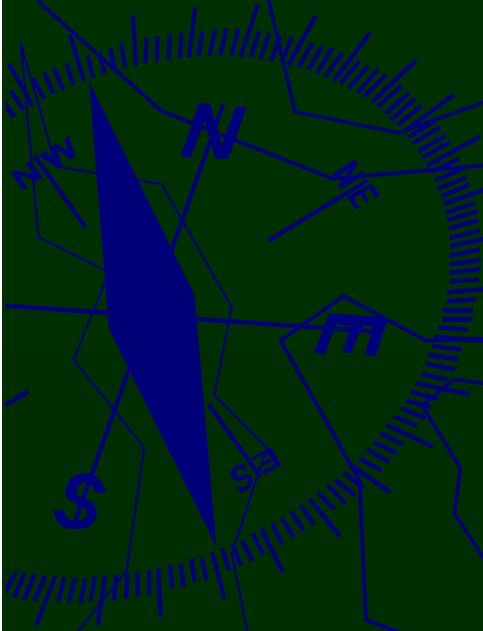


“Normalcy”

Always Being Redefined

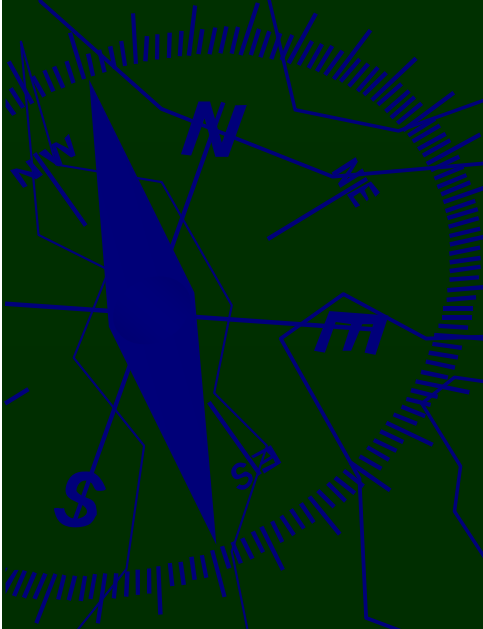
Trends, Trends, Trends.....

“Trend” Management



The Present Was the Future

(So.....How're You Doing?)





“Trend” Management

**Do We Manage Trends, or
Do Trends Manage Us?**

“SMARTER” Confidence in the Future

Trends

How Do We Plan, Manage...and Govern

Strategy Tests—Tactics Test

Continue With “Investments”

Restructure Strategic Roles

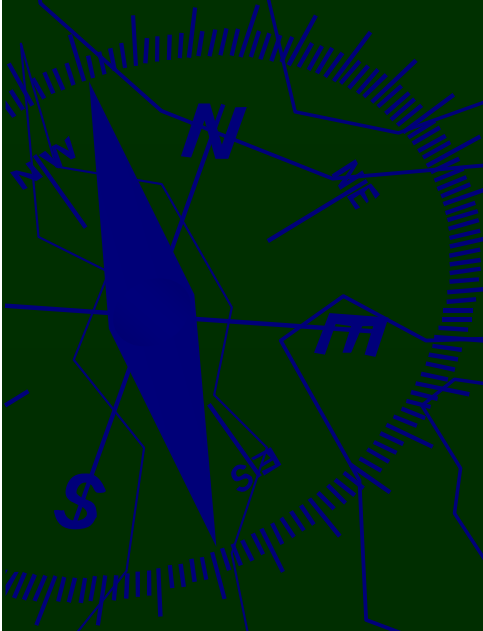




Final Session

OPEN FORUM DISCUSSION

ETHICS

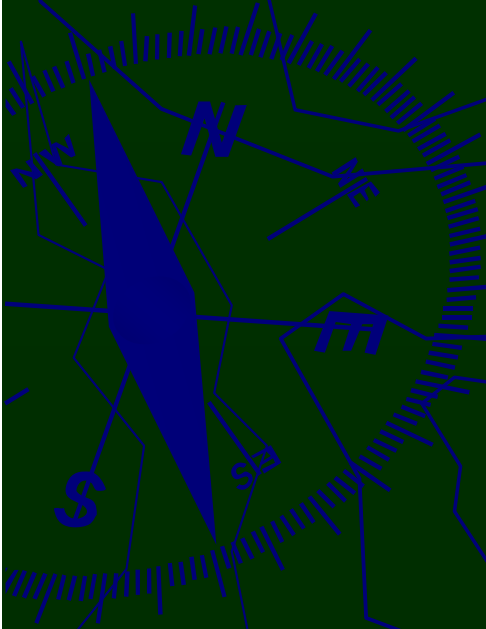




ETHICS

PERCEPTION IS THE LAW

**TRAVEL
AND
'ENTERTAINMENT'**





**TRAVEL
AND
'ENTERTAINMENT'**

Perception Is The Law !

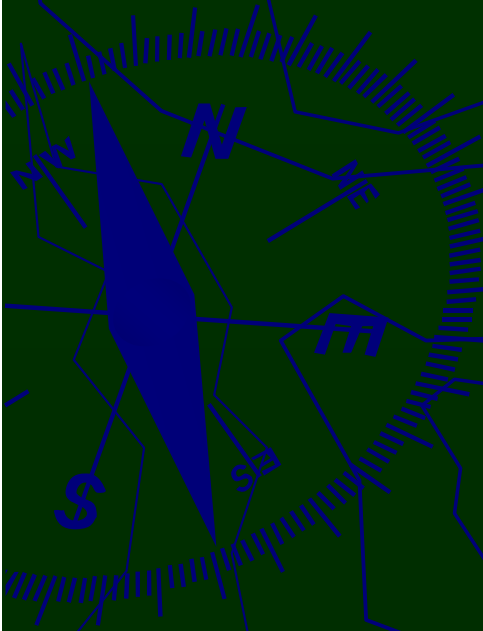
Topics For Wednesday

"If you want to be in the market, you have to have the facilities and the infrastructure. The unknown factor is, where do we get the money?"

Balance Sheet Analysis and Tune-Up

REALITY – Based Capital Planning

What Does Your Balance Sheet Tell You ?



Efficacy of Debt Patterns

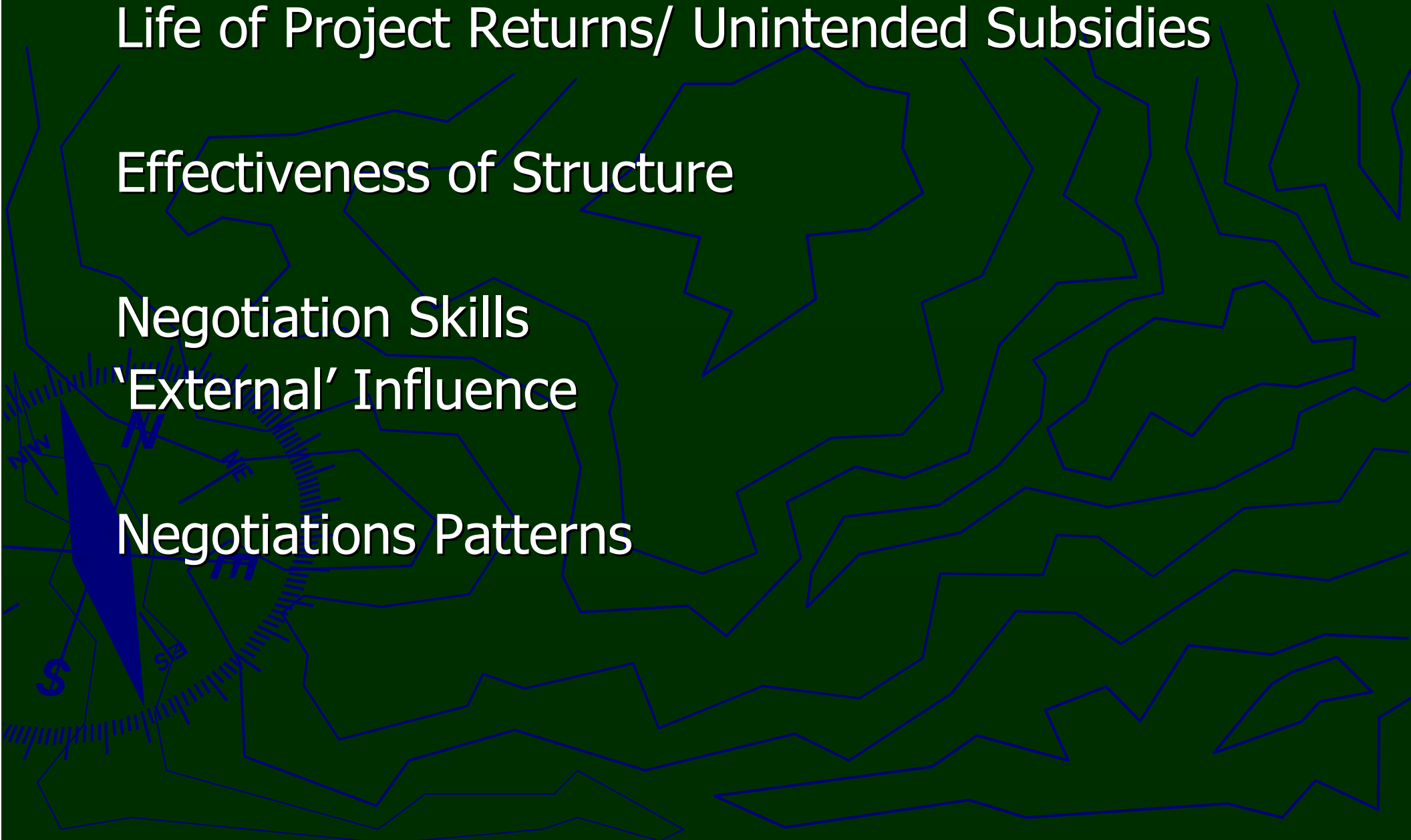
Life of Project Returns/ Unintended Subsidies

Effectiveness of Structure

Negotiation Skills

'External' Influence

Negotiations Patterns



SMARTER Capital Planning

'All In'

Start to Finish
Consequences

Alternatives.....Private Sector



'One of the biggest failures of the Port....
has been its failure to communicate
why our newest residents should care
about the port.'

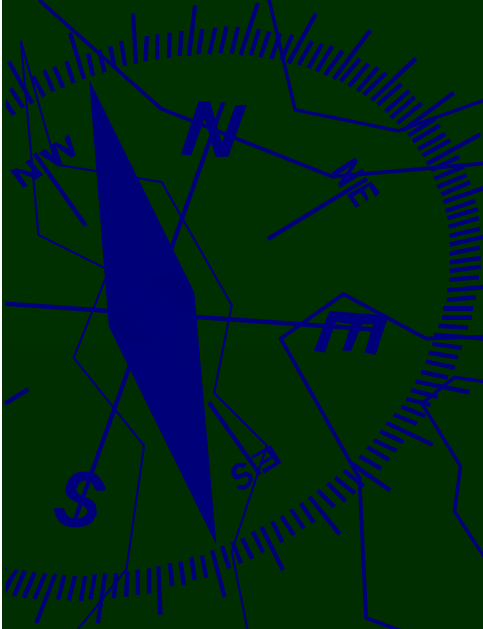
Marketing To The Owners

Enough !

No

Can't

Won't




Green

Green Cargo

Green Enterprises





**Compensation
Board
Management**

Succession Plans

RBRIN1013@GMAIL.COM

THANK YOU!

