

AAPA Marine Terminal Management Training Program

Critical Issues Facing Public Ports and the Marine Terminal Industry

October 25, 2010



Dredging

South Florida is sending an SOS to the White House. The Port of Miami needs the Deep Dredge. And the clock is ticking.

A broad-based coalition of business and civic leaders have put the project to deepen the port's waters to 50 feet at the top of Miami-Dade County's priority list for infrastructure investments.

The Deep Dredge is needed to accommodate the new generation of cargo ships that will pass through an expanded Panama Canal beginning in 2014.

Enabling the much-larger vessels to offload at our port is critical in ensuring our competitiveness and enabling the Port of Miami to double its cargo traffic over the next decade.

Most important, the Deep Dredge translates into new, well-paying, permanent jobs for our community. Economic impact studies show up to 33,000 jobs would be created statewide due to increased international trade and commerce if Miami is able to capitalize on its locale as the closest East Coast port to the canal.

President Obama is visiting South Florida Oct. 11. We need to send a clear message: South Florida's business and civic leaders do not agree on everything, but this is a project that has broad support from all sectors of our community.

We are asking for an investment of \$75 million in federal matching funds to move the project forward. Time is running out. Dredging must begin next year if we are to meet the 2014 deadline.



Aging Infrastructure

Inspection of Blount Island wharf puts part of dock off-limits to cargo handling

The above-water view of the main wharf at Blount Island doesn't show telltale signs the berths were built back in the 1960s and '70s.

But a recent underwater inspection of the wharf found worrisome symptoms of how the years have taken a toll.

After getting results from the inspection, the Jacksonville Port Authority declared part of the main wharf off-limits for the loading and unloading of cargo, saying there are concerns about whether the wharf can stand up to the stress of heavy containers.

Ultimately, the fix will require rebuilding the wharf, one of the costly construction projects that JaxPort officials are seeking to get done on an accelerated schedule. Officials haven't determined the total cost, but it could be in the tens of millions of dollars over several years.

"It's the nature of the beast," said Chris Kauffmann, interim executive director and chief operating officer of the port authority. "You're dealing with steel and concrete and water. Nothing lasts forever."

Kauffmann said the port authority does repairs each year but it's time to pick up the pace, which will also require more money for the construction.

In the case of Blount Island, cargo ships can dock as usual along the main wharf that faces the St. Johns River.

But in the past week, Jaxport said a 37-foot wide strip along the length of the wharf cannot be used for loading and unloading cargo.

The inspection is part of an ongoing assessment by CH2M Hill of JaxPort's docks, buildings and equipment.

That report will guide how JaxPort puts together a plan for prioritizing and financing work on existing facilities at the Talleyrand and Blount Island terminals.

Kauffmann said construction would take place over a period of years and JaxPort would work on the wharf in sections so it remains open to cargo ships.



Aging Infrastructure

Unstable dock forces sudden port repair

Jacksonville Business Journal - by Mark Szakonyi

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A sudden discovery of an unstable dock will disrupt cargo operations at Blount Island Marine Terminal, but the multi-year, multi-million dollar repair project will keep the terminal viable for the next 40 years, said the Jacksonville Port Authority's interim executive director.

Chris Kauffmann said he expects to have a better idea within a month of how long and how much it will cost to repair the 37-foot wide portion along the 4,600-foot main berth. The closing of part of the berth did not interrupt cargo handling.

The portion was closed down for cargo handling last week after an engineering study found that the reinforced concrete slabs couldn't safely handle more strain.

"We look forward to your input as we create a reconstruction strategy to tackle both current requirements and future operational needs," Kauffmann wrote in a letter to Blount Island terminal tenants. "This will allow all of us to fully reap the increasing benefits that the coming decades hold."

The closing off of the portion for container handling forces tenants to unload containers off and on from the dock behind the portion that will be repaired, Kauffmann said. He said cargo operations will have to be shifted as some of the berths of the six-berth dock are replaced during the multi-phase project.

The change in operations, including possibly tweaking shipping schedules, will impact all Blount Island container handling tenants equally, Kauffmann said. The terminal operators handling roll-on and roll-off cargo will be least affected since the docks they operate from won't be under repair.

Kauffmann hopes bids for the project will be out in about six months. The authority is considering whether to make the new berths capable of handling post-Panamax ships so terminal operators could handle larger ships in the future.

The authority will explore selling bonds, along with other financing options such as state and federal funding, as a way to pay for the project. It isn't clear how such action would affect the authority's bonding potential concerning building Hanjin Shipping Co. Ltd's \$300 container terminal at Dames Point or for construction of a new cruise terminal.

Authority spokeswoman Nancy Rubin said the aim is that the project will have the same minimal impact on operations as the construction of a new berth at Talleyrand Marine Terminal had on Toyota Southeast Distributors LLC's business years ago.

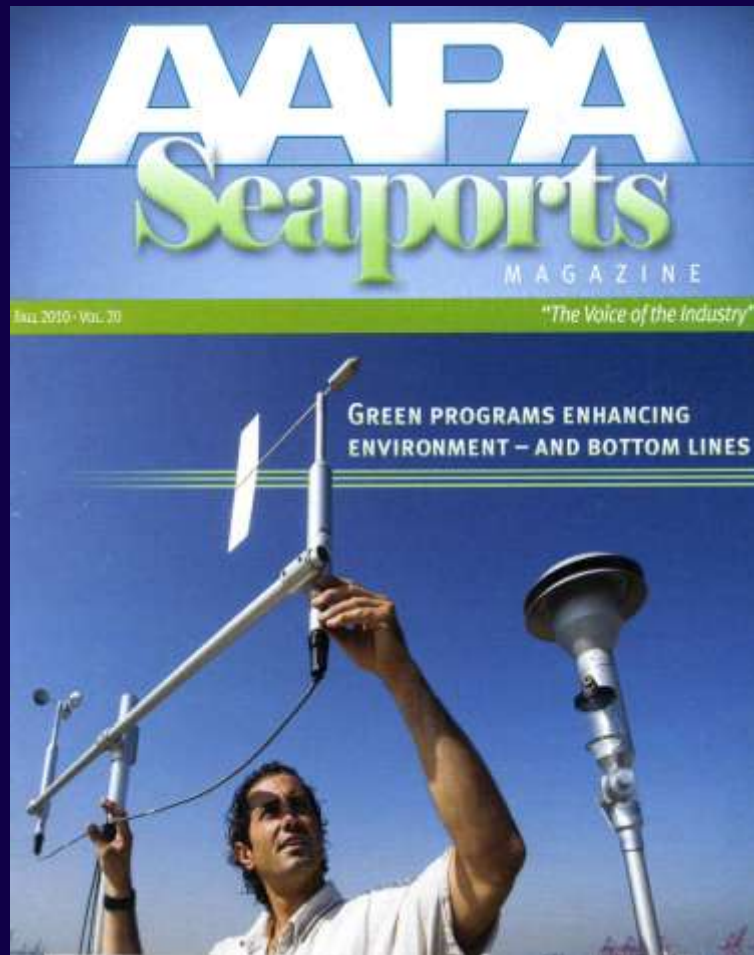
Bob Moore, vice president and general manager of vehicle processing for Southeast Toyota, previously praised the authority for repairing the terminal's dock in a way that allowed it to continue the offloading of vehicles. The \$10 million project — completed by Helicrow Inc., which has a local office, and Jacksonville-based contractor Hal Jones Contractor — received an international engineering award largely for not allowing repairs to hurt Toyota's business.

CH2M HILL, an international engineering firm, alerted the authority of the berths' structural weakness while conducting a tri-annual inspection of the Blount Island and Talleyrand marine terminals. The inspection, which is expected to be completed within a month, will give the authority a better understanding of how much it will cost to maintain its infrastructure and what projects should take priority.

Rick Ferrin, the authority's former executive director, previously said that about \$100 million will be needed over the next decade to replace wharfs, docks and other parts of the more than 30-year-old infrastructure at the terminals.



Environmental “Green” Initiative



Ports challenged to deliver **green**
without drowning in a sea of **red**

AAPA Seaports Magazine
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Inland Ports

Jacksonville Port Authority looking inland to gain allies

The possibility that cargo moving through Jacksonville's port could go up the highway — and rail lines — to neighboring counties brought officials from across the region to Jacksonville for a meeting about creating a united front in lobbying for federal dollars.

Officials from Baker, Columbia and Nassau counties attended the meeting of the Logistics Advisory Group, which is affiliated with the Jacksonville Regional Chamber of Commerce.

The group heard presentations about inland ports, which are large-scale shipping hubs connected by highway or rail lines to seaports.

"The key driver for a port isn't just location," said Carolyn Bissonnette, assistant director of the Baker County Planning and Zoning Department, "It's service. That's what we have to offer."

Proponents of the inland ports said they expect Jacksonville will gain enough shipments in the future that shippers will need more space to put cargo while it is sorted and transported over land.

The North Florida Transportation Planning Organization, which works with the state on transportation funding in Northeast Florida, will do a regional study of cargo shipments.

George Gabel, a Jacksonville lawyer who heads the Logistics Advisory Group, said the regional push will be needed to win federal support for deepening the Jacksonville port's channel. That cost is expected to be at least \$500 million.

"When the port goes to Washington and asks for money, it's just the port," Gabel said. "We need regional players. That's how you get the money."

Jacksonville faces tough competition from ports in Charleston, S.C. and Savannah, Ga., that have deeper water, said Dennis Kelly, regional vice president of TraPac, which opened a Jacksonville terminal in 2009.

TraPac's connection to the Asian shipping lines is fueling the interest of neighboring counties in inland ports because more Asian-based trade is expected to go through East Coast seaports after the Panama Canal is widened in 2014.

Kelly said when TraPac talks with companies about using Jacksonville's port for their cargo shipments, "The first thing they say is get deep water."

The U.S. Army Corps of Engineers is conducting a study of the costs and benefits of deepening Jacksonville's harbor.



Cuba

The Jacksonville Blog

FL Biz: Is Cuba ready for trade?

Jacksonville Business Journal - by John Burr

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Florida business people are getting excited about the possible lifting of the trade embargo against Cuba , but when that happens, don't expect too much too soon, according to an [article](#) in the Miami Herald.

Shipping companies based in Jacksonville are especially bullish on the opening of trade with Cuba, because they think they are already well established in the Caribbean and could quickly expand operations into the island, according to a [recent story](#) in the Jacksonville Business Journal.

But not so fast, sources tell the Herald. Cuba is struggling to upgrade its infrastructure after almost 50 years of Communist rule, but is nowhere near what outside business people would consider acceptable. The first rush to the island will be fueled by tourism from the United States, but it's going to take years for the island to come up to speed, the article states.



America's Marine Highway

Sustainability: Greening America's Fourth Sea Coast

The maritime industry has pledged to reduce its environmental footprint. But an industry operating in a global business environment can't simply say



The Harbor Line
Adolph Ojard
Port Director



"we're green." Being sustainable requires research, investment, and improvement to adopt new and better ways to transport goods in a more environmentally friendly manner.

Sustainability is now part of political and business goals and performance measurements. This requires port managers to understand the needs of public policy while supporting new business development. It is a delicate balance that ports and maritime programs must maintain to grow the economy while minimizing social and ecological costs. Sustainability refers to a very old, simple and treasured concept: do unto future generations as you would have them do unto you (i.e., The Green Golden Rule).

Shipping companies, terminal operators and other marine-related businesses are finding that they can improve their bottom lines and the environment at the same time. Many companies have broken new "green ground" – sinking capital into more efficient equipment to

lower emissions, reduce fuel consumption and maintain air and water quality. Yet the pace of regulation often exceeds that of technological development. The testing and validation of technology is a critical step toward implementing sustainable systems.

Short Sea Shipping

On the Great Lakes, sustainability requires a unique perspective, as we are part of both a fragile ecology and an equally fragile, yet competitive maritime industry. This inland waterway parallels all major railroads and major east-west highways, resulting in a multi-modal transportation system that is the poster child for short sea shipping. But our landside competitors create an environment that is very sensitive to price and service. Bad policy and over-regulation of the maritime industry could kill the only short sea shipping in North America.

This nation needs waterborne transportation now more than ever. The U.S. needs a thriving multi-modal transportation system along all four sea coasts. And, most importantly, the maritime industry needs fully engaged port partners to work to reduce our environmental footprint ... and to sustain the dynamic balance between economic prosperity and environmental stewardship.

Unique emerging programs

Because we are in the heartland of North America, everything we do affects the populations we serve. Here are just a few of several programs that have emerged and are

unique to the Great Lakes:

1) Green Marine, a bi-national, voluntary initiative, began three years ago to strengthen the industry's environmental performance on the Great Lakes/St. Lawrence Seaway. The cornerstone of Green Marine is the voluntary evaluation undertaken annually by ports, ship owners and terminal operators, not only to ensure compliance with, but eventually achieve excellence in, environmental practices addressing environmental priorities.

Today, 100 member companies and organizations have voluntarily undertaken a transparent process of continuous environmental improvement – targeting practices related to invasive species, emissions, air and water quality and minimizing dust, noise and light. We are encouraged to take concrete actions and adopt best practices, plus evaluate our performance each year according to a strict set of guidelines. We're seeing members integrate sustainable development practices across the industry and collaborate with government agencies and citizen groups to implement beneficial action plans. Lloyd's of London has been brought in to conduct audits – providing external verification of environmental performance.

2) Another area of great concern for Great Lakes ports is the maintenance dredging of our harbors and shipping channels. The key issue here is the disposal of dredge materials. On average,

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