

Governing Boards and Commissions

Special Seminar
Biloxi, MS.
May 17-19, 2011

Broad Brush

Difference

A Year.....or Two make

Technology

Environment

Zero Emissions

**Technology
Delivering
Zero Emissions**

Segmentation of Industry ?

What's Big? Important?

Tale of Two Port Industries ?

**The Dynamics
of
Containers, Containerships
and Consumers**



“Mission” Maritime



“Mission”- Other

Fiduciary Awareness

“Awareness” Survey

10 Questions

1 to 10 Negative to Positive

Individual and Private

Confidently Informed
As To Charter,
Enabling Statutes, Mission ?

(1 Negative to 5 Positive)

Confident

Understanding of All

Aspects of Financial Condition?

(1 Negative to 5 Positive)

Confidence in Risk Management and Insurances?

(1 Negative to 5 Positive)

Confidence in Audit Controls?

(1 Negative to 5 Positive)

Awareness of.... and Confidence in Contingency Planning?

(1 Negative to 5 Positive)

Harmony In Board-Management Relationships

(1 Negative to 5 Positive)

Harmony In Board Colleagues Relationships

(1 Negative to 5 Positive)

Confidence In Management Operations

(1 Negative to 5 Positive)

Harmony In Relationships With Constituents

(1 Negative to 5 Positive)

Harmony In Governmental “Structure”

(1 Negative to 5 Positive)

Bonus

Confident Understanding
Of “Customer” Base.....

Pricing....

Marketing Strategies ?

Big Picture





2014



50 Feet

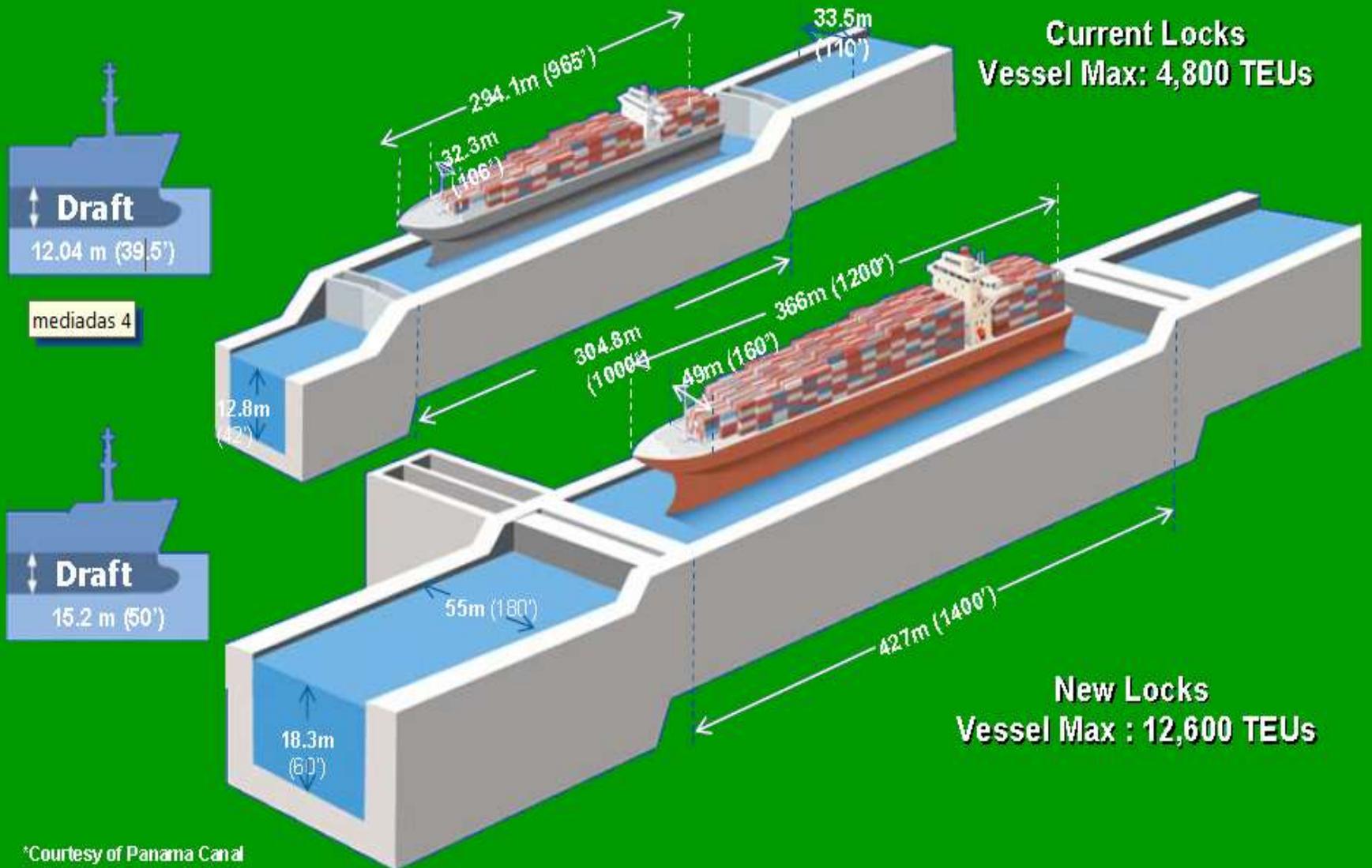
2009-2011 ISO Container Transcontinental Volumes



Source: IANA Intermodal Market Trends and Statistics



The Panama Canal Dynamic



*Courtesy of Panama Canal Authority

Opportunity Costs of Draft Limits

One foot of draft = 100 fully-loaded 40-foot containers.

Five-foot differential = 500 containers per sailing.
52 sailings per year on a weekly service.

Assume only three-foot difference

300 boxes: $52 \times 300 = 15,600$ containers.

Average import and export rate of \$1,800 per box.

\$28 million in potential ocean carrier revenue alone for that extra 3 feet of water of draft.

The 50-foot rush !

Opportunities

and Threats !!



The Panama Canal Dynamic

Impacts All U.S. Ports?

***Ports trying to get to 50 feet creating
“catalyst” for federal channel
funding review....***

**ala President Reagan’s proposals
in 1981.**

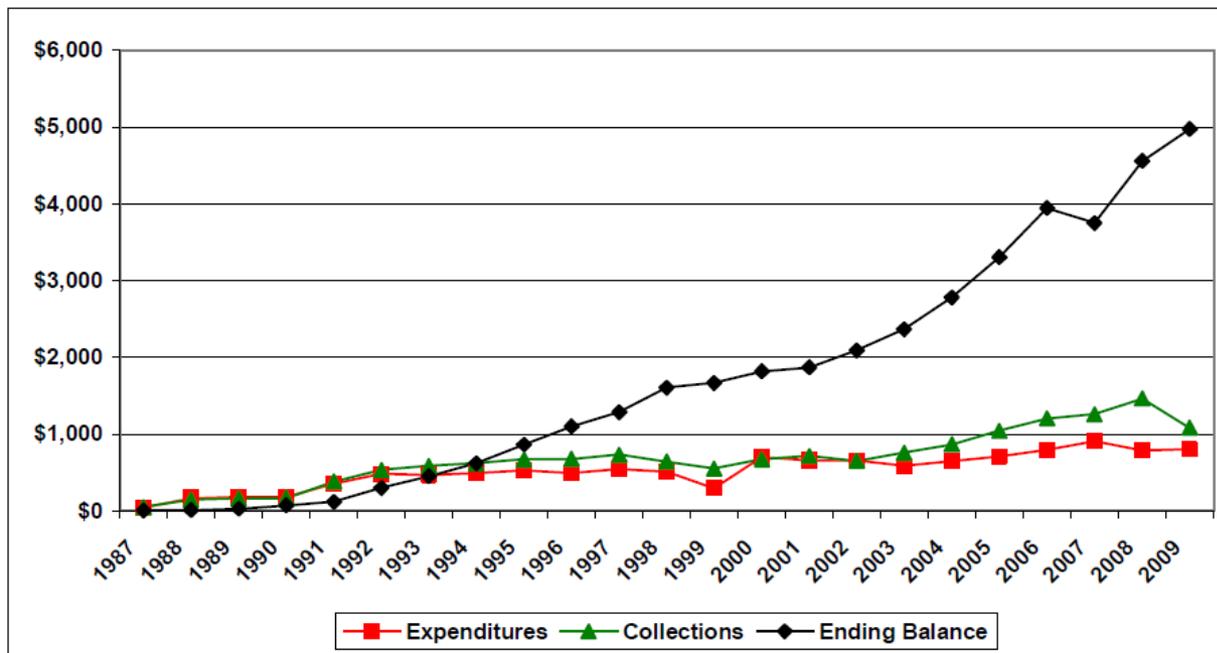
Harbor Maintenance Trust Fund

HMTF

Congressional Research Service

Figure I. HMTF Balance

(\$ in millions)



Source: USACE annual reports to Congress on the HMTF, Federal Budget Appendix for FY08-FY10.

Notes: Figures not adjusted for inflation, ending balances include interest earned.

Among the ports listed in **Table 2**, **Los Angeles, Long Beach, Tacoma, and Seattle stand out as ports whose customers generate a substantial amount of HMT revenue that is mostly spent on the maintenance of other harbors. Based on the HMTF expenditures these ports have received and the HMT revenues generated on imported cargo alone (not counting domestic cargo or cruise ship traffic), *Los Angeles and Long Beach likely receive less than a penny on the dollar, and Seattle and Tacoma just over a penny for every dollar that import shippers who use their port pay in HMT. New York, Boston, and Houston likely receive less than a quarter of tax revenues collected.***

