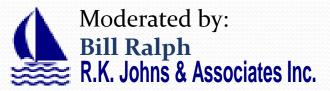
AAPA Conference: Shifting International Trade Routes Conference Wrap-Up



Kurt J. Nagel President & CEO AAPA

Richard Wainio Port Director & CEO Tampa Port Authority



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This 5th conference on International Trade was a success because of you.

Our thanks and appreciation to:

- The 26 industry leaders who graciously shared your views as speakers & moderators
- Our host port and our sponsors for your support
- +125 conference attendees for your participation and enthusiasm



What global economic challenges and opportunities did we discover?

- The worst of the U.S. economic storm is behind us, but the outlook remains tempered.
- American consumers hold the key to a sustainable recovery, but half of us look to Washington DC in this election year for clues (good or bad!).
- Emerging markets (especially Latin America) offer a bright future, which plays a significant role in the Panama Canal expansion & transshipment opportunities



How do the BCOs view the future?

- The Canal expansion may not be a "game changer" but certainly offers an improved option for the transport supply chain (Mid-America discretionary cargo, especially time sensitive goods)
- The Canal is only one piece of the puzzle hopefully improving ocean carrier stability
- Carrier stability is critical profitable & efficient
- Ports play a significant role in that efficiency big ships are not just about more harbor depths, it's really about service integrity & consistency



What's driving change for DC developers & 3PLs?

- Constant shift in logistics, not just a Canal change that affects getting cargo to market (example: DCs closer to market)
- Cost? ... Yes, but service too
- The "shift" is continuing for multiple reasons: BCO diversification, regional population growth, inland ports, DCs closer to market, etc.
- Cargo "shift" discussion should also include likely near-sourcing changes, especially for growth potential in the southeast U.S. (tie to Gulf Coast surprise that their growth strategy was right for the wrong reason!)



What are North American ports doing to prepare for the future?

- Unified view: best to prepare for the long term.
- Competition is a good thing no concession by either West or East Coast ports on how much, if any, cargo will shift.
- Rates, not costs and BCO transport requirements will influence cargo routing (*carriers always say, "we go where the cargo tells us"*)
- Risky business? Maybe too much port capacity and investment in the short term – reminder that ports are fixed assets
- Railroads are willing partners to expand port reach short & long haul
- Theory (and a few numbers) help us visualize how cargo could shift (America's "dotted line" ... probably like SE Asia's Panama/Suez split – more choices are good for trade)



The Panama Canal perspective:

- It really boils down to providing our clients (carriers) better asset utilization.
- Carriers do not create cargo, they just move it!
- An expanded Canal & better vessel utilization creates benefits for transshipment trades where density is an issue



Did we answer all the questions? Probably not!

Will the Canal shift trade? No clear answer!

Hopefully we all agree that the "Winning" approach is not in shifting trade but growing trade through a more efficient global transport supply chain



Jhank you!

William L. Ralph R. K. Johns & Associates 226 Chestnut Street Roselle Park, NJ 07204 917-270-4395 (cell) 908-245-2181 (office) brrkja@aol.com