

# **Public Port Governance-- Issues and Trends**

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# Public Port Institutional Setting

1. In North America, limited federal role based on historic lineage--12<sup>th</sup> century Hanseatic League
2. North American public ports established public enterprise early to mid-20<sup>th</sup> century ("Progressive Era")—local/regional control
3. Latin ports follow more the Mediterranean model with greater centralization
4. Functional responsibilities derived from enabling mandate—can be broad and diverse.
5. Public ports governed by elected (30%) or appointed commissions (70%)—serving as corporate boards "typically" to hire executive director and set policy

# **Port Management: The Challenges/Complexities Continue to Increase**

- **Business focus: assure capital investment sufficient for adequate capacity, new technology and modern, well maintained facilities**
  - **But public coffers are tapped**
  - **So, profitability is key through efficient, competitive operations**
- **And don't forget, the public side of the house: the port authority was created to generate jobs and economic development, and whatever else the public needs but can't afford**
- **Of course, non-negotiable is the port's capability to:**
  - **Maximize safety and security, and,**
  - **Minimize negative quality of life impacts (eg, traffic congestion and pollution)**

# Port Governance is Dynamic, not Static; Across Time and Geography

1. **Politicization—Greater public accountability and control—quality of life focus**
2. **Privatization—Monetization and efficiency goals**
3. **Regionalization—Increased focus on economic and transportation system service requirements for mega regions**
4. **Partnerships**
  - **Public/private—leveraging benefits/minimizing risk**
  - **Public/public—port cooperation next level?**
5. **Federalization—Funding not only interstates and navigation channels, but inside the gate—implications?**

# Doing the Public's Business: Today's Dynamic Port Governance Model



# Some Concluding Thoughts

- 1. Governance matters—understand the drivers in your port and get ahead of the curve**
- 2. In the long run, the question remains:  
Is the institution of public ports as public enterprise sufficiently flexible, responsive and efficient to endure?**