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--12th century Hanseatic League
- 2. North American public ports established public enterprise early to mid-20th 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

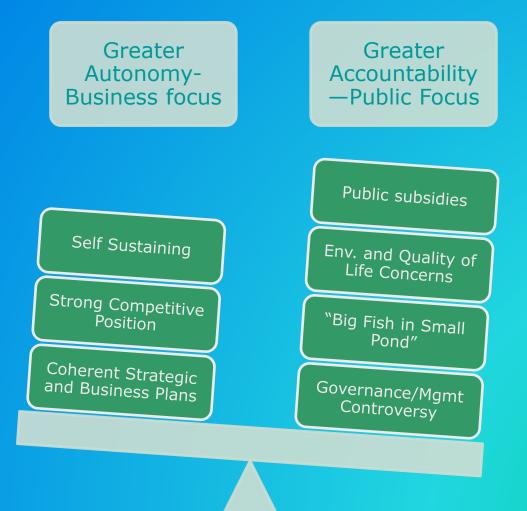
Port Management: The Challenges/Complexities Continue to Increase

- 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?