Surviving the competitive marine terminal industry
1) Singapore
2) Shanghai
3) Hong Kong
4) Shenzhen
5) Busan
6) Rotterdam
7) Dubai
8) Kaoshung
9) Hamberg
16) Los Angeles
17) Long Beach
Current and Future Routes from Asia to the US

Narvik, Norway
Vostochny, Russia
Hong Kong, China
Singapore
Rotterdam, Netherlands
Prince Rupert, Canada
Norfolk, Virginia
Savannah, Georgia
New York, New York
Los Angeles, California
Colima, Mexico
Ensenada, Mexico

(Links indicate shipping routes.)
Big ships:
Vessel sizes:

Panamax

Post-Panamax

Suezmax
1302 ft
14 cyl  116K hp
26 kts
34 ft / gal
• 484 acres
• 7,190’ berth
• 330 acre container yard
• 40 acre rail yard

Pier 400 Container Terminal
22 wide

9 high
• Discretionary
• Distractions
• Disincentives
• Diversions
“Discretionary” cargo:

Only 50% of the imports are consumed locally.
Local cargo:

6,880 truck transactions in 1 day
"Discretionary" cargo:

The other 50% is discretionary intermodal cargo. It can get to the mid-West from:
- Canada
- Houston
- Savannah
- Norfolk
40’ well double-stack
Distractions:

- 2008 ILWU longahore contract.
- 2010 ILWU office clerical contract.
- The 2010 ILA negotiations on the East & Gulf coasts.
Disincentives: cargo Fees

- PierPASS: $100
- Alameda corridor: $38
- Port Clean truck fee: $70
- Port Infrastructure fee: deferred
- State infrastructure fee: TBD
Diversions:

- Shippers are exercising alternatives:
  - business continuity; port diversity
  - new construction Panamax vessels
  - Panama canal expansion in 2014
  - competition between ports (fixed costs)
Panama Canal expansion:
APM Terminals North America, Inc.

Largest Terminal Operator in North America
• Discretionary
  • Only 50% of cargo consumed locally

• Distractions
  • Labor negotiations

• Disincentives
  • Cargo Fees

• Diversions
  • Canada
  • Mexico
  • U.S. East/Gulf coast ports
Is there any good news?

• Port authorities, longshore labor and terminal operators are collaborating.

• We all share a single common objective: attract and retain discretionary cargo.
APM Terminals