SURVIVING IN THE COMPETITIVE MARINE TERMINAL INDUSTRY
DISCUSSION POINTS

- Current Conditions
- Future Expectations
- Key Survival Factors
Current Conditions

- U.S. consumer confidence index at a four (4)-year low.
- Transpacific cargo is the most competitive trade lane for all ocean carriers; sustaining profitability is a challenge.
- West Coast terminals are expensive; rent makes these facilities some of the most competitive waterfront property in the U.S.
- East Coast embraces port growth (Mobile/Portsmouth); local communities want the jobs and the tax base.
- Southern California communities are fighting growth - concerned with pollution.
Future Expectations

- Concern about the 2008 bargaining could lead to more cargo being “diverted” to the Gulf/East Coasts.

- Prince Rupert is open: three (3) days closer to China; direct link to CHI.

- Investment community interest in terminal operators has been a quantum shift to our business concept.
Key Survival Factors

- Fundamentals
- “X” Factors
Fundamentals

- Safety
- Cost
- Service
Marine terminal safety is governed by Pacific Coast Marine Safety Code and OSHA Codes 1917 and 1918.

Average accident cost = $24,000

Training/Awareness/Accountability
“With small profit margins and declining freight rates, you must be a low-cost service provider.”

- Land Cost
- Capital Cost
- Labor Cost
Service

- Vessel Productivity – 30+ MPH
- Gate Turn time – 45 minutes or less
- Data Integrity
- Efficient electronic interchange of data
“X” Factors

- Security
- Environment
- Infrastructure
- Stakeholder Management
Security

- Federal MTSA Compliance
- M.M.O. ISPS Compliance
- C-TPAT/OSC/CSI Partnerships
- Transportation Worker Identification Card (TWIC)
Environment

- Air Quality
- Endangered Species
- Aesthetics
Infrastructure

- Railroads
- Roadways
- Bridges
Stakeholder Management

- Customers
- Trucking Community
- Local Community
- Regulatory Agencies
- Industry Associations
- Port Authorities
THANK YOU