Special Seminar

Members of Port Authority
Governing Boards
and Commissions

Boston   May 19-21, 2009
Good Governance,

Good Management,

and Public Support

Equal Great Results!
The U.S. Port Authority “Industry”

U.S. “AAPA” Port Authorities

74
The Port Authority “Industry”

74

U.S. “AAPA” Port Authorities

479

Board Member Positions
The Port Authority “Industry”

479
Board Member Positions

46 Boards -- Appointed
27 Boards --- By Public Election
The Port Authority “Industry”

Total Operating Revenues
$4.1 Billion

Public Port Authority Employees
13,200
The Port Authority “Industry”

Total Operating Revenues
$4.1 Billion

Long Beach and Los Angeles
17.7 %
The Ghostly Shadows
Of
“Economic” Context
Governance And Management Challenged At Your Port?

Efficacy of Planning, Marketing, Lease Structures.

Tests and Tune-ups
Lexicon Of “New Normalcy”
“Recessed”

Relatively mild condition of discontent, ennui or disillusion triggered by job loss, portfolio plundering, or home value decline.

Not as serious as the experience of being depressed.
“Slayoff”
“Slayoff”

A particularly **cold-blooded method** of laying off employees, such as breaking the news on a company blog, leaving a note in an employee’s chair, dispatching a mass email, or sending a certified letter to a worker’s home.
“Recession Hacking”

Finding and using smart strategies and ideas for dealing with the downturn
“Shovel Ready”

“Stress tests”

“Re-Purposing”
“Good Banks”

“Bad Banks”
“Zombie Banks”
“Zombie Banks”

A bank that really should have gone bust but it's being kept alive by government guarantees in the form of bailout money.....

(Dead....but still Alive.)
"Less Bad"
is now the *new*

"Pretty Good."
“TIGER”
“TIGER”

Transportation Investment Generating Economic Recovery
(a contrived acronym from the Department of Transportation);

New transportation projects will be stamped with the TIGER logo
“Furloughs”

“Stimulus”
“Furloughs”

Job Saving?

Morale Factor

Necessity or External “Expectations”?
“Stimulus”

Economic Stimulation

Then What?

Investments - Operations

Windfall --- Recurring

Quick Sand.... or Gold Mine?
“Stimulus”

Competitive Relationships

Among Ports?
“Stimulus”

Competitive Relationship Among Ports?

Depends Upon Constancy of the Federal Role
Ports and Port Authorities

Problems

Solutions

Reminder of The Role of Ports

'Bigger Than We Are'
Answer:
Will Likely Decline in 2009—For First Time Since 2001
WORLD TRADE

Will Likely Decline in 2009—

For First Time Since 2001
Answer:
Slightly More Than 50 per cent
Intra-Asia Routes
To North America and To Europe

50+ per cent of World Container Traffic
Answer:

Six Are Located In China
Five Are Located In China?

World’s 12 Largest Container Ports

L.A. 13  Long Beach 15  N.Y. 19
The crisis is severe, but there is no reason to panic

- World economy slumps into a recession; risks are on the downside; world trade declines
- Shipping market is highly affected; boom of the container shipping industry will come to an end; only stagnation in world container handling in 2009
- Major problem for shipping companies for now: overcapacities and low or even declining freight and charter rates
- Medium and long-term prospects for the container shipping market are intact
- Investment in container terminals and intermodal infrastructure in the seaports’ hinterland are a must
- Scarcity of public funds generally benefits private investors
Answers:

11 Years

19 Years
Average Age of World Fleet

11 Years – **Container Ships**

19 Years – **World Fleet**
Answer:

Declined in 2008,
Equals 55 Per Cent of Current Fleet
CONTAINER SHIP ORDERS

Declined in 2008,
Equals 55 Per Cent of Current Fleet

(Bulk Vessels Lagging)
Opportunities And Challenges
For Ports and Port Authorities
Are Shaped By External Trends
Very LARGE

External Trends

But......
“Recession Hacking”
Finding and using smart strategies and ideas for dealing with the downturn
“New” Normalcy?
Four Decades.....
Four Decades.....

-Post War Trade Patterns, Export Dominated
Four Decades.....
-Post War Trade Patterns,
Export Dominated

-Global “Free” Trade
Import Dominated
Four Decades.....

Deregulation Altered
Traditional Flows of Commerce.

Grip of Containerization/Intermodalism

Major Impacts on
Ports and Port Authorities
Four Decades.....

National Port Policy in Canada

Emergence of Latin American and Caribbean Ports

North American Free Trade Agreement
Four Decades......

Asian Nations...Especially China Become Major Producers for Global "Consumerism"
Four Decades.....

West Coast Ports Evolve from Sleepy Multi-Purpose Operations

To **Huge** Intermodal Centers
Four Decades.....

Regulatory Shift of Port Flow Patterns (Gulf, Great Lakes)

Restructuring of Many Port Authority Missions
“New” Normalcy? 

Ha!
"Normalcy"

Always Being Redefined

Trends, Trends, Trends.......
“Trend” Management
The Present Was the Future

(How’re You Doing?)
“Trend” Management

Do We Manage Trends, or Do Trends Manage Us?
“SMARTER” Confidence in the Future

Trends

How Do We Plan, Manage...and Govern

Strategy Tests—Tactics Test

Continue With “Investments”

Restructure Strategic Roles
"If you want to be in the market, you have to have the facilities and the infrastructure. The unknown factor is, where do we get the money?"

Balance Sheet Analysis and Tune-Up

REALITY – Based Capital Planning
‘One of the biggest failures of the Port.... has been its failure to communicate why our newest residents should care about the port.’

Marketing To The Owners