The Port Authority of the Cayman Islands

AAPA Hurricane Conference
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Grand Cayman, Cayman Islands
Seven Mile Beach, Grand Cayman
Crystal Clear Water
Stunningly Beautiful Underwater World
Stingray City, Grand Cayman
Turtle Farm
Hell, Grand Cayman
We just enjoy the good life!
Until...
You are hit with a Cat 5 hurricane.
Port and Cruise facilities are damaged.
Cargo storage facilities are damaged
Employees homes damaged or destroyed.
There is no electricity, or running water and debris is everywhere.
Supermarkets and businesses are wrecked.
Beaches laid bare of vegetation.
Roads are decimated
Travel is near impossible
Thousands of vehicles are submerged and ruined with saltwater as the sea flooded 80% of the island.
The Effects of a Storm on a Port’s Operations

The effects of a storm on a port engaged in the cruise and cargo business are many, but will mainly fall into the following categories:

• Employees
• Plant & Equipment
• Revenue loss
• Industry partners losses
• National Infrastructure damage
Employees

• Employees are your most valuable asset.
• Without them the Port’s equipment and processes don’t work.
• But they too may be in distress.
Employees

• It therefore is critically important to determine what support each affected employee requires to enable them to comfortably return to work and perform their jobs effectively.
Employees

• As a result of Hurricane Ivan, some of our staff suffered:
  • Injuries
  • Family displacement
  • No food, clean water and other essential supplies
  • Housing
  • Transportation
  • No clean clothes
Plant & Equipment

• The Port lost:
  • Buildings,
  • Fencing,
  • Fiber-optic lines that connected our security cameras,
  • Restroom facilities,
  • Vehicles,
  • Antennas for our radios.
Plant & Equipment

• The Port lost:
• Phone and fax service, except cellular phones
• Electricity
• Water supply
Industry Partners

• Lost trucks and other heavy equipment
• Lost personnel to repair and operate equipment
• Suffered from same national infrastructure damage as everyone else
National Infrastructure

• Loss of electricity
• Loss of piped water
• Loss of communication lines
• Loss of road network
• Loss of transportation
• Loss of ability to supply fuel on demand
• Loss of housing
• Tons of debris to remove
National Infrastructure

- Loss of supermarkets
- Inability to conduct banking resulting in people’s inability to access cash and inability to use credit.
- Public order issues.
Response and Recovery

• What’s the first and most important thing to do?
• Check on each and every employee.
Employees

• It is important from the Port’s perspective to have:
• Up to date contact and location information for each employee.
• Reserve emergency food, water, toiletries and essential supplies so that employees family needs are immediately addressed.
• Have cash available to pay employees.
Employees

• It is important from the Port’s perspective to:

• Render immediate assistance to employees who are overwhelmed to bring them relief. They will get back to work quicker.
Example

• After hurricane Ivan, the Port Authority provided:
  • Time off to do emergency repair work to their homes.
  • Relief food, water and hygiene supplies for employees and their families.
  • Generators for employees homes.
  • Washers and dryers for employees laundry needs.
Example

- After hurricane Ivan, the Port Authority provided:
  - Meals for employees at work.
  - Coordinated with Police so that Port IDs allowed them to pass through roadblocks during curfew times.
  - Staff in turn worked around the clock to get the port operational.
Recovery:
Plant & Equipment

• **Clean Up:**
  • Lot of debris to be removed.
  • Repair and replace buildings
  • Re-establish offices
Recovery:
Plant & Equipment

• Reconstruct computer and communication networks.
• Repair, or replace piers and fenders
• Service, repair, or replace vehicles, cranes and forklifts and other operational heavy equipment.
• This can quickly consume over $1 million just to get the facility to operational standard.
Industry Partners Recovery

- In the cruise and cargo shipping business, all parties work like gears of a transmission for a successful operation. If one party (gear) is unable to operate, all parties (gears) are affected. Thus, contact with industry partners is important to ensure synchronization when returning to operational mode.
Recovery:

National Infrastructure

- Debris removal
- Repair of roads
- Fuel
- Transportation
- Accommodation
- Utilities – Electricity, water & telephones
- Good public health
- Tourist attractions
The Recovery

• Four days after hurricane Ivan the port received and discharged its first cargo ship; Caribe Legend.
The Recovery

- Cargo for the recovery effort began to come in at record levels and we encountered:
  - Shortage of space for storage
  - Delivery issues
  - Equipment issues – keeping it operational; spare parts etc
  - Handling media and public perception
  - Customer complaints/disputes
The Recovery

• After six weeks of non-stop work to clean up and restore national infrastructure cruise operations resumed.

• On Monday 1\textsuperscript{st} November 2004, we welcomed Carnival Inspiration and Imagination back to the Cayman Islands, followed by Norwegian Spirit and Summit the next day and Oosterdam that Friday.
The Recovery

• Five months later, we were back to pre-Ivan cruise levels and expanding to cope with the ever increasing demand by cruise lines to make calls to the Cayman Islands.
How To Survive A Hurricane

Begin building your plan using the following components:

- Vulnerability Assessment
- Plan of action for before and after the storm
- Exercising (Practicing) the plan annually
- Availability of Financial Resources
- Employee Welfare Plan
- Take into account Industry partners recovery and
- National Infrastructure repairs

14/09/2004
Vulnerability Assessment

• What are your critical assets?
• How vulnerable are your assets (buildings, piers, equipment and employees) to damage from wind, water and flying objects?
• What action can you take to minimize the effect of a hurricane on each asset?
• How effective do you think these measures will be and are they cost effective?
What Are Your Options?

• What will you do if the worse occurs?
• From your vulnerability assessment, what is the estimated sum of financial resources you will require to recover from a major storm?
• How much reserve cash do you have to meet those needs, bearing in mind insurance deductibles and wait time on payouts?
The Plan of Action

• To address the identified vulnerabilities, write a plan to describe what action you will take before the storm and what action you will take after one in order to recover from its impact.
Preparation

• Review and update your plan annually with employees.

• Test your plan prior to each hurricane season.

• Contact reputable contractors and repair personnel that are identified in your plan and verify that they are prepared and able to immediately address your calls for service.

• Make any corrections and adjustments necessary each year.

• Implement plan within two days of an approaching storm.
Financial Resources

• Ensure that you have sufficient financial resources at your disposal to meet the likely recovery costs identified in your plan.
• Insurance claims take a long time to be settled. Much longer than you wish to be out of business.
• Deductibles are high, so funds have to be set aside to bridge this gap.
Summary

- Hurricanes are devastating.
- Know your vulnerabilities
- Have a plan of action ready.
- Review your plan annually.
- Have resources immediately available.