THE PROJECT OVERVIEW

Port of the Americas
“Rafael Cordero Santiago”

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DISUR: A Regional Development Initiative of 15 municipalities

Source: Estudios Técnicos
Objectives

- Puerto Rico Legislation:
  
  - Law 171 - August 2002: The Rafael Cordero Santiago Port of the Americas Development Bill was signed.
  - Law 409 - September 2004: Funding up to $250 MM.

- Main Goals:
  
  - Enable the Port eventually to handle 1.5M TEU’s per year.
  - Provide efficient port facilities to move cargo in Puerto Rico’s Southern Region
  - Complement services offered by the Port of San Juan
  - Enhance Puerto Rico Value and Supply Chain
  - Economic stimulus to the Southern Region.
Maritime Access Overview

- Entrance channel and turning basin by USCOE at 50 ft depth
- Terminal channel width varies from 535 ft to 650 ft

Source: Local Design Firm Iglesias Vázquez & Asoc.
Cross-Section

Yard depth ~740 ft

Source: Local Design Firm Iglesias Vázquez & Asoc.
P U E R T O   R I C O
Port of
The Americas

Layout Statistics

- **Capacity**: 1.5 Million TEUs (Depending on Operational Mix)
- **Planned Acreage**: 150 Acres Gross
- **Throughput**: 8,000 to 10,000 TEU/Acre/Year (Depending on Operational Mix)
- **Berth Draft**: 50 Ft (48 FT + 2 Ft Margin)
- **Channel Draft**: + 55 Ft
- **Wharf Length**: 4,400 Linear Ft in Two Segments (1,400 & 3,000 FT)

Development Phases

Source: Local Design Firm Iglesias Vázquez & Asoc.
The Port of the Americas Authority project has four phases:

**Phases 1 & 2**

- Rehabilitation of existing docks 4, 5 and 6
- Acquired a mobile crane
- Dredging to 50 ft
- Reconstructing the container parking area
- Acquiring 135 acres at PERCON

**Acres:** 25. **Est. Capacity:** ~250,000 TEU

**PHASE 1:** Completed on Dec. 2004

**PHASE 2 DREDGING Completion Date:** Nov 2006

**PHASE 2 TERMINAL Completion Date:** 3Q - 2008
Phase 1 – Piers 4,5,6
Phase 1 – Piers 4, 5, 6

- 1st Crane Pilling
- Sheet-pilling
- Pier Piles
- Cathodic Protection
- Quay
- 2nd Crane Pilling
- Tie Rods
Phase 2 Container Terminal
Phase 2 - Dredging

Status:
- 50 feet
- 4.2 Cubic Meters
- 100% Completed
- Nov. 2006
- $13.9 MM
Phase 2 - Mitigation

Status:
- Mitigation and Clean-up
- 1,600 units
- 600 acres
- April 2006
- $3.5 MM
Phase 2 – Container Terminal

Status:
- $42.5M
- 28%
- 3Q - 2008
- 250,000 TEU’s
The Port of the Americas Authority last phases:

**Phases 3 & 4**: The last two Phases will expand to maximum capacity. Estimated time to complete the Phases is 10 years.

- **Access Roads Awarded $5M Start Date March 2007**

- **Expansion Infrastructure $40M Start Date Oct. 2007**
  (Drawings under final design reviews, 90% completed)

**Phase 3**: Acres: 43. Est. Additional Capacity: ~ 350,000 TEU

**Phase 4**: Acres: 77. Est. Additional Capacity: ~ 550,000 TEU

**STATUS**: OVERALL DESIGN 70%
The Port Development Summary

Distribution Centers Area ~ 45 Acres

2nd Phase

3rd Phase

4th Phase

Reconstruction Container Parking (3Q - 08)

Dredging (Nov-06)

Source: Local Design Firm Iglesias Vázquez & Asoc.
Existing Port Operations

Port of the Americas

Port of Ponce
Existing Port Operations

- Port Metrics:
  - Cargo: 0.6 M Tons per yr.
  - 15 calls per month
  - 15% Cargo increase
  - 24% Revenues increase
Current Bulk Operation

- Commodities Currently Moved Through Port of Ponce
  - Cement
  - Coal
  - Gas
  - Steel
  - Molasses
  - Orange Juice/Pulp
Current Bulk Operation

- Commodities Currently Moved Through Port of Ponce
  - Lumber
  - Steel
  - Scrap Metals
Current Bulk Operation

- Service Locations:
  - Costa Rica
  - México
  - Cartagena
  - Alabama
  - Curazao
  - Portugal
  - Dominican Republic
  - Panamá
  - Aruba
Port Operations

- Available Equipment & Services
  - Gottwald Mobile Crane
  - Local Tugboat Service
  - Vessels Servicing
  - Reefers Power Service
  - Free Trade Zone
Existing Port Operations

- Current Port of Ponce Tariffs:
  - Very Competitive Rates
  - Dockage: $0.0448 gross ton per 24hr.
  - Wharfage:
    - Domestic $0.60 per ton
    - Transshipment $0.30 per ton
  - Crane: $450 per hr. minimum 4hrs.
Latin American Markets

TOP Caribbean Ports for 2005
(Cargo Systems of August 2006)

- Panama: 19%
- Brazil: 16%
- Puerto Rico: 12%
- Jamaica: 11%
- Argentina: 7%
- Peru: 6%
- Mexico: 6%
- Chile: 5%
- Costa Rica: 5%
- Bahamas: 8%
- Venezuela: 5%
Distance from Puerto Rico

- Dominican Republic—1/2 hr.
- San Martín—1 hr.
- Miami—2 hrs.
- Caracas—2 hrs.
- Panamá—3 hrs.
- New York—4 hrs.
- New Orleans—4 hrs.
- Sao Paolo—8 hrs.
- Buenos Aires—9 hrs.
ACCESS ROADS INFRASTRUCTURE

- San Juan – Ponce: 1.5 hrs.
- San Juan – Aguadilla: 1.5 hrs.
- San Juan – Ceiba: 1 hr.
- Aguadilla – Ponce: 1.5 hrs.
Value Added Services

• Values Added Activities:
  – Optimizing the core product by adapting to customer needs
  – A total team effort of product customization or targeting with emphasis on quality
  – Enhancing the product or service before offering it to a customer
Value Added Services

- Value Added Center Elements
  - Adding Value Assembly near target markets
  - Supply Chain Management
  - Contract Manufacturing
  - Logistics Companies
  - Production and Assembly activities
  - Industrial/Logistics activities
  - Customer Support Services
  - Product Support Centers
  - Call Centers
Value Added Services

- Logistics Principal Activities
  - Assembly
  - Light Manufacturing
  - Specialized Transportation
    - (Air/Sea/Land)
  - Distribution
  - Warehousing
  - Classification
  - Inventory Control
### Port Services & Activities

**Primary:**
- Port Concession
  - Fixed/Variable/Incremental
- Free Trade Zone
  - Warehouses/Land leases
- Containers
  - General/Reefers/Explosives
- Cars
- Bulk
  - Scrap/Steel
  - Lumber
  - Coal/Gas

**Secondary:**
- Ro-Ro/Lo-Lo
- Liquids
  - Chemicals
  - Orange/Apple Juice
  - Molasses
- Port Services
  - Water
  - Cranes Lease
  - US Imports Clearing House (9/11)
Value Added Services
(From Mrs. Elena Colón Parrilla)

NORTH CAROLINA
Wilmington Port (104,122 TEUs)
15,579 jobs, $9.5M in taxes

SOUTH CAROLINA
Charleston Port
(1.8m TEUs), 281,666 jobs
$2.5B in taxes, $9.4B in revenues

GEORGIA
Savannah & Brunswick Ports
(1.6 m TEUs), 275,968 jobs,
$4.6B in taxes $10.8B in revenues
Integrating Markets

SUEZ-MED-EUROPE-
PUERTO RICO
OPPORTUNITY

US- South America
Integrating Markets

PROPOSED: SUEZ-MED-EUROPE-PUERTO RICO ROUTE
### Phase 1:
- Constructora Santiago
- URS
- H2A Engineers
- Geocim
- Ing. Axel Bonilla
- Gottwald

### Phase 2, 3 & 4:
- CSA
- Suelos Inc.
- Geocim
- Iglesias Vázquez y Asociados
- H2A Engineers
- Ing. Axel Bonilla
- Del Valle Group
- Weeks Marine
- Moffat & Nichol
- USGS
- APRO
- GIZMO DIGITAL
- Estudios Técnicos
- Focus Communications
- AFI-PRIDCO-DDEC-MAP
Summary

• Port Contingency to Puerto Rico
• Support PR Strategy of a Transportation Logistics Center
• Stimulate Economic Growth in the Southern Region
• Open opportunities to the International Hub
• Enhance Value Chain