

10th Annual Port Industry Day

Port of New York and New Jersey

Positioning the Port for Future Growth

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Adapting to Operational Changes
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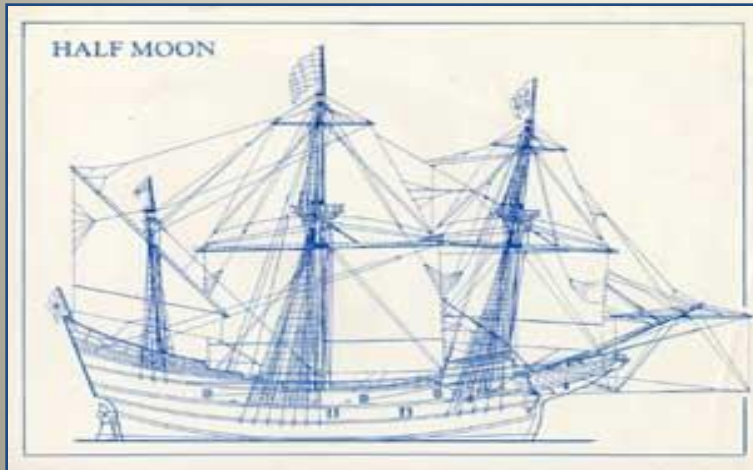


Overview

- The Port of New York and New Jersey is unique unto itself
- It has a unique history; provides unique challenges, and provides unique and exceptional opportunities
- How do we capitalize on all of that ... while positioning our port for future growth?



Our Unique History



- Whether you think in terms of Henry Hudson and his crew sailing on the Half Moon trying to find a route to China – and instead discovered our great harbor.



Our Unique History



- Or if you think about the Ideal X and the fact that the world's first containers were loaded on the first purpose built container ship here in the Port of New York you begin to realize that the Port is really unique.

Challenges

- Increased competition for cargo moving into and out of our region and even more competition for discretionary cargo
- Balancing trade and quality of life issues
- Maintaining the working waterfront
- Creating a “port identity” while maintaining the unique characteristics of each terminal facility

Challenges continued

- Imposition of regulatory measures that can put us at a competitive disadvantage i.e.
 - NY State Ballast Water Regulations
 - F4A and the LA Truck Concession Plan
 - Waterfront Commission and other governmental agencies
- Key Performance Measures
 - Turn around time of ships
 - Turn around time for trucks – trains
 - Documentation processing – customs and other regulatory operations

Infrastructure Challenges

- Infrastructure
 - Are we ready? What more do we need to do?
 - Bayonne Bridge moving in the right direction, however, timing is everything
 - Road and Rail improvements to handle expected increase in cargo. Have we done enough?
 - Harbor deepening to 50' feet
 - Maintenance of harbor depth

Economic Challenges

- Will the economy continue to improve and at what rate?
- Port related costs – the cost of doing business in our port as compared to others
 - Labor is of course a big item – but are we pricing other activities effectively?
- Capital resources
 - For the terminal operators that means ability to continue to invest in their facilities and increase throughput via layout and design
 - For the carriers that means modernizing their fleet – making those economy of scale decisions in a timely fashion

Workforce Challenges

- Labor

- Do we have an adequately sized workforce with the proper skills and training?
- Is the workforce too expensive?
- Are we managing the workforce?
- Are we as efficient as we can and should be?
- Technology
- Dependability – predictability – and commitment

Our Opportunities

- Carriers are considering the future size of their vessels in the East Coast services in light of the Panama Canal Expansion
- Despite the economic turndown we continue to serve the largest and most affluent consumer market in the world from this port
- We have highly experienced and capable longshore personnel and terminal operators to meet expected demand
- We have made significant investments in our terminals and infrastructure

Capitalize on the Positive...

Fix the Negative

- Nighttime Operations and Extended Gate Hours
 - how to best use existing facilities to get more out of them
- Using off-terminal depots for activities not necessary to be performed on congested waterfront property
- Maintaining the working waterfront
- Operating safely and efficiently
- Rejecting legislation that will put us at an operational disadvantage from other ports
- Maintaining momentum on issues like the Bayonne Bridge

Capitalize on the Positive...

Fix the Negative

- Move the trucks faster
 - Increased velocity = increased capacity for the marine terminal operators
 - More turns = more efficiency for the truckers
 - For the ILA that means more opportunity for new business = more work
- Port Support Zones for “other” related activities
- Address the customs and port practices that tend to make the port more costly and less competitive than other ports
- Serve the market we have sitting right on our doorstep

Success and the Future

- We are positioned for future growth
- We know what we need to do – our infrastructure is in good shape
- We are operating a green port, a safe port, and we know how to do all the right things
- We can't let unnecessary or duplicative legislation bring us down

Success and the Future

- Management and Labor are in business for the same reason – we have a common interest...maintain the business we have and bring more
- Do we do things differently to adapt?
- We have a unique port, a unique history and a unique opportunity for progression, growth and change