

“Strategic Port Authority Leadership”



May 8, 2006
Presented by Bernard S. Groseclose, Jr.
President & CEO
S.C. State Ports Authority



PORTCHARLESTON

" Congestion Could Crush U.S. Ports By 2010 "

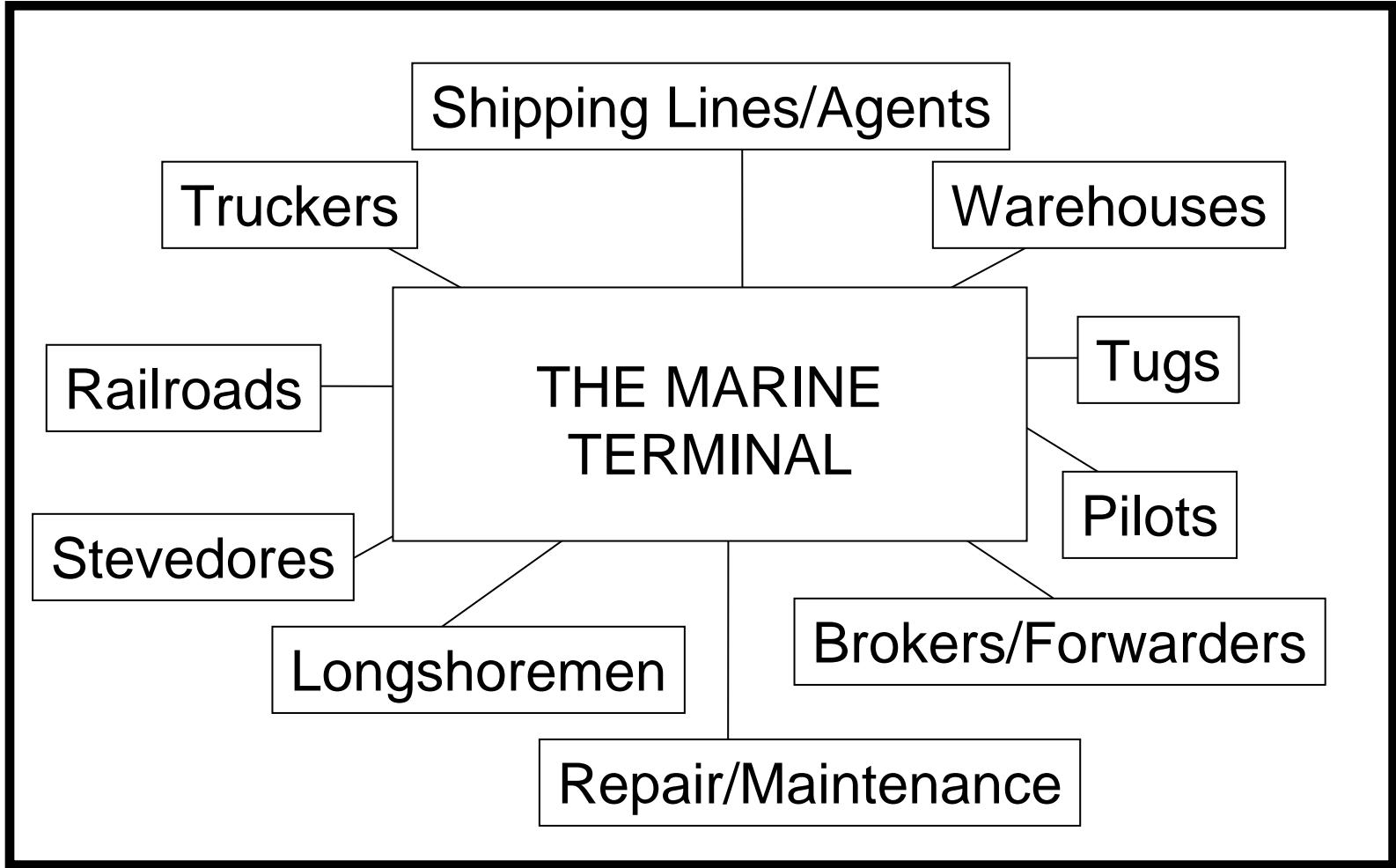
- *The Journal of Commerce Online*
March 7, 2006



The Port Environment

Global Economy

Federal & International Regulations



Environmental Issues

State/Local Governments



**Ocean Carrier
(or local agent)**

**Exporter/Importer
Forwarder/Broker**

Misc. Ship Services

Stevedore

Ports Authority

- Pilots
- Tugs
- Line Handlers
- Surveyors
- Chandler/Supplies

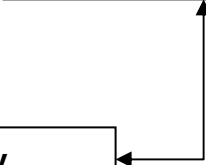
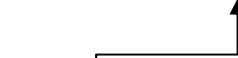
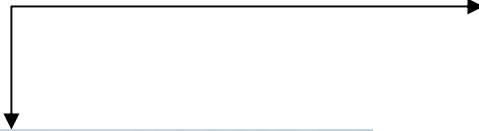
- Longshoremen
- Clerks
- Mechanics
- Carrier-Directed Transloading
- Licensed-User Gates

VESSEL SERVICES

- Berthing
- Crane Operators
- Container Handlers

CARGO SERVICES

- Common User
- Receiving/Delivering/Scheduling
- Shipper-Directed Transloading
- Terminal Equipment Maintenance
- Inventorying/I.T.
- Security



Landlord vs. Operating

- LANDLORD

- Principal Relationship with Stevedore/MTO
- Little Operational Control/Oversight
- More Focus on Long-Term Construction, Planning, Financing
- Insulated from Many Operating Issues

- OPERATING

- Principal Relationship with Ocean Carrier
- Direct Operational Control/Oversight
- Must Focus on Long-Term and Daily Operations
- Higher Profile in Port Community

Factors Impacting Ports, Terminals

- Trade Growth
- Larger Vessels
- Inland Infrastructure
- Automation & Technology
- Truck Power – Labor, Fuel, Shortages
- Environmental Concerns, Interests
- Community Opposition
- Traditional Work Rules
- Industry Consolidation
- Safety Issues
- Security, Regulations

Measuring What We Do

Operational Productivity

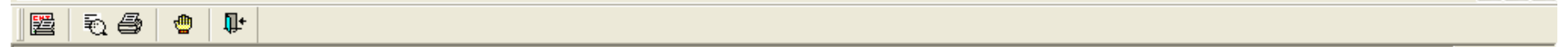
- Truck Turn Times
- Ship Turn Times
- Yard Productivity

Merit-Based Pay

- Pay for Performance
- Incentives
- Benefits

Specific Performance Measures

- Operating Margin
- Volume
- Cost Per Unit
- Accident Rate



Shipping Line: (ALL)
 Motor Carrier: (ALL)
 Vessel: (ALL)
 Cargo Direction: RL/RE/RC/DL/DE/DC
 Cargo Type: Import/Export/Empty/Inbond
 Equipment Type: B/E/F/G/H/S/U/X/R/W/V/K/N/P/T/C/O
 Equipment Length: 20ft 40ft 45ft
 Container/Chassis: Container/Chassis

South Carolina State Ports Authority
 Gate Activity Recap Report
 Thursday 09/01/05 00:00 Thru Friday 09/30/05 23:59
 North Charleston

Date: 10/10/2005
 Page: 1 of 2

NC Terminal Totals

	Chassis	Dry Van	Reefer	Flat Rack	Tank	Special	TEU	Moves
Receive								
20'		3033	1	1	56	67		
40'		5919	160	41	0	44		
45'		35	0	0	0	0		
Total	7101	8987	161	42	56	111	15564.75	9574
Deliver								
20'		2504	22	6	75	68		
40'		5572	74	21	0	30		
45'		53	0	0	0	0		
Total	6989	8129	96	27	75	98	14188.25	9017
Total								18591

Max. Trucker Turn-Time: 7182
 Min. Trucker Turn-Time: 0
Median Trucker Turn-Time: 21
 Avg. Trucker Turn-Time: 31.1

Driver's Assist Visits: 601
 Cleared: 78
 Rejected: 0

'C'=Cleared at Driver's Assistance, 'X'=Rejected at Driver's Assistance, 'IMP'=Import Load, 'EXP'=Export Load, 'INB'=Inbond Load, 'MTY'=Empty
 'OK'=No Damage, 'DMG'=Damaged but Roadworthy, 'DL'=Deadlined, 'H'=Hazardous

Truck Tasks Summary Jobs Status

Lane	Status	Checker	Idle	Task	Printer	Kiosk	Call
1 In	Idle	POPOFF, CARL	00:00:05	00:00:00	OK	OK	
2 In	Idle	KIGOS, KATIE	00:04:35	00:00:00	OK	OK	
3 In	Idle		08:17:51	00:00:00	OK	OK	
4 In	Idle	SMITH, TRACY	00:59:56	00:00:00	OK	OK	
5 In	Busy	VANDERHOOF, TO	00:00:00	00:00:05	OK	OK	
6 In	Busy	AULT, ELIZABETH	00:00:00	00:00:22	OK	OK	
7 In	Idle	JACKSON, MARGA	00:00:18	00:00:00	OK	OK	
8 In	Idle	PARSLEY, KIRSTEN	00:00:18	00:00:00	OK	OK	
9 In	Busy	EARLS, ANGELA	00:00:00	00:00:08	OK	OK	
10 In	Idle	SCOTT, TONYA	00:01:10	00:00:00	OK	OK	
11 In	Busy	SWINTON, IZETTA	00:00:00	00:00:32	OK	OK	
12 In	Idle	MITCHUM, WENDY	00:00:12	00:00:00	OK	OK	
21 In	Idle	GREENE, MARY	00:00:10	00:00:00	OK	OK	

Clear Call

1	2	3	4	5	6	7	8	9	0																
A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V	W	X	Y	Z
-	Back				Space				Clear																

Quick Reports

Step 1: Double-Click on the Report

Report Choices	Report Notes
Shipping Line Empties Inventory	Empty Containers for Shipping
Active Jobs	Display All Active Missions
Completed Work by Operator	Completed Work by Operator
Turn Time by Line and Date Range	Turn Time by Line and Date

Step 2: Enter the Required Input for the Report

Item	Value
Date	<input type="text" value="10/10/05"/>

Step 3: Click on Submit Report Request

Refresh Report List

Submit Report Request

Report Record Count: 393

Name	Hour	Yms Task Service	Total
BRYANT,LEE	07	MARRY - Marry a container onto a chassis/flatbed	8
BRYANT,LEE	08	GRNDC - Ground a container into a stack	1
BRYANT,LEE	08	SEGRE - Segregate a container in a stack	4
BRYANT,LEE	08	MARRY - Marry a container onto a chassis/flatbed	5
BRYANT,LEE	09	SEGRE - Segregate a container in a stack	9
BRYANT,LEE	09	MARRY - Marry a container onto a chassis/flatbed	15
BRYANT,LEE	10	GRNDC - Ground a container into a stack	2
BRYANT,LEE	10	SEGRE - Segregate a container in a stack	9
BRYANT,LEE	10	MARRY - Marry a container onto a chassis/flatbed	13
BRYANT,LEE	12	GRNDC - Ground a container into a stack	1
BRYANT,LEE	12	SEGRE - Segregate a container in a stack	9
BRYANT,LEE	12	MARRY - Marry a container onto a chassis/flatbed	13
BRYANT,LEE	13	GRNDC - Ground a container into a stack	2
BRYANT,LEE	13	SEGRE - Segregate a container in a stack	4
BRYANT,LEE	13	MARRY - Marry a container onto a chassis/flatbed	15
BRYANT,LEE	14	SEGRE - Segregate a container in a stack	7
BRYANT,LEE	14	MARRY - Marry a container onto a chassis/flatbed	15

Print Setup

Print

Save to Excel File

Save to PDF

Select All

Copy to Clipboard

Close

Tracking Crane Productivity

Jan-Mar '06

Crane Type	Total Moves	Hours	Total Productivity
Canron - CST	1,862.0	55.7	33.4
Canron - NCT	6,576.0	249.0	26.4
Canron - WWT	1,705.0	58.5	29.2
IHI - NCT	54,730.0	1,519.4	36.0
IHI - WWT	9,884.0	260.9	37.9
Morris	51,367.0	1,296.0	39.6
PACECO - CST	25,754.0	688.0	37.4
PACECO/Espana	16,570.0	458.4	36.2
PACECO/HHI	116,975.0	2,784.2	42.0
Grand Total	285,423.0	7,370.0	38.7



Cutting Dwell Times

Terminal	Average Dwell		Average Dwell		Dwell	
	As of 1 June 2005		As of 1 December 2005		Difference	
	Export	Import	Export	Import	Export	Import
CST	22	17	5	6	-17	-11
NCT	12	15	6	5	-6	-10
WWT	7	8	4	5	-3	-3

Ports Must Improve...

- Productivity
 - Measures & standards, operational inputs
- Capacity
 - New facilities, enhanced utilization
- Infrastructure
 - Landside and waterside

To Prepare for Increasing Trade in Charleston:

- ✓ Complete Harbor Deepening
- ✓ Improve Existing Facilities
- ✓ Bridge Construction & Demolition
- ✓ Permit & Expand at Navy Base
- ✓ Expand on Savannah River
- ✓ Enhance Transportation Connections



Specifically, Successful Ports will...

- **Extend Gate Hours**
 - Requires volume commitments, truckers
- **Reduce Dwell Time**
 - Better management, contractual requirements, demurrage
- **Manage Equipment**
 - Stackers, empty standards, off-site storage & chassis pools
- **Apply Technology**
 - Such as OCR, RF in new ways
- **Build New Terminals**
 - Perhaps limited by land, opposition
- **Enhance Local Transportation Connections**
 - Last-mile & rail connections

The Realities of U.S. Infrastructure

- ASCE says the U.S. needs to spend \$1.6 trillion in 5 years on existing infrastructure
 - 2005 report card: aviation D+, navigable waterways D-, highways D, rails C-
- In '60s & '70s, federal infrastructure spending was 1% of GDP; by '97 dropped to 0.57%
- U.S. has 4 million miles of public roads/bridges, 5,200 airports, 163,000 miles of railroad and 9,000 commercial docks and piers
- In 30 years, vehicle highway travel has increased 161%, but road mileage increased only 6%
- Congestion costs \$63 billion in wasted time and fuel
- Jobs depend on trade, but U.S. can't remain competitive and keep the economy from stagnating without infrastructure investment
- Center for Strategic & International Studies has called for a National Investment Corporation to focus on projects of national significance
 - SAFETEA-LU, the current \$286 billion highway spending bill, has 6,300 earmarks worth \$24 billion

Increasing volume does not have to mean increased congestion and higher costs.

Charleston's FY05 Results:

- Container volume up 14%
- Expenses up only 0.35%
- Maintained or improved productivity