The Low Hanging Fruit
Bulk Cargo

Dry Bulk

Liquid Bulk

Bulk, Break Bulk, Neo Bulk & Cruise

Marine Terminal Management Training
Jan. 2005
Break Bulk Cargo

- Miscellaneous goods and commodities in small packages, bags or boxes, non-containerized and which are usually loaded and unloaded on pallets by ships gear.
Neo Bulk ???
Neo Bulk Cargo

- Miscellaneous goods and commodities shipped packaged and transferred as units. Automobiles, lumber in stacks, and heavy machinery.
Cruise Operations

to visit Disney
www.disneycruise.com

to visit Royal Caribbean
www.royalcaribbean.com

to visit Crystal
www.crystalcruises.com

to visit Windstar
www.windstarcruises.com

to visit Silversea
www.silversea.com
Guidelines for Port Planning - IAPH

“A port cannot be planned or designed as an arbitrary arrangement of independent terminals. It cannot even be planned as an independent whole, because the arteries connecting the port to the sea and to the hinterland are as important as the port itself. . . .”
“A port should always be studied and planned in its true node or transit point in a complex system”.

Guidelines for Port Planning - IAPH

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Commercial Challenges

- Growth in containerization
- Large Ships
- Hub Ports (Transshipments)
- Competition for Funding

“Winners & Losers” – the winners will plan for growth in a sustainable manner – the losers may struggle to survive”
The Pipeline Is Not Just For Containers

- Ship Size
- Ship / Apron Transfer
- Apron / Storage Transfer
- Storage Capability
- Storage Inland Transfer
- Inland Transport
Give Your Port a Distinct Advantage

- Do not chase competition and offer “me-too” products.
- Know your customer and tell your customer you have a distinct product line.
- Brand your port and capabilities as a full service economic development entity.
- Develop a strategy based upon a great product, intelligent pricing and consistent marketing.
“A strong brand is important for success”
Port of Hueneme

A Viable and Sustainable

“Niche – Port”
Port of Hueneme: An Economy dependent on Military, Oil and Agriculture

- Lumber from PNW
- California Offshore Oil
- California Citrus
A Strong Brand was Key to Standing Out ---
Avoid the “Fire Sale” Approach

A Strong Brand Reduces the Need for Financial Incentives to Attract Customers

Vehicle Processors
City of Oxnard Zoning
Port of Tacoma

Maintaining Cargo Diversity
Newest Container Terminal
Port of Tacoma Container Traffic

Thousands of TEUs

<table>
<thead>
<tr>
<th>Year</th>
<th>Traffic (Thousands)</th>
<th>Growth %</th>
</tr>
</thead>
<tbody>
<tr>
<td>1998</td>
<td>1,471</td>
<td></td>
</tr>
<tr>
<td>2000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2002</td>
<td>1,738</td>
<td>+18%</td>
</tr>
<tr>
<td>2003</td>
<td>1,795</td>
<td>+4%</td>
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<td>2004</td>
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<td></td>
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<tr>
<td>2006</td>
<td></td>
<td></td>
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<tr>
<td>2008</td>
<td>2,503</td>
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</tbody>
</table>

Total Growth Rate 1998 - 2003 = 50%
2003 - 2008 = 44%

PCT opens as a Container Terminal in 2005.
Intermodal Lifts

Thousands of Lifts

From 1998 - 2003 = 93% growth
2003 - 2008 = 67% growth

2003 Intermodal Lifts = 468,600 lifts +29%
Marshall Avenue Auto Terminal
Why an Automobile Line of Business?

- Port has a 30 year experience with automobile manufacturers.
- Automobiles along with breakbulk and ro/ro general cargo reflect a commitment to "diversity" within the Port industry.
- The Auto LOB has a positive financial impact on the Port’s overall finances.
- The Automotive industry is important to other LOB’s.
The Automobile Line of Business is to create economic growth opportunities by increasing the value and market share of imported and exported automobiles, automobile components, parts and accessories handled at the Port of Tacoma and to contribute to related activities that benefit the State, region, and local automotive industries.
Carrier Issues

- Berth Access and Availability
- Labor Availability and Productivity
- Location of First Point of Rest

Berth

Storage FPR / Bays
Tacoma FPR Locations

28 cars per hour

40 cars per hour
Processors Issues

- Processing Capability
- Dwell Time and Storage Capability
- Lease Terms and Conditions
Forecast – Capacity = Need

Years

Number

Marshall FPR/Storage

FPR/Storage with Overflow

Demand FPR/Storage
Parking Bay Distribution
Strategic Initiatives

- Build UP not OUT
- Storage FPR / Bays
- REDUCE DWELL
  Increase Capability with Little Investment
- Truck Away
- Rail Away
- Processing
Holistic Approach for the Ultimate Customer - the Auto Manufacturer

- Recognize there are various customers (e.g. carrier, auto manufacturers and auto processor).
- Customers have competing interests.
- Address daily, weekly, monthly and annual perspective.
- While you do not “build the church to fit the entire congregation” ~ you must have the capacity for peak demands.
Inland Port Strategy
Intermodal Growth Strategies

TODAY’S STRENGTHS

Intermodal Transportation Group

VELOCITY

RELIABILITY

Bulk, Break Bulk, Neo Bulk & Cruise

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Intermodal Growth Strategies

TODAY’S STRENGTHS

Intermodal Transportation Group

VELOCITY  DENSITY  RELIABILITY
Density of Cargo Destinations

Port of Tacoma
Niche for Intermodal Rail Ramps
Transit Point in a Complex System
THANK YOU