



TERMINAL 6

Industry Leader Committee

Meeting #1: Orientation and Tour
June 28, 2017 - 3:00-6:00 pm



Terminal 6 Industry Leader Committee

- Welcome and Port Study Overview
 - Curtis Robinhold, Executive Director
- Introductions
 - Linda Pearce, Port Commissioner and Committee Chair
 - Industry Leader Committee
 - Consultant Team
 - Port Team



Terminal 6 Overview

Keith Leavitt, Chief Commercial Officer



Port of Portland Terminal 6

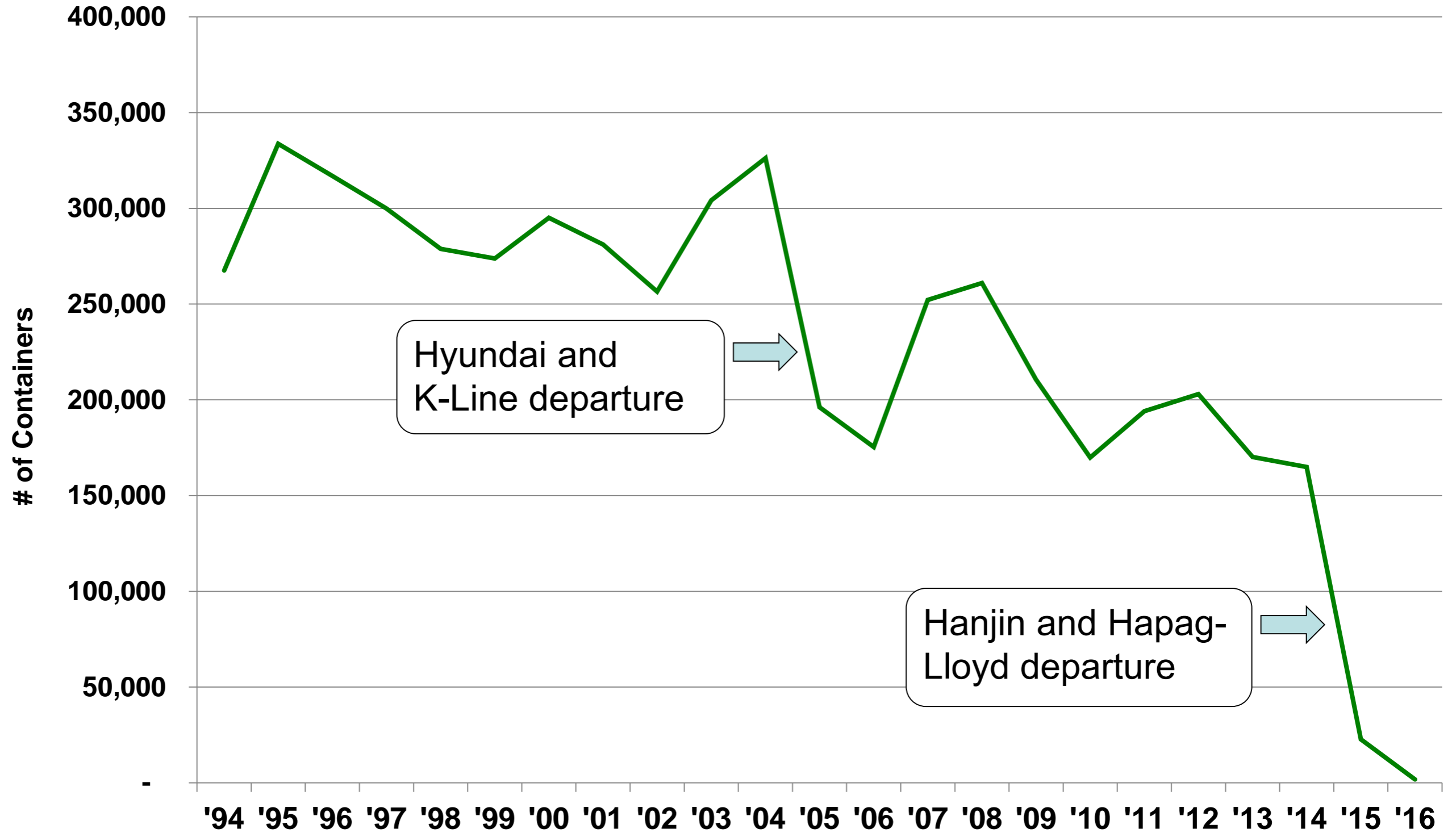


Background: 1970's-2007

- T-6 business since mid 1970's
- Mission focus – support shipper access
- West Coast labor and management – PMA/ILWU
- Asia trade growth double digits through 1990's-2007
- Port as “landlord” prevailing model
- 2004 – Hyundai and K-Line loss – significant impact on POP



Terminal 6 Annual TEU Volume

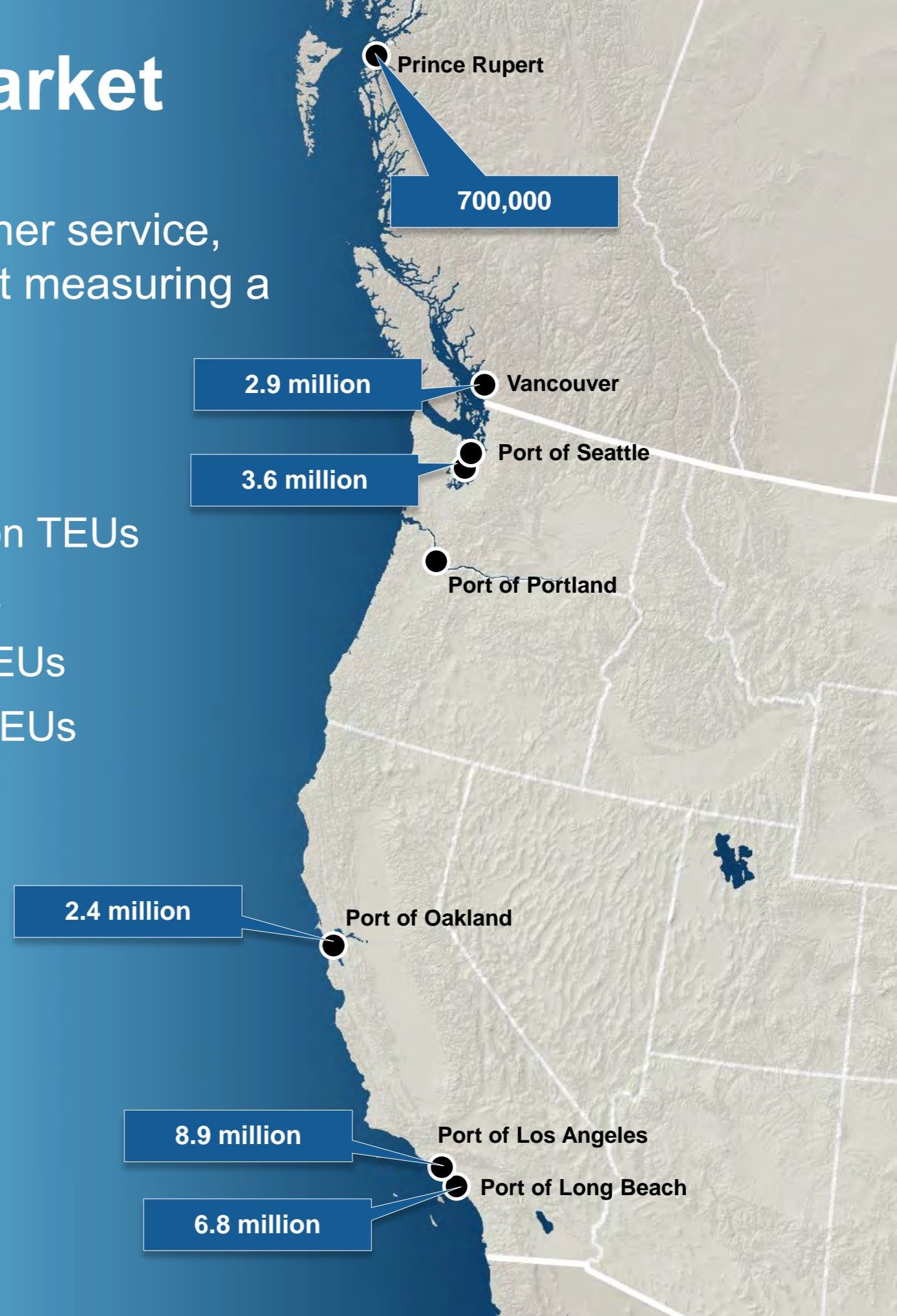


West Coast Cargo Market

In 2014, with fully operational container service, Portland shipped 160,000 TEUs (unit measuring a 20 foot container).

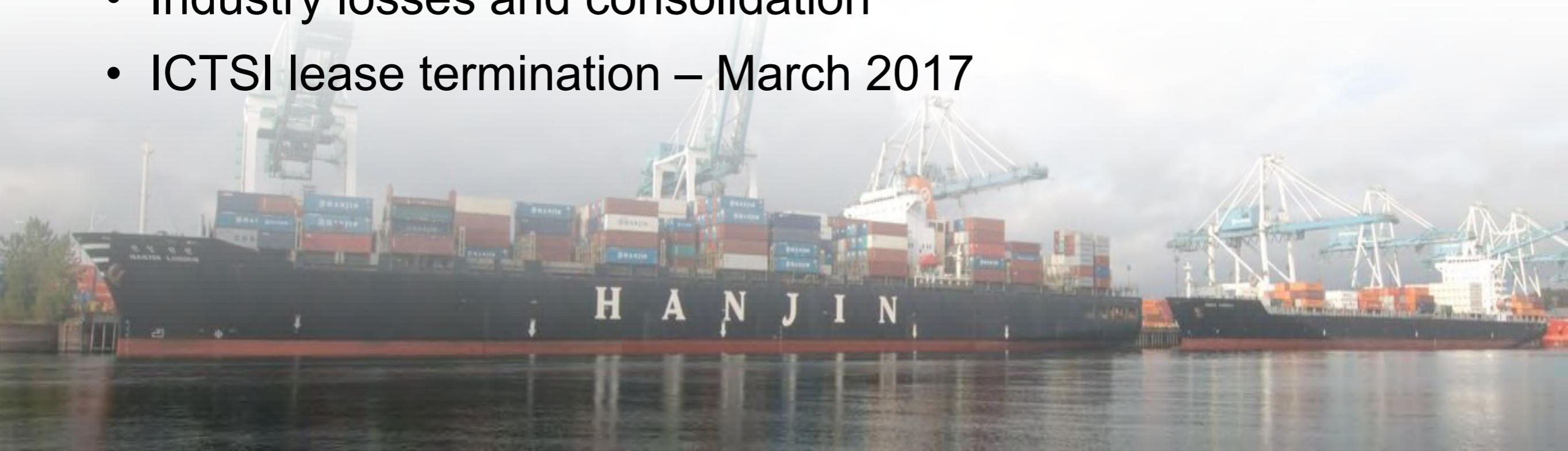
Compare that to:

- 2016: Port of Los Angeles: 8.9 million TEUs
- 2016: Long Beach: 6.8 million TEUs
- 2016: Seattle/Tacoma: 3.6 million TEUs
- 2016: Vancouver, B.C.: 2.9 million TEUs
- 2016: Oakland: 2.4 million TEUs
- 2016: Prince Rupert: 700,000 TEUs



Background: 2007-Present

- Recession shock
- POP financial pressure
- ICTSI only party willing to lease terminal
- Reduced Port financial risk – but increased labor complexity
- Carrier industry bet big on large vessels
- Industry losses and consolidation
- ICTSI lease termination – March 2017



Container Industry in State of Flux

- Excess capacity driving down rates
- Ships increasing in size
- Reducing competition in the market



Key Factors for Study

- Clean slate with facilities and equipment
- Financial considerations critical
- Focus on shipper market access
- Labor cooperation



Committee Charge & Study Focus

- **Timeline:**
 - Industry Leader Committee and consultant study – June-December 2017
 - Shipper Updates and Forum – Fall 2017
 - Recommendation to Port Leadership – December 2017
 - Report to Port Commission – early 2018



Tour of Terminal 6

Bus loading outside
Terminal 6 Administration building



Committee Charge & Study Focus

Charge:

Provide industry knowledge and guidance to the Port of Portland leadership on the Port's future role in container shipping at Terminal 6 and a sustainable business model for managing and developing the container business.

Areas of Focus:

- The Port of Portland's future role in the container shipping at Terminal 6.
- The value proposition of Terminal 6 to container carriers and potential terminal operators.
- Use of Terminal 6 to provide efficient market access for cargo shippers.
- Possible niches in the direct trans-ocean container service market for Terminal 6.
- Use of Terminal 6 as a feeder to other west coast terminals.
- Financially sustainable operating models that maximize business opportunity and provide effective service to shippers and carriers.



Committee Work Plan

- **Wednesday, June 28 from 3-6 pm – Meeting #1**
 - Orientation and Tour, Committee Charge and Work Plan
- **Thursday, August 3 from 3-6 pm – Meeting #2**
 - Situation Analysis, Market Analysis, Terminal 6 SWOT Analysis
- **Thursday, September 28 from 3-6 pm – Meeting #3**
 - Operational Model Analysis and Alternatives Analysis
- **Thursday, November 16 from 3-6 pm – Meeting #4**
 - Financial Analysis
- **Thursday, December 21 from 3-6 pm - Meeting #5**
 - Review of draft report to Port leadership and Port Executive Director



Collaboration Principles

- Guide how the group will interact with one another.
- Help maintain positive, constructive dialogue.
- Drive shared understanding and accountability.
- Determine how and what information will be shared publicly.
- Agree on support systems and information sharing between meetings.
- Align on expectations for engagement and preparation.



Next Meeting Date and Focus

Thursday, August 3 from 3-6 pm

**Market Analysis and Terminal SWOT Analysis
and Key Questions Survey**

