

State of the Port Growing the Port, Growing the Business

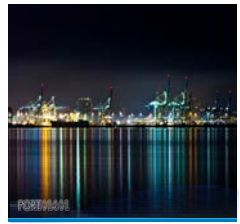
Introductory Music Video...

Now that I have your attention... (pause for
laughter)

Slide 1 (Logo)

As you have just seen, at PortMiami business as usual is NOT business as usual. The many projects now underway and accomplishments I am about to describe prove that PortMiami is **ROCKING!**

(Pause...)



Slide 2

At PortMiami—A new era is upon us—and with it...

A new look.

Good afternoon everyone and thank you for being here at what I am proud to say is my 6th State of the Ports address.

I would like to start by thanking the World Trade Center Miami, and in particular, Charlotte Gallogly, for once again coordinating today's event.



I am proud to say I am serving my third term as Chairman of World Trade Center Miami. It has been an excellent opportunity to join with many of you to promote trade and commerce around the world.

The World Trade Center accomplished much last year, including lending our support to winning Congressional approval of the Free Trade Agreements with Colombia, Panama and South Korea. These FTA's will pay off big time—in helping us increase world trade and commerce.

Pause



First, I would like to thank my boss, Mayor, Carlos GIMENEZ—for his leadership and support.

Thank you Chairman Joe Martinez and Commissioner Rebecca Sosa, Chair of the County Commission's Economic Development Committee that oversees the Port. Commissioner Sosa –your energy and efforts as an advocate of the maritime industry has been invaluable—thank-you.



A special welcome to our many partners in the industry here today, both cruise and cargo...

This is the 25th year this event has been held—this afternoon we have the largest audience ever. Thank you everyone for being here.

-PAUSE-



Slide 3

Our port is moving in many directions as we take an aggressive stance to become an even greater player in the international marketplace. But we could not do it without **YOU**...our partners.

Last year, I said our port was poised for new growth--thanks in large part to a trio of large infrastructure projects—

The port tunnel—

The new rail tracks now being laid...

The Deep Dredge...



Today, I can tell you that these projects are moving forward--and we have a renewed focus, a hyper focus, if you will, on **GROWING OUR PORT, GROWING OUR BUSINESS.**

We are charting a course that will make PortMiami an even more powerful player in the global marketplace.

To do so...like any business, we need a plan to get there...and, in what I believe was one of our most significant accomplishments last year... the 2035 Master Plan was formally adopted.

No one has a crystal ball to know what the world will be like in 2035...

BUT, if the past is any indication, market dynamics will continue to change—everything from trade patterns to new technologies.

We need to anticipate change...stay ahead of the curve...

We need to diversify our revenues...

We need to be a good neighbor, AND

We need to develop in an environmentally responsible manner...

Let's take a look at where we have been and where we are going....

Roll master plan video... approx six minutes



Ambitious—YES! But, keep in mind this is an evolving plan...to be rolled out ONLY in concert with the marketplace -- and our partners: the cruise and cargo lines, and groups like the Downtown Development Authority.

Growing our business is important...BUT, being a good neighbor is equally important...

My good friend Bill Talbert, CEO of the Greater Miami Convention & Visitors Bureau likes to say he's in the "good news business."

Well, so are we!

(Pause)



Slide 4

And where are We???

ON TOP!

No other cruise port in the world comes close to matching our cruise passenger traffic.

In 2011, for the fourth year in a row, 4 million plus cruise vacationers passed through our port.

PortMiami has long been known as **THE** Cruise Capital of the World—and it will always be **THE** Cruise Capital of the World!



And, what great news we have had over the past few months-- three additional cruise lines, some of the best names in the business, are coming to our PortMiami.



Slide 5

In September, Regent Cruises-- a market leader in the luxury segment of the industry—announced that is relocating its operations to PortMiami this fall.

Thank you Regent's Mark Conroy.

Christmas arrived early this year when we reached an agreement with MSC Cruises—which is making PortMiami its exclusive homeport beginning in the fall of 2013. This fast-growing and innovative line is a great addition to our fleet.

Thank you MSC's Rick Sasso.



And, last but certainly not least: Mickey Mouse and all his friends are coming here!

Disney Cruise Lines makes its debut THIS December when the *Disney Wonder* sets sail from PortMiami.

Thank you—Walt Disney!

And, many thanks to Karl Holtz-Disney Cruises' President and CEO.

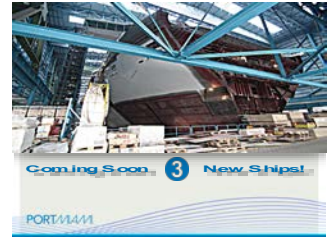
WOW. In four months time we brought in **THREE** new lines—joining our already distinguished galaxy of cruise brands.

(Pause)



Another major accomplishment was reaching a long-term lease with Royal Caribbean—ensuring that the company will keep its headquarters on our Port through 2021...and, hopefully, long beyond.

We are equally proud that our community is the global headquarters for Carnival Cruise Lines, Norwegian Cruise Lines and Prestige Cruise Holdings.



Slide 6

The good news just keep coming... this year, we will have the privilege of welcoming three new ships still under construction in Europe—the *Celebrity Reflection* (*refer to photo of shipyard in Germany*), the *Carnival Breeze*, and the *Oceania Riviera*. These new vessels will rank among the most exciting and innovative vessels in the world.

Globally only four new ships will be introduced in the U.S. this year—and **THREE** will come here...to PortMiami.



Slide 7

Speaking of new—I hope you all will have an opportunity to see our recently renovated Terminal J.

We have just completed a \$3 million upgrade --to what we call our “boutique terminal” used by luxury lines.

Making our customers happy makes me happy. And, I was never **HAPPIER** than when Prestige Chairman and CEO Frank Del Rio—after touring the new Terminal J—sent me an email that began “Wow-Wow-Wow...”



He went on—and I quote-: “I don’t know of another facility ANYWHERE in the world that is as up to date, aesthetically as beautiful and as functional and easy to access for guests than MY Terminal J.”

Thank you Frank Del Rio.

Carnival... you’re next—now underway, a \$15 million expansion of Terminal D which serves our largest customer—Carnival Cruise Lines.

And, stay tuned folks—



Slide 8

In 2010, Norwegian Cruise Line's newest vessel, the *Epic*, was launched here. It is one of the largest and most modern ships in our fleet. We are expecting more good news from NCL in coming months!

(Pause)



Slide 9

Let's turn to the cargo side of the business.

Again, we are **ON TOP**...as the number one container port in Florida.

Nationwide we are Number 11, up from number 13 a couple of years ago---but we can do more...and we will do more!

Our goal: breaking into the top five this decade!

I am pleased to report that cargo traffic increased 7% last year—a solid performance given the ongoing economic difficulties in the global marketplace. This follows a 5% increase the previous year.



Slide 10

By any measure, PortMiami has navigated well, very well, through a very tough economy.

In the four-year period, since 2008 –when the recession hit hardest—TEUs at our Port increased 9.2%, more than many major container ports

(gesture slide)

We outperformed New York/New Jersey, L.A., Long Beach, , Houston, Charleston and our neighbor up the block, Port Everglades.

(Pause)



Slide 11

I want to salute our cargo partners—many whom are here today.

I can proudly say that while I've been Port director—in May, I will have completed six years—we have not lost a single cargo line.

NOT ONE!

Thanks to our trio of infrastructure projects—the tunnel, on-port rail and the Deep Dredge—we intend to double our cargo traffic by the end of this decade.



Slide 12

Trade patterns are shifting and the Post-Panamax Era that we've been talking about...is now less that than three years away.

In late 2014—when the expanded Panama Canal opens—we will be the only Port south of Norfolk, Virginia able to accommodate the new generation of larger container of vessels.



Let me share a statistic with you—45% of all imported goods consumed in Florida—nearly half--that are shipped by water in containers come through ports OUTSIDE Florida—trucked or sent by train from L.A. and Long Beach or Savannah.

When we talk about “Big Box Stores”, the Targets and Wal-Mart’s, the percentage is even greater: almost everything from Asia, consumed here, comes through ports outside our state.

WE WANT THIS BUSINESS!



This represents billions of dollars in new business—business that would create thousands of new, well-paying jobs!

The Deep Dredge is our BIG WIN!



Slide 13

Once the Canal is completed, Atlantic ports will have a tremendous cost advantage. **BUT**, only at the required -50 feet depth to accommodate the larger ships.

This is not only an opportunity for us in South Florida to increase international trade and commerce-- but an incredible opportunity for our entire state.



Today, Florida ranks #4 in the U.S. for trade—
But we can be **#1**.

I want to be **#1**...and

**I hope everyone in this room wants Florida to
be NUMBER ONE!!!!**

My friend, Jose Abreu, our great aviation director,
is helping us get there. Miami International is
already #1 in the nation for international cargo
traffic.



No matter what your politics—you have to give credit to Governor Rick Scott for recognizing that international trade presents enormous opportunities to create thousands of new, well-paying and permanent jobs. Thank you Governor Scott for supporting our Deep Dredge!

The project is now in the permitting process—



Slide 14

We are ready to go. The U.S. Army Corps should be competitively bidding the project right now.

However, there are some who are trying to slow us down. I can assure you, we remain committed to the timeline that will have our channel at minus 50 feet come 2014.

Let me say a word about the environmental issues related to the dredge.

This is a federal project managed by the Army Corps. I can assure you they, along with our Port and the State of Florida, are committed to protecting our most important natural asset — Biscayne Bay and the surrounding ecosystem.



Our dredge project has been studied for more than 10 years and meets the highest environmental standards.

The Corps recently completed dredging in protected waters off Key West—a project that required the most stringent guidelines ever for a dredging project.

Our dredge is following the same protocols...actually, our protective measures may even be greater.



The one thing we **CANNOT DO** is delay the dredge—unless we are willing to pass up what’s been called a “once in a generation opportunity to grow our economy.”

Mind you, our competitors in Savannah and Charleston would be quite happy if we did —we **MUST** be at minus 50 feet when the expanded Panama Canal opens for new business.



Slide 15

Also, important is our partnership with the Florida East Coast Railway, linking our port to the Hialeah yard and to the national rail system.

This project is on schedule and on budget. About 80% of the new tracks have been laid—and we expect to begin operations before the end of THIS year.

No major port can be successful without on-port and on-dock rail. (reference FEC team with us today who would agree)

Time to market—that's the bottom line for everyone in this room who moves product...the shippers, logistic providers, freight forwarders...



You all know that gaining a few days, or even hours, when moving goods makes an enormous difference in profits...

We are constructing a high capacity, high efficiency intermodal operation.

It's all about connections...and rail is a vital link.

The new FEC-Port partnership will allow shippers to reach more than 70% percent of the U.S. population from Miami within one to four days. **Let me repeat this hugely important fact—more than 70% of the entire U.S. population in four days or less!!!!**



Slide 16

In other cargo news ...we continue to make significant improvements to the yard used by Seaboard Marine—our largest shipping line.

Seaboard posted a record last year at PortMiami moving an excess of 400,000 TEUs, more than 40% of our business. Thank you Seaboard—we value our partnership.

Pause



At this time, I would like to recognize some of our other critical partners in growing the business starting with ILA Local 1922 and 1416.

In August, Local 1416 will celebrate its 75th anniversary at our Port.

Thank you for being here today...you play a vital role in growing our business.

Also, I would like to recognize our law enforcement partners. Safety and security must always be our top priority. I am proud of our achievements in public safety and security --our Port remains the leader in the state.



Many thanks to U.S. Customs, the Coast Guard, the Florida Department of Law Enforcement, Miami-Dade Police and Fire-Rescue for all they do to keep us safe and secure.

Finally, one cannot forget the Biscayne Bay Pilots, whose job it is to expertly guide the cargo and cruise vessels through our waters. Thank you for all you do.

Pause



Slide 17

To conclude, I would like to return to our theme
“Growing the Port, Growing the Business.”

Several years ago, in one of my first State of the
Ports addresses, I said,

(read)

**“Everything we do at our Port begins with our
goal to be even more than we are today.”**

That was in 2008. Looking back, I am thrilled with
how much has been accomplished!



In coming months you will see more tangible results—including completion of the first underwater chamber of our new tunnel. This tunnel—one of the largest projects of its kind in the U.S.—will make travel to and from the port quicker and safer. The project is on schedule to open May 2014. *(Recognize Christopher Hodgkins)*



Slide 18

The design for the tunnel entrance --what will be our front door—was recently completed.

(Gesture to slide with visual of portal)

This is destined to be a signature landmark for our community. Congratulations to the design team at Arquitectonica.



2012...Yes, we are off to a fine start. Our commitment to growing the port, growing **OUR business is steadfast...and **we will NOT be deterred!****

While much of our growth is tied to “Bricks and Mortar” and completion of our large infrastructure projects, we must always keep in mind these improvements are only PART of the story.

Future growth...real success... only happens though partnerships and working together.



It's about people working together. Being in sync with the marketplace.

Meeting our customers' needs....

To close, let's hear what some of our customers have to say.



Slide 19

Roll Video