



Pasha People
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PASHA PEOPLE

The Pasha Group News and Information Source

Volume 12 Summer/Fall 2011

2011 Trans Pacific Yacht Race

Pasha Hawaii loves to carry Transpac winners home, and 2011 is no exception. The *Peregrine 33* won first place in Division 6 and rode back in style on the *Jean Anne*, accompanied by several other Division 6 yachts.

This is the 47th biennial race across the Pacific from the West Coast of California to Hawaii. The longest of the two oldest ocean races in the world, it was inspired by Hawaii's King David Kalakaua, who thought a race such as this would strengthen the islands' ties to the mainland. Although King Kalakaua died in 1891, the race was brought to fruition in 1906 by a Honolulu sailor who invited several contemporaries to race to the Hawaiian Islands. The race was scheduled to start in San Francisco that summer, but the great earthquake on April 18 1906 put paid to that, with the city lying in ruins. The starting point was then quickly changed to Southern California, the

race began, and the rest is history. Today the yachts, of all sizes, cover a distance of 2,225 nautical miles from Los Angeles to the finishing line at Diamond Head. After such a grueling race, many of the participating vessels choose to send their yachts back to the West Coast on the *Jean Anne*. With her wide stern ramp, and fully-enclosed decks, *Jean Anne* makes sure their ride home is a smooth one.

The only offshore race out of San Francisco today is the Pacific Cup, a low-key fun race for fully-crewed boats from San Francisco to Hawaii, which held its first race in 1980. Alternating with the TransPac, the next race is scheduled for July 2012, and Pasha Hawaii already has skippers signing up for the easy way home!



The Port of San Diego - A Working Waterfront

Since its founding in 1962, the Port of San Diego has shaped and improved the waterfront in each of its five member cities— San Diego, National City, Chula Vista, Imperial Beach and Coronado.

Over the years, the Port has fashioned a cohesive waterfront with these goals: Serve as a regional economic engine; protect the land and water; and provide for public enjoyment of the bay front. As the Port of San Diego looks to its 50th anniversary celebration, the transformation on the 33 miles of tidelands continues.

Scott H. Peters, a member of the Port Commission since 2009, took over the chairmanship of the Board of Port Commissioners in January 2011. He served for eight years on the San Diego City Council, including as Council President from 2006 through 2008. Active in civic service, he has served on the California Coastal Commission, was co-chair of San Diego's Clean Water Task Force and was a member of the San Dieguito River Park Joint Powers Authority. Chairman Peters is a leader in innovation, the environment and livable communities, along with many other interests.

Wayne Darbeau is President/CEO of the Port of San Diego. Prior to his appointment, Darbeau served as the Port's Vice President of Administration. He has been with the organization since 1998 and has held key leadership positions, including Senior Director, Director and Administrator.

Recently, we sat down with these two for an informative and enlightening interview. Look inside for the results!



Marjorie C Milestone

With all drawings and materials in hand, and ahead of schedule by 15 days, VT Halter Marine cut the first steel on August 1 for the *Marjorie C*. These steel plates will form the structural T-Beam sections for the vessel. Plaudits to the team that has brought us to this first milestone:

VT Halter's Chief Executive Officer, Bill Skinner, Uljanik's Ivan Pami, and Sea Technology's Tom Sofyanos.

Next up: The structural keel laying this fall.



Sister ship to the *Marjorie C* under construction at the Uljanik shipyard.

GLOBE TROTTER WITH GEORGE PASHA, IV

In July of this year, George Pasha, IV scheduled a trip to Europe which included a visit to our offices in Switzerland, where he and Relocation Services' Missy Donnelly introduced Peter McLoughlin, who has joined the Government Services team as Vice President of Global Overseas Agencies. Based at our headquarters office in Corte Madera, Peter is directing our military operations in Asia and Europe.

A member of our Italian network since 2004, Roiatti srl is based in Pordenone, Italy, and provides quality relocation, transportation and logistics requirements to the Venezia-Friuli-Giulia region. It is always on a Pasha itinerary when possible. This trip was no exception, as George called on our partner Agostino Prosdocimo and his family and staff.

A mere 150 miles from Roiatti's headquarters is Pula, Croatia, the home of Uljanik Shipyards, and an opportunity for George's first visit to meet with the designers and collaborators of the construction process of the *Marjorie C*.

The Pula Arena in Croatia, pictured on right, is among the six largest surviving Roman arenas in the world. A rare example of unique technological solutions, this amphitheatre serves as an excellent example for the study of ancient building techniques.

Perhaps it is not surprising, then, that the Uljanik Shipyard which is nestled in the nearby bay of Pula, serves as an excellent example of ultra-modern building techniques. Founded in 1856, the shipyard is one of the oldest in the world, having survived many dramatic eras during its years of development, and today its experts design and build all types of ships destined for global ports. Uljanik designs are recognized worldwide as reliable and technologically advanced. Pasha Hawaii is one of many benefactors of these proven designs, first with the creation of the *Jean Anne*, and now the *Marjorie C*, which is under construction at the VT Halter shipyard in Pascagoula, MS.

A contingent of VT Halter staff members, headed by Paul Albert, Chief Operating Officer, traveled from Pascagoula to spend two weeks in Pula, Croatia with Uljanik engineers and designers. Their mission included signing off on design drawings which are converted into nest tapes. These tapes create electronic templates that direct the steel-cutting machines, enabling them to cut precise plate shapes for the vessel build.

George's visit to Pula occurred while the Halter team was still there and he says, "I Was able to meet with Paul and his team and Uljanik's Ivan Pami and Bojan Skocilic which allowed me to appreciate at the local level the nature of the collaboration between the designer and builder. This will definitely help me more effectively oversee the build process."

Taking advantage of a free day, a drive to Rovinj, which is unofficially considered one of the most beautiful towns on the Adriatic coast, was a distinct pleasure. Like Pula, Rovinj is located on the western coast of the Istrian Peninsula and has a maritime border with Italy. A short distance from Pula, it is a popular tourist resort and an active fishing port. Adding Croatia, and our partner Uljanik, to a Europe itinerary is a great experience for Pasha.



FINISHED VEHICLE LOGISTICS NORTH AMERICAN CONFERENCE

A new era of leaner, stronger and altogether smarter vehicle logistics was the theme of the recent Finished Vehicle Logistics Conference in Newport Beach, CA. More than 200 delegates, including carmakers Ford, Toyota, Honda, Chrysler and Hyundai-Kia gathered at the conference to examine issues of capacity, efficiency and fuel reduction. Pasha Automotive Services' Senior Vice President, Richard Frick, was among the panelists discussing the hot topics of port and car carrier capacity. At the ports, capacity is likely to become a serious issue when the surge in volumes that is expected by 2012 comes, and forward planning and faster throughput involving collaboration between processor, carmaker and ocean forwarder are seen as crucial.



"Dwell is the enemy," said Rich. He noted that storage was a necessary evil sometimes but it was not ideal. "What is ideal is throughput," he went on, and provided an example of how Pasha increased turnover and removed four days of dwell time by communicating with the ocean forwarder, the rail provider and the trucking company to get a preferred picture of the load build required. "It drives process change and we can find efficiency and savings," he said. "A car in the pipeline is costing someone money in storage charges and risk of damage -- it needs to get to the customer."

Rich added, "While we strive for velocity, The Pasha Group offers a full array of value-added services at its import/export terminals, from accessorization to homologation with factory certified mechanics. We can add value and maintain quality while the vehicle is still in the supply chain. Freight management and transportation logistics services are what we do."

TransPac 2011

Milestone



Trip Report

National Maritime Day

Striking a Balance: Environment and Industry – This topical theme was the cornerstone of a National Maritime Day celebration sponsored by the Port of San Diego on May 17, 2011. Almost 300 guests gathered together to hear addresses from government and industry executives, including Maritime Administrator David T. Matsuda as the featured speaker.

Matsuda, who heads up the Maritime Administration, the agency within the U.S. Department of Transportation that focuses on waterborne transportation, speaking to the many maritime workers in the audience, remarked, "The work of our nation's mariners, our ports and shore side workers doesn't often make the headlines when things go well, but each and every one of you deserves our gratitude and our respect," he said. "Many Americans don't see the path that brings most consumer goods from factory to store shelf or how we provide critical supplies to our troops serving abroad."

George Pasha IV joined Wayne Darbeau, President and CEO of the Port of San Diego; Captain Thomas Farris with the U.S. Coast Guard; and Bill Morani, Vice President Environmental and Regulatory Conformance for Holland America, in discussing the significant environmental issues faced by each.

George spoke of The Pasha Group's strong link to the Port of San Diego, including the addition of the *Marjorie C* to Pasha Hawaii's liner service. Noting that John Pasha is a member of the Port's Maritime Advisory Council, George comments, "Pasha Automotive Services is an active member of the San Diego Working Waterfront, and The Pasha Group also supports the global maritime industry. We are very aware of our responsibility to provide environmental stewardship, not only locally, but on a global basis." An initiative of the Port of San Diego's environmental sustainability program is the Green Business Challenge, which asks local businesses to "green" their operations over the course of the year. Pasha Automotive Services has already retrofitted lighting, replaced gas-guzzling vehicles with Segways and hybrids, adopted a large recycling program – and is now participating in this groundbreaking effort to improve its sustainability.

National Maritime Day was created in 1933 when President Franklin Delano Roosevelt signed a joint resolution with Congress to recognize the contributions of the men and women of the maritime industry. The nation's 360 ports are the prime portals for the nation's imports and exports.

With extensive port operations in San Diego and Wilmington, CA; Grays Harbor, WA; and Baltimore MD, The Pasha Group has long recognized the importance of maintaining clean and green waterfront operations. We continue to implement measures to further reduce the carbon footprint of each location, and appreciate the opportunity to participate in this noteworthy event.



Celebrating National Maritime Day were, left to right, Wayne Darbeau, President/CEO, Port of San Diego; David T. Matsuda, Maritime Administrator for the United States Department of Transportation; Captain Thomas Farris, Commander, United States Coast Guard; and George Pasha, President/CEO, Pasha Automotive Services. (Photo: Dale Frost)

Partnerships Pay Off

Gearbulk's *Apalis Arrow* paid its inaugural call to the Port of Grays Harbor, and the Port and Pasha Stevedoring & Terminals (PST) now have a new customer, thanks to the marketing efforts of Grays Harbor's Gary Nelson and Leonard Barnes. Cosmo Specialty Fibers has reopened the pulp mill formerly owned and operated by Weyerhaeuser in Cosmopolis, WA, which closed in 2005. Cosmo's ramped-up production is a boost to the local economy, with over 200 workers hired to operate the mill. The bustling production line resulted in this first shipment from Grays of 6,000 baled tons of high-quality pulp outbound to China. The "Made in the USA" wrapped packs were a sight to see as they were carefully loaded on to the *Apalis Arrow*.

PST anticipates annual exports of over 100,000 tons from Grays Harbor. Gearbulk operates over 70 vessels, with the world's largest fleet of open hatch gantry and semi-open jib craned ships. It specializes in purpose-built ships to carry forest products, non-ferrous metals and other unitized break-bulk cargoes.

In other news, the Siem Group, which acquired Partner Shipping in January of this year, has shifted its NAPA service (North American Pacific Asia) from the Port of Los Angeles to the Port of San Diego. This strategic move, with on-dock rail available at Pasha's National City Marine Terminal, is a perfect fit for Siem Car Carriers, PST and Pasha Automotive Services (PAS).

Glovis America, the logistics manager for Kia and Hyundai, currently brings these vehicles into San Diego from Korea, and by adding Siem as a shipping partner, they will be able to import additional vehicles to meet growing consumer demands. The vehicles are received by PAS, and sent inland by rail. Siem vessels will transit from San Diego to Lazaro

Cardenas in Mexico, and then steam up the coast to the Port of Grays Harbor, where they will unload Chrysler vehicles and Over High and Wide cargo destined for the Pacific Rim.

Back in Grays Harbor, PST is celebrating the largest outbound shipment yet, with 11,367 cubic meters of OHW cargo and 1,420 automobiles recently loaded on to Siem's *Le Mans Express*. Jeff Burgin, PST's Senior Vice President notes, "As always, this was a real team effort from our PST Team, ILWU Local 24, and the PAS group. Our partnership with Grays Harbor is definitely paying off."

And Pasha would also like to congratulate the Port of Grays Harbor which is commemorating its 100th Anniversary this year.



PHOTOS: Courtesy of Melanie Norvell, Cosmo Specialty Fibers Logistic Supervisor.

Pasha Travels to China with Chrysler Logistics Group

As a leader in vehicle exports, Chrysler Group continues to increase the company's volume of their North American products, with more than 40,000 Asia-bound units slated to ship out of the Port of Grays Harbor this year. Well into its second productive year of shipping out of Grays Harbor, and to meet the mounting demand for American-made vehicles, Chrysler will soon add the new Fiat 500 to its China export market. The Port of Shanghai will be the latest port of entry, joining the Port of Tianjin. As part of Chrysler and Pasha's continuous quality improvement process, Stan Gabara, Pasha Automotive's Executive Vice President, recently traveled to China with Chrysler Group's Scott Gregg to review the Ports of Yangshan, Waigaoqiao and Xingang, meeting with local Chrysler managers and senior staff.

As the China automobile market continues to grow, port and transportation infrastructure in China is evolving at an unprecedented rate. During the joint travels of Chrysler and Pasha, port terminals were reviewed to ascertain the best locations to meet the immediate import growth and future automotive exports. Stan Gabara notes, "We were impressed by the recent growth of the Yangshan Container and Roll-on Roll-off (RO/RO) terminal and new state of the art RO/RO Terminal 6 at Waigaoqiao, both in Shanghai. It is amazing how quickly these new terminals were constructed." The ten-day trip reviewed the logistical opportunities and possible challenges of near and long term importation and exportation to and from China.

The Pasha Group is a quality service provider to Chrysler offering value-added services in finished vehicle processing, trucking, containerization, ocean transportation and logistics.

Pasha's Transportation Services

An important component of The Pasha Group's offerings is the service we make available for members of the United States Military. Pasha's Transportation Services is one of the leaders in this arena, with two primary business units providing for the processing, storage and transportation of personally owned vehicles (POV) of U.S. military members and government personnel. The first Global Privately Owned Vehicle Contract commenced operation in 1998, when Pasha was appointed as a subcontractor to primary government contractor, American Auto Logistics. Pasha's responsibility includes management of ten strategically located vehicle processing centers across Puerto Rico, Korea and the U.S., and all trucking in the continental U.S. Based upon established high service levels, extensive knowledge of the military's POV requirements, excellent contract past performance ratings, U.S. Transcom has awarded AAL Award Term Year Five, which assures Pasha's continued performance through October 31, 2013.

Innovative solutions for customer needs is a Pasha strength. In 2003, members of the 25th Infantry Division, stationed at Schofield Barracks and Fort Shafter, HI, began deployment to Afghanistan and Iraq. The Department of Defense needed a vehicle storage location for Infantry members' privately-owned vehicles. Leasing a decommissioned naval air training station from Hawaiian Homelands, (a site located at Barbers Point, Oahu), the Pasha team rose to the logistical challenges. Great creativity resulted in the preparation of access roads and the record-time construction of a first-class processing operation to provide safe storage for the POVs. Pasha won the initial contract by meeting the strict government requirements, and has not only met but exceeded those expectations since inception. The contract calls for the maintenance of 2,000 POVs, and the Barbers Point site personnel can process over 200 POVs a day. Recognizing Pasha Transportation Services' outstanding performance ratings and the value-added services that Pasha has introduced since 2003, the government has awarded a new five-year contract to Pasha Vehicle Services (one year with four one-year options).

The Transportation division has been a consistent contributor to Pasha's success. Led by Chuck McCann, Vice President and General Manager, these two operations are providing a stellar service to the men and women of the Armed Forces who serve us so well.



COMMUNITY CORNER

Since the launch of the International Trade Education Program (ITEP) in 2001, Pasha Stevedoring & Terminals has been providing both financial support and mentorship to students enrolled in the International Trade Academy (ITA) at Wilmington's Banning High School, participating with the Port of Los Angeles and other organizations located in this maritime community. The ITA at Banning is a career path program that provides academic and vocational knowledge, and skills defined by business and industry. By partnering with industry and educators, ITEP delivers a multi-year program of student enrichment opportunities that includes in-class speakers and mentors, team-building field trips and internships, propelling students to enter the workforce with the skills and knowledge needed for international trade.

PST's Jeff Burgin recently received a note from Amy Grat, CEO of ITEP, who brought him up to date on a few of the ITA alumni

who were with her at a networking event. The former students expressed gratitude for PST's participation and sponsorship. Cynthia Herrera (2002) and her sister Melissa Herrera (2003), when asked what part of their academy experience had the greatest impact, immediately brought up the Washington, D.C. trip sponsored by Pasha. Ms. Grat comments, "They talked about the experience like it was yesterday and spoke of how much they learned. I told them that Pasha was sponsoring 30 students to go again this year, and they were very pleased to see that this tradition is still going strong." Cynthia is a recent Cal State Long Beach graduate, seeking to enter the Port of Los Angeles Police Academy. Melissa hopes to soon complete her degree in English with a minor in History. She has her eye on a teaching career, but is also interested in law school. In addition, she is learning Japanese and considering teaching English in Japan.



A third graduate, Dalia Duran (2003), has just completed her first year of law school at Chapman University, and is thinking about a career in maritime law.

Ms. Grat tells Jeff, "Thank you for your part in helping these young ladies to have the self-esteem and confidence to dream big and follow their dreams to completion. Thank you, as well, for opening the doors for a new generation of ITA students to embark upon their journey in the coming year."

PHOTO: Melissa Herrera, Cynthia Herrera, Amy Grat, Dalia Duran.

Partners

Long Distance Logistics

San Diego – A Port with a Vision

Our partnership with the Port of San Diego's National City Marine Terminal began more than 20 years ago, and in December 2010, Pasha Automotive Services executed a new 30-year Terminal Operating Agreement with the port. From 30,000 automobiles across the dock in that first year, Pasha Automotive Services has overseen the movement of more than four million vehicles through the terminal. With a productive partnership that now reaches through the end of 2040, we thought we should introduce you to the key members who head up this bustling and attractive Southern California port.

The Pasha Group interviews The Port of San Diego's Wayne Darbeau, President and CEO, and Scott Peters, Chairman of the Board of Port Commissioners.

Question: The Port of San Diego has more than 600 tenants and sub tenants, many of which are part of your working waterfront. Can you comment on the port's priority for maritime business operations?

Scott: Let me first acknowledge our strong partnership with Pasha. Since 1990, when the company began operating the National City Marine Terminal, it has invested millions into infrastructure. The company is committed to investing an additional \$10 million. As Pasha prospers, so does the port. It has generated millions of dollars in revenues and it has served as a catalyst for the region's economic vitality. We are most appreciative of the benefits that Pasha brings to the port, and the region as well.

Wayne: The Port of San Diego as a whole is an economic engine for the region. The overall port operation has a \$10.6 billion economic impact for the region. It generates \$5 billion of the region's gross regional product. That represents 3.2 percent of the total. Some 77,000 jobs are generated. The maritime business at the port's two cargo terminals alone generated \$40.7 million in revenue this past year.

The cruise industry is also a vital part of the maritime operations. Each home-ported ship that docks at the Port of San Diego has an economic impact of \$2 million for the region. Home-ported ships are those that begin and end at the Port of San Diego.



Scott: We certainly are focused on rejuvenating our cruise business.

Cruise lines have cancelled some of their Mexico itineraries, partly because tourists are reluctant to visit the Mexican ports because of concerns about violence related to drug trafficking. We are working with Mexican tourism representatives and government officials about the negative perceptions. We also are urging Mexican cruise ports to develop new and exciting travel packages that will help bring back some of this business.

Wayne: Additionally, we are concentrating on attracting new clients and expanding our imports and also looking into export opportunities. I'm happy to report that this summer has been a busy one. For example, we are processing imports of several shipments of windmill components, and we have begun exporting wind tower sections to Honduras for a large wind farm under construction there. Export cargo has been a strong part of our business model, and we look forward to more growth in this sector.



John Pasha, Vice President, Pasha Automotive, (left), Wayne Darbeau, Port President/CEO, (center), and Board of Port Commissioners Chairman Scott Peters at a recent meeting in Darbeau's office in the port administration building.

Question: What are the challenges you face to protect the maritime industry and the allied businesses, which currently employs more than 35,000 people?

Scott: The port's Tenth Avenue Marine Terminal is situated on prime waterfront property. That's why it has drawn so much interest from folks who would love to see a range of uses other than maritime. However, the Port has long recognized that our two marine terminals are critical to our future ability to help generate jobs and family-sustaining incomes.

Back in 2008, a ballot measure proposed to change the land uses for the marine terminal to allow hotels and entertainment and sports venues. The working waterfront and business groups bonded together to soundly defeat the measure, by 70 percent of the voters. It seems pretty clear that the electorate understands the value of maritime trade in this location.

Wayne: John Pasha was one of the port's biggest defenders during this time. He steadfastly argued for the preservation of our maritime cargo operations, and we are most appreciative.

John was at the forefront of the effort by the San Diego Port Tenants Association to defeat that ballot measure. Nearly one million dollars was raised to help in that fight.

Thankfully, voters weren't fooled. The measure was overwhelmingly rejected. The voters well understood the importance of a deep water port and the role that we play in the system of ports, the nation's marine transportation highway if you will.

Scott: We have a very aggressive program for maritime marketing as well as an aggressive public outreach effort to educate the public and key stakeholders on the importance of our port and the national system of ports that play such a vital role in this country's economic success.

This country is more and more dependent on waterborne trade, both domestically and internationally. And one major challenge is helping the public, our stakeholders and our Congressional representatives understand the importance of the nation's ports system. A growing trade sector demands continued development and protection for public seaports in the United States.

That's why the Port of San Diego and other ports across the country have joined together in advocating for the federal government to take a more active role in helping local port authorities "preserve, protect, develop and maintain this important national system of seaports."

Investing in the nation's port system will keep the United States as a top-notch competitor in the global market, while increasing American jobs and stimulating export growth and investing in livable communities.

Question: You have stated that as the economy picks up, the port stands ready to welcome new investments. What type of investments opportunities do you think would be a good fit for the port, its tenants and the community?

Scott: We are constantly looking to expand our business. The port's maritime trade development staff has been aggressively pursuing additional cargoes and over the next few months we are expecting several shipments of windmill parts, as mentioned, as well as other project cargo goods that cannot be shipped in containers.

We are seeking new maritime customers, and reinforcing our partnerships with existing customers. Over the past several months, we have contacted dozens of potential clients in Central America, Europe and India.

Wayne: We also are targeting local companies for possible exports. We are working with Pasha Automotive to boost vehicle exports. Our trade development department is working with potential customers on the export of soda ash to Latin America and equipment for power generation projects to Russia.

Scott: And we have created a significant partnership among the three institutions mentioned earlier. Through this partnership, we have established the Center for Bay and Coastal Dynamics. I fully expect this center will earn recognition throughout the region, the state and even globally for the cutting-edge research that it has embarked on.

The Board of Port Commissioners, which I chair, has established an environmental fund that helps support projects aimed at improving the condition of San Diego Bay. Since its inception in 2006, 62 projects have been approved and for these projects we have committed \$7.3 million for the improvements.

The projects include enhancing fish habitats in San Diego Bay, restoring 55 acres of salt marsh in a nature preserve area, removing more than 300 tons of debris from San Diego Bay and providing environmental education for more than 55,000 elementary and high school students.

Wayne: You mentioned the Green Business Challenge. It's a shining example of port-tenant partnerships. We applaud Pasha and the other participants for agreeing to participate.



Windblades for alternative energy farms in the western region are regularly offloaded at the Port of San Diego's Tenth Avenue Marine Terminal.

More than 50 tenants are participating in the Challenge. Together, we are making a difference. We are reducing our energy consumption and our water use.

We're minimizing waste and preventing pollution — all of which are vitally important. It's important for the environment and it makes good business sense.

Question: What is your vision for the port in the coming decade?

Scott: The short answer is that I want to see the port continue to be an economic engine and an environmental steward, a place for recreation, a place to appreciate our natural wonders and a place that visitors and residents alike can enjoy. What I envision is a world-class waterfront.

It is a challenge, though, considering this tough economic climate, a sometimes harsh political environment, and it is California after all. I know this shaky economy has impacted Pasha in a big way, just as it has the port.

Thanks to Wayne and his leadership team, we have right-sized this organization and this has been accomplished in the right way. They did it without laying off a single employee. He has reorganized the port to ensure that it is focused on building strategic partnerships both locally and nationally.

We recognize there are challenges. The economy remains fragile and unpredictable, but we are not doing things the same way we always have.

It is a new day at the Port of San Diego.

I have the utmost confidence that our commissioners, with the partnership of our member cities and with the help of tenants like Pasha Automotive Services, will continue to innovate and invest. We will continue to create jobs and enhance our stunning waterfront and we will do even more as an environmental steward, all of which will be a credit to our entire region.

Wayne: Next year, we will be celebrating the port's 50th anniversary. There are many accomplishments to celebrate. We have been a regional source for jobs, for commerce, recreation and community service. That will continue. But, as Scott said, it is a new day.

It is time to set a new course. The question is how we become that "go-go port" in all the port's member cities. I envision a new course for the port - a three-pronged approach focusing on strategy, streamlining our core services and innovation.

Our new port must be one with solid ties and support across our member cities. We must establish two-way partnerships. They must be forged with the governments of our member cities and the many civic organizations throughout the district.

We must be aware of the morale and professional excellence of our workers who are on the front lines of our service delivery. To attract the best employees, we must establish a record of innovation. The best employees will want to work in a stimulating environment, a place that is equipped with state-of-the-art technology and managed in a way that creativity is paramount, not feared and in the best interests of the public.

We must rethink how we perform a function, rather than doing business in the same old way, just because we've always done it that way. We must remain agile, innovative and relevant. It is a great task and a great challenge. But if we move forward with courage and with the speed of trust, the Port of San Diego can and will become an organization that is cherished by our many partners and by residents across the San Diego region. It will continue to be the little agency that could.



We have approached Solar Turbines, a local company and a division of the Caterpillar Company, about exporting its heavy equipment.

Scott: In addition, we are focusing our efforts to link with maritime technology and research and development companies, which are vital to the future growth of our region and the country. Linking with these companies is a logical next step for the port.

Already, we partner with some of the country's premiere research institutions – Scripps Institution of Oceanography, the University of California San Diego and San Diego State University. Now, instead of hiring consultants to do the scientific research, we rely on the best oceanographic minds in the world.

We are applying this same innovative approach to our real estate section by searching out rent-paying technology business that may be interested in locating on our waterfront.

Question: The port has been extremely proactive in encouraging environmental efforts, including its 2011 "Green Business Challenge," which is just one component of your environmental initiatives. Pasha Automotive Services and Pasha Distribution Services, thanks to grant funding assistance from the port, have been able to greatly minimize their carbon footprint, as has Pasha Hawaii's Jean Anne. How successful are your programs in establishing the port as a recognized environmental steward?

Scott: You're right. We have a number of initiatives, and in many cases we are far ahead of state and federal regulatory requirements.

For example, we've assembled a panel of experts to help us address the issues associated with the predicted rise in sea level.

Remarkably, there are still some who would deny global warming. Nevertheless, climate change is a very real global issue and affects everyone.

The port is committed to addressing this issue for the San Diego Bay tidelands, and one strategy is through a Climate Mitigation and Adaptation Plan that will help us prepare and protect areas of vulnerability. By preparing for anticipated changes, we will be protecting our property, saving money and safeguarding wildlife.

Scott: We have undertaken several other "green" initiatives that are minimizing the port's environmental impact.

For example, we've installed a shore power system at our cruise ship terminals. As a result, 22 tons of pollutants and 448 tons of greenhouse gases have been reduced since system went online in November 2010.

Shore power technology is just one of the initiatives. The port has also implemented its Green Port Program. This program focuses on six areas – water, energy, air, waste management, sustainable development and sustainable business practices, and it is designed to minimize our environmental impact in each of these areas.

But at the same time, the port wants to adopt environmental practices that do not harm our business tenants. We look for a win-win outcome.

Wayne: Our portfolio of 23 Green Port projects currently in place includes the clean truck program, which is helping truck operators replace or retrofit older model trucks to reduce harmful emissions. Trucks failing to meet the standards are kept away from our terminals.

In addition, the port started the voluntary vessel speed reduction program, in which cargo and cruise vessel operators are asked to reduce speeds while traveling in and near San Diego's harbor. As a result, emissions from cargo and cruise ships have decreased and we are enjoying cleaner air around San Diego Bay.

