

SESSION II ENVIRONMENTAL SCANNING OF THE MARINE AND INTERMODAL SECTORS

OPENING REMARKS

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A major element of strategic planning is understanding the external environments that shape the context in which the intermodal organizations are doing business now and will be doing business in the future.

On behalf of the Maritime Administration, I welcome you to this important strategic planning workshop. It comes at a time when the U.S. marine transportation community is beginning to prepare itself for the 21st century. Although we may not be able to define all of the characteristics of the environment for the next century, we can reasonably guess that there will be an accelerated rate of change in the context of the dynamic global market place.

It would appear that strategic planning may well be a critical management tool during the years ahead to adequately cope with such a dynamic change. Secretary of Transportation Skinner has directed the Department of Transportation (DOT) to put in place formal and lasting mechanisms to ensure that the strategic planning perspective is integrated into the legislative, budgetary, and regulatory planning and decision-making processes within each modal administration at DOT. The results of this workshop will assist the Maritime Administration in its efforts to accomplish this.

Such a strategic planning perspective will or could permit building clearer goals and guidelines into everyday operations. The goal is to get better short-term decisions that have long-term strategic implications. The public policy process is fundamentally a balancing of complex and often competing goals and interests. On the one hand, the nation is seeking improved transportation systems and services to support economic activity, encourage growth, foster competitiveness, and achieve a variety of social goals. Often conflicting with these critically important goals are the nation's other vital interests in the areas of safety, energy, environment, and national security.

Another consideration in this balancing process is the appropriate role and responsibility of each level of government and the private sector, and of the financial concerns affecting each of them. The Maritime Administration will continue to strive to play a

coordinating role with other components of government and the private sector to achieve our mutual goals and objectives. The purpose of this workshop is to see how well we are prepared.

We are pleased to have a very fine, diversified panel that can bring a number of perspectives from our overall maritime and transportation community. Our first speaker is Gene Pentimonti, Vice President of Processes and Systems for American President Lines Ltd. in Oakland, California.

TECHNOLOGICAL CHANGE IN THE INTERMODAL TRANSPORTATION OF FREIGHT

Eugene Pentimonti, Vice President of
Processes and Systems
American President Lines
Oakland, California

I have been asked to talk about where technology will take us in the intermodal industry in this next period. We have not defined whether it is a 5-, 10-, or 20-year period, but we will talk in generalities. In the past 20 years in containerization and intermodalism, we have seen more technological change in that two-decade period than since the Phoenicians carried their potatoes down the river on a log. We have made a huge impact on transportation. Will we continue to do so in the future? There are a number of reasons why we will see a drop in the rate of change of the physical equipment that we will use in the next 5 to 20 years in our intermodal industry.

Those of us who have invested heavily in capital equipment such as ships, trains, trucks, and containers have seen poor return on investments for those huge capital outlays. We are looking for ways in which we can get a higher return on investment. This is one of the detriments or deterrents that will slow down technological change.

Another significant issue is that while