Questions to Ask in Getting Ready for a Post-Panamax World

by Brendan Barry

In the heat and humidity of the Central American summer, the Panama Canal Authority was quietly filling the new $5.25 billion locks with water in anticipation of the first scheduled ship to make passage in April 2016.

Businesses in and around South Florida’s ports have been talking about the canal’s expansion since it was first proposed in 2006 and the impact of the fully laden post-Panamax ships upon businesses. The U.S. Army Corps of Engineers has already dredged PortMiami’s harbor to 50 feet, and Port Everglades (my home port) received initial approval this summer for the first steps of its federally funded dredging. Port Everglades expects to double its cargo by 2020, and the Port of Palm Beach plans to expand as well.

With only five months before the first post-Panamax ship passes through the canal, all port-related businesses and those who advise them — attorneys, accountants, board members and business consultants — should do their best to ensure the businesses or enterprises they serve are ready.

Among the questions for the checklist:

- Do tug operators need larger or stronger vessels? Do work forces need to be expanded to account for longer operating hours? Do environmental companies need more storage facilities? Do stevedore companies need expanded credit to fund larger operations? Do the longshoremen’s unions need more members? Will the Seafarers’ House or any other nonprofit serving the marine community need more volunteers and donations?
Quite apart from the widened Panama Canal, South Florida’s ports have been expanding for some time.

Less then a decade ago, Port Everglade’s largest cruise ship could only carry 3,600 passengers. That changed in November 2009 with the arrival of Oasis of the Seas and a year later Allure of the Seas, each of which can accommodate 6,000 passengers.

The arrival of these two ships exponentially expanded business for tour operators, tug companies and environmental service companies by forcing them to quickly adapt, adjust and often expand, adding new construction jobs, among much else.

In anticipation of these ships, Terminal 18, built in 1996 at 67,500 square feet, was completely rebuilt in 2006, nearly quadrupling in size to 240,000 square feet, making it the world’s largest cruise terminal serving a single ship. That example bears remembering as the post-Panamax age begins.

“These new container ships will test everyone’s systems,” said Cliff Berry II of Cliff Berry Inc., which has been providing waste removal repurposing solutions in Florida for over 30 years and has seen his share of growth and changes. After its growth following the two new cruise ships, CBI has expanded its team again, now to over 140 employees, and recently invested millions of dollars upgrading its recycling processes helping its port customers in both Port Everglades and Miami to reach 100 percent repurposing.

**Forward Thinking**

That preparation extends to financial services.

“We have seen a marked uptick in new credit requests and have delivered expanded flexibility to our customers servicing the needs of Port Everglades,” said Greg Milford, business banking market leader for BankUnited. “Our customers believe post-Panamax ships will have a positive impact on their bottom line and we are helping them be fiscally prepared and positioned to take advantage of the new business.”

Milford said forward-thinking port-related businesses are reviewing their financial positions and strengthening their relationships with their credit partners.

Not only will port businesses benefit from the additional cargo and containers; the mere presence of these larger ships will fuel a myriad of new business.

To mitigate the environmental impact on wetlands of Port Everglades’ new berth, Bergeron Land Development Inc. is replacing an upland parcel which has a 16.5-acre mangrove wetland with 70,000 new mangrove trees and a protective area to provide manatees with safe crossing away from the larger propellers of the post-Panamax ships.

In anticipation of this, Bergeron Land Development president J.R. Bergeron secured the right to farm mangrove seedlings at two locations in Fort Myers and Arcadia, 50 miles apart, in case one location suffers crop failure due to weather or disease.

“The key to success is having vision and being prepared,” Bergeron said. Even if the project is not directly tied to actual shipping containers or the expanded Panama Canal, there is no question that the advent of post-Panamax ships is having a profound and positive impact on our environment and in turn is fueling Broward County’s economic engine.

The post-Panamax era is upon us. Lest you think it’s too late, remember the old proverb: The best time to plant a tree was 20 years ago. The second best time is now.

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