34th Annual National Logistics Conference

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WHERE ARE WE?

1. 82 US FLAG SHIPS IN INTERNATIONAL TRADE (60 MSP)
2. HISTORICAL PARTNERSHIP WITH DOD
3. RELIANCE AND PARTNERSHIP IS GROWING
4. HOW WE BENEFIT EACH OTHER – WHY IT WORKS

A TRUE PUBLIC - PRIVATE PARTNERSHIP

1. MSP WORKS, BUT HAS CHALLENGES
2. VISA WORKS
3. TRUSTED / BATTLE-TESTED PARTNERS
4. CARGO IS KING
OPTIMIZING THE ORGANIC AND INDUSTRIAL BASE
- Continued

3 THE WORLD IS CHANGING

• CONTESTED ENVIRONMENT / ATTRITION / HIGHER RISK
• COMMUNICATION IS KEY
• COMMERCIAL WORLD IS CHALLENGING
• LABOR SHORTAGES

4 WE SHOULD TAKE THE RELATIONSHIP TO THE NEXT LEVEL

• DIGITIZE AND LEAPFROG COMMERCIAL
• REDUCE REDUNDANCY / BE MORE EFFICIENT
• INCREASE OUTSOURCING / GENERATE MORE CARGO
• RECOGNIZE AND REWARD INNOVATION
• ALIGN STRATEGIC STRATEGY AND CONTRACTING
WHAT IS ON OUR US FLAG SHIPS?

U.S. Cargo Preference Laws
U.S. Cargo Preference Laws require certain cargoes, usually high revenue volume on backhaul routes, to move on U.S. flag vessels.

Maritime Security Program (+)
MSP ensures U.S. military cargo access to global intermodal system without maintaining U.S. Government-owned assets. In return, it subsidizes 60 U.S. flag commercial ships.

Agricultural Cargoes
at least 50% (governed by the Cargo Preference Act of 1954)

Export Import Bank
100% (governed by Public Resolution 17)

Civilian Agencies
at least 50% (governed by Cargo Preference Act of 1954)

Military Cargo
100% (governed by Military Cargo Preference Act of 1904)