

## **The clock is ticking for the Port of the Americas**

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Public administration is different in many ways from corporate administration. One reason is that the top administrators have a limited time—four years—to accomplish what they set out to do. To work effectively within that time frame, they must resist the lure of “good ideas” that continuously crop up to alter strategic planning. They must be aware that the clock is ticking.

CARIBBEAN BUSINESS recently carried a story about one such “good idea”: A plan of the Ports Authority to transfer to Ponce all loose cargo movement now coming into San Juan to make room for an expanded tourist zone and megayacht development along the cargo piers of Puerta de Tierra. The idea makes a lot of sense from the point of view of urbanism.

I was happy to read about it. It brought back memories of my second administration when one day in the early morning I took a walk through the area of the piers near the Ochoa Building and contemplated the ruinous buildings, the vacant lots, and the businesses like that of Tony Tursi, which existed there at the time. This was the scene that tourists contemplated as they disembarked from cruise ships docking in San Juan. This was public space utterly degraded, unfit for the quality of life to which we Puerto Ricans aspire.

That environmental and visual experience led me to examine models of redevelopment of port areas such as the London Docklands and to formulate through my administration the request for proposals from the private sector that resulted in the redevelopment plans and eventually in the Sheraton Hotel, the several apartment buildings with magnificent views of San Juan Bay, the grid of streets to integrate with Old San Juan the area being redeveloped, the four-lane avenue and sidewalks that run parallel to the piers and the parking building that would be built beside that of Doña Fela. The expanded tourist zone and megayacht development would further enhance the adjoining areas, which currently are not being put to their best use.

That is the good part of the idea. But the matter gets complicated with the impact of this “good idea” on the strategic plans for the development of the Port of the Americas in Ponce. This will happen if the Port Authority does not come up with some other solution as to where to move the loose cargo. As CARIBBEAN BUSINESS points out, it is necessary for the Ports Authority to give more thought to the costs that the move to Ponce would imply for the operators and eventually to the consumers of the bulk cargo that currently enters Puerto Rico through San Juan.

However, as things stand right now, the cargo is headed for Ponce. The Ports Authority, according to the story in CARIBBEAN BUSINESS, is currently in negotiations with the municipality of Ponce and with the Port of the Americas as to how the transfer would be brought about. This sets off alarm bells for those of

us who envisage the Port of the Americas not as just another port but as vital infrastructure for the economic development of Puerto Rico. That was the vision of the Rosselló and Calderón administrations and that was the vision of the late Ponce Mayor Rafael “Churumba” Cordero Santiago.

Locking up port space for loose cargo and management of such space in Ponce will undermine the strategy of the Rosselló, Calderón and Cordero Santiago administrations to achieve the vision behind the Port of the Americas. Such a move clearly goes against the policy that led to the approval of Public Law 171 of 2002, which created the Authority of the Port of the Americas.

The administration of the Port of the Americas was created as a separate and distinct instrumentality from the Ports Authority to accomplish the mission of developing a modern and efficient port that would handle post-Panamax vessels instrumental in developing value-added economic activity in Puerto Rico. If the negotiations result in opening up the door for the Ports Authority to transfer cargo, beginning with loose cargo, from San Juan to Ponce and to manage the handling of this cargo, then the mission of the Authority for the Port of the Americas will be seriously compromised.

Public Law 171 envisages the Port of the Americas will not be publicly operated. This is a fundamental policy decision. It envisages the operations of the port will be privatized to achieve the levels of efficiency necessary for transshipment to work for Puerto Rico. To this end, it establishes elaborate procedures as to the request for proposals for operation and for the adjudication of these proposals.

If the Ports Authority establishes a beachhead in the Port of Ponce for the displacement of San Juan cargo the already limited space for the operations of the Port of the Americas will be reduced and the management of the port hampered to the detriment of the necessary conditions for a respectable private operator to respond to the request for proposal that the Port of the Americas must issue under Public Law 171. The requests for proposals must be based on the optimum facilities and management flexibility necessary to bring in a world-class port operator with the experience and contacts to realize as much as possible the developmental vision that led to the creation of the Authority of the Port of the Americas.

The scope of that vision has been shortened by the economic realities bearing on the project. A hefty public investment became necessary. But we must move ahead in providing operational efficiency for the infrastructure necessary to our economic development. It would be a serious disservice to Puerto Rico if the operations of the Port of the Americas get tangled up by negotiations between our Port Authority, the Municipality of Ponce and the Authority of the Port of the Americas. The administrative solutions of the 1950s will not work in the present competitive globalized scenarios.

Perhaps some cargo can be moved from San Juan to Ponce, but this is a matter that should not be decided by the municipality of Ponce or by the administration of the Port of the Americas. It is a matter to be negotiated with the operator that presents the proposal that wins the competition to operate the port to accomplish the goals of Public Law 171.

The administration of the Port had a bad experience when it attempted its first request for proposals. It should not complicate matters for the second request, which is long overdue. The clock is ticking.

