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Port of Piraeus: An International Container Hub

PORT of Piraeus unquestionably is one of the biggest commercial center of transport in the Mediterranean Sea and the third biggest passenger port in the world. Specifically about 6000 oversea boats sail into this harbour every year and about 28,000 boats of the domestic lines are served by this port while the total number of annual transport of the merchandise comes up to 10.6 million tons.

The growth rate of the port is proved by the rapid progress of the transport containers in the year of 2000 in 1,157,000 teus – that means – an increase of 20% more than the year 1999 and 100% more than the year 1996. It is also registered that during the year 2000 about 12,000,000 passengers traveled through this port.

Moreover construction work is underway to further develop port's facilities. The project amounts to 70 billion Greek Dr. Some of the projects are going to incorporate in programmes of the Olympic Games 2004, to help cope with the continually increased number of passengers who will visit Greece during Olympic events.

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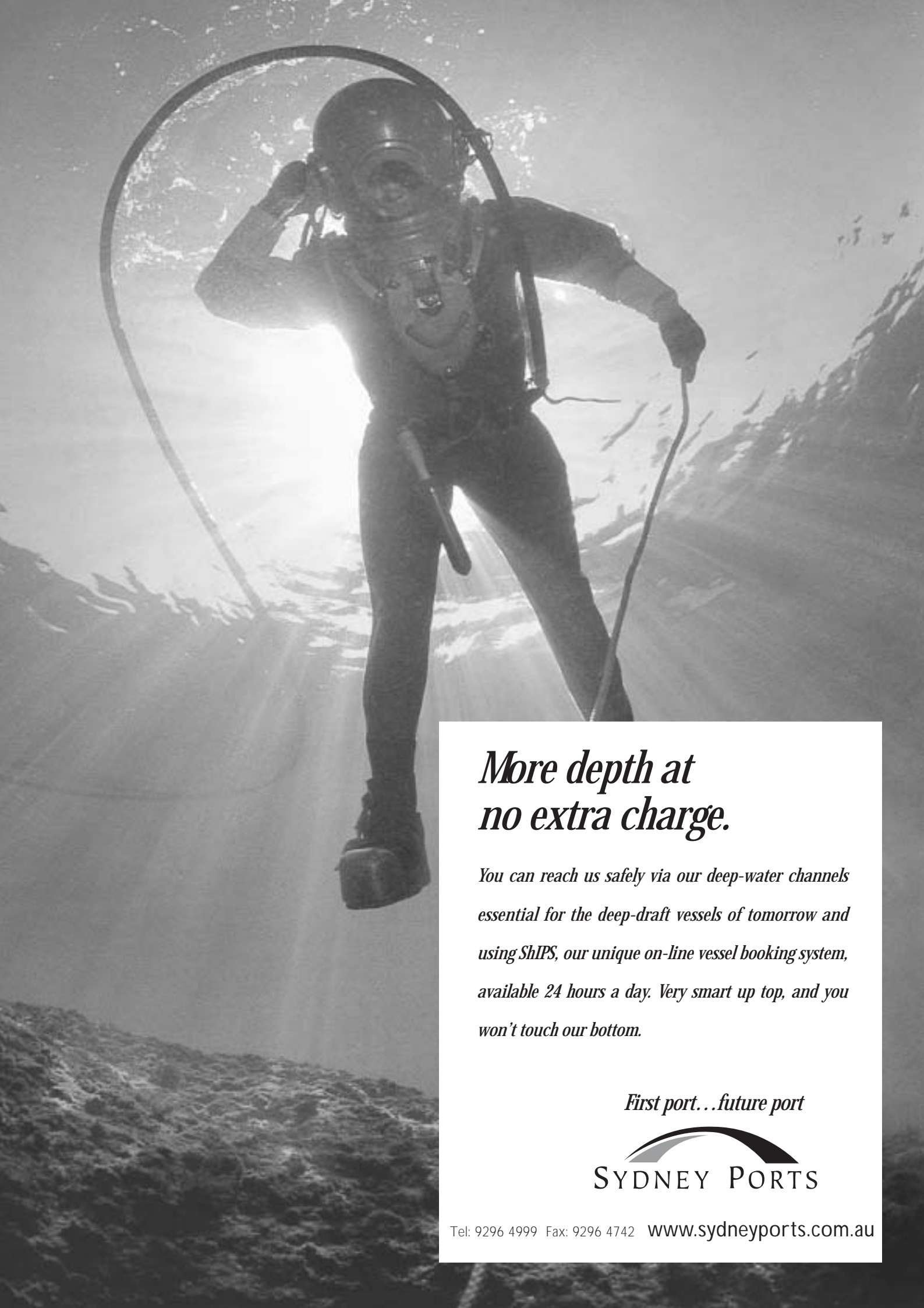
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IAPH ANNOUNCEMENTS AND NEWS

African / European Regional Meeting in Piraeus

January 30 – February 1, 2002



AT the hostship of Piraeus Port Authority, and under the chairmanship of Mr. Pieter Struijs, 1st Vice President of IAPH, the African/European Regional meeting was held in Athens/Piraeus from January 30 to February 1. As guest of honor, Mr. Nikolaos Thomopoulos, Secretary General of Greek Ports and Ports Policy delivered his welcome remarks and opening address to the delegates, stressing the important role played by the country's ports for the Greek economy. Programs included a variety of sessions, events and a port visit as noted in the January-February issue. Warmly received by Mr. Harilaos N. Psaraffis, Managing Director, Piraeus Port Authority, 32 people from 17 countries in the African/European region had lively discussions on current technical issues as well as regional matters related to the future of IAPH. Minutes of the regional meeting on January 30 and the list of participants in meetings follow below.

Minutes of meeting of the IAPH African/European Region

**Piraeus, Greece
January 30, 2002**

Opening and welcome

Chairman Struijs opens the meeting and welcomes the attendants.

He advises the meeting on some last minute changes in the programme of the seminar of January 31 and February 1.

EXCO membership matters

The meeting is informed that EXCO member Mr. Aliou Diallo has left the port of Conakry to take up other responsibilities. Mr. Momo Camara, Harbour Master



Pieter Struijs



Harilaos Psaraffis

of the Port of Conakry, represents the port at this meeting. He conveys the warm greetings of the newly appointed managing director, Mr. Almamy Kabèlè Camara, and pledges the continued support of the Port of Conakry for IAPH and its activities.

The departure of Mr. Diallo means that a vacancy in the Regional EXCO needs to be filled. Mr. Gauze advises that a proposal for a new candidate will be put forward at the Mid-term meeting in Abu Dhabi in April.

Mr. Dunn will shortly retire from the British Ports Association leaving another vacancy in the Regional EXCO. Chairman Struijs thanks Mr. Dunn for his contributions to the cause of IAPH and wishes him pleasant years in good health. Also for the vacancy of Mr. Dunn a proposal will be made at the Abu Dhabi meeting.

Minutes of Regional Meeting Abidjan, December 10, 2001

The minutes, that have already been published in Ports and Harbors, give no rise for comments.

Report on Inter-Industry Shipping and Ports Contact Group

Mr. Mollema provides information on the last meeting of the Group on August 16, 2001. Items that were discussed include: the future role of the IMO Ship/Port Working Group, safety of navigation, safety of mooring lines and equipment, and various other safety and environmental issues. The next meeting is scheduled for February 28, 2002. In the wake of the terrorist attacks on the US on September 11 last year, an important issue on the agenda is maritime security. The International Chamber of Shipping has suggested that the industry should develop an International Code of Practice on Port Security, aimed at limiting the opportunities for unauthorized persons to gain access to vessels and cargoes in port and at high risk anchorages.

IAPH' initial response has been positive, because such a Code of Practice could provide guidance for ports to develop their own security plans.

Chairman Struijs underlines the importance of the Inter-Industry Group that provides the industry the opportunity to exchange views on a variety of relevant subjects and establish common positions. This approach greatly enhances the industry's position in the discussions at IMO meetings.

Mid-term Board Meeting in Abu Dhabi, April 19-25, 2002

H. E. Hasan Musa Al Qumzi, Under-Secretary of the Abu Dhabi Seaport Authority, reads the invitation from the Chairman, H.H. Sheikh Saeed Bin Zayed

Al Nahyan, to attend the Mid-term meeting in Abu Dhabi.

In a Powerpoint presentation the history and the development of the port is highlighted. He submits the latest details on the preparations for the meeting. He stresses that the Port of Abu Dhabi (Mina Zayed) is pleased and proud to host the meeting and that management and staff are eagerly looking forward to welcome many IAPH members.

Capt. Al Diwani provides information on the United Arab Emirates, the city of Abu Dhabi and on the relative short history of his country. Abu Dhabi and its port Mina Zayed went through a period of rapid development over the last 40 years. The port houses many modern facilities, is host to many cruise ships and provides bunkering services to shipping at highly competitive prices.

IAPH biennial conference in Durban, May 24-30, 2003

Mr. Gama, CEO of the National Port Authority of South Africa, provides a progress report on the preparations for the conference. Conference fees are ready for approval and rooms have been pre-booked in a number of 3-5 star hotels. Fees will cover the participation of delegates' partners. The same applies to the room rates.

Ms. Riah Phiyega, chair person of the conference committee, shows a Powerpoint presentation with general information on South Africa and details of the conference programme. The impressive conference venue, the International Conference Center in Durban, has extensive experience in hosting large international events.

It is expected that more than half of the speakers will be known at the Abu Dhabi meeting. IAPH Head Office and officers offer their help in contacting potential speakers if and when required.

Next Regional meeting: Tanzania

Mr. Luhigo advises the meeting that

preparations are well under way and expresses the hope that the dates for the meeting may soon be fixed. After a short discussion it is decided to reserve week 50 for the meeting: 9,10 and 11 December 2002.

Regional meeting January/February 2003

The dates for this meeting will be finalized at a later time. Mr. Oudendijk of the Port of Amsterdam kindly offers to host that meeting.

Election of Vice-President African/European Region

Chairman Struijs informs the meeting that with his inauguration as President at the conference in Durban, a new Vice-President for the African/European region needs to be appointed. In this context he refers to discussions on this issue at the meeting in Abidjan in December last year.

He briefly summarises the results of that meeting as follows:

- the election of a candidate is the responsibility of the African/European Region
- the election procedure should be finalized at the Abu Dhabi meeting
- the candidate needs to be supported by three regional members

The African Region is hopeful to present a candidate. Although the bye-laws provide freedom for members to nominate a candidate, the African region expresses the hope that in case that Africa nominates a candidate, European members will refrain from nominating a candidate from their region.

Vacancy in IAPH Financial Committee

Chairman Struijs has been advised by Dr. Inoue, IAPH Secretary General, about a vacancy in the Financial Committee. Mr. Gama indicates that his organization is in a position to provide a suitable candidate. He will communicate the name and con-

tact details of the individual directly to Dr. Inoue.

Any other business

Mr. Camara asks for the floor. He submits warm greetings from Mr. Diallo who has enjoyed his work for IAPH, which spanned a number of years, and during which time he made many friends. Mr. Diallo wishes IAPH and his former colleagues well in their work for the global port community.

Mr. Camara repeats the continued support of his port for IAPH.

Chairman Struijs expresses his thanks and requests Mr. Camara to convey IAPH's thanks to Mr. Diallo for all the work he has done for the Association and to wish him well in his new challenging positions. Secretary General, Dr. Inoue, will write an official "Thank you" letter to Mr. Diallo.

In his closing address, Chairman Struijs thanks the participants of the meeting for their valuable contributions to the discussions.

List of attendants

- **Mr. P. Struijs (chair)***, Netherlands
Rotterdam Municipal Port Management,
1st Vice President, IAPH
- **Mr. A. Toumazis**, Cyprus
Cyprus Ports Authority
- **Mr. J. Tammeka**, Estonia
Port of Tallinn
- **Mr. B. Vergobbi***, France
Port of Dunkirk
- **Mr. M. Darche**, France
Port Autonome du Havre
- **Mr. J.P. Billat***, France
Port Autonome de Marseilles
- **Ms. S. Begay Kah***, Gambia
The Gambias Ports Authority
- **Mr. A. Y. Samba***, Gambia
The Gambias Ports Authority
- **Dr. J. Sorgenfrei**, Germany
Port of Hamburg
- **Mr. H. Psarftis***, Greece
Piraeus Port Authority S.A.
- **Mr. H. Stavros**, Greece
Piraeus Port Authority S.A.
- **Ms. H. Polychronopoulos**, Greece
Environmental Protection, Engineering S.A.
- **Mr. M. Camara***, Guinea
Conakry Port Authority
- **Ms. B. Sow***, Guinea
Conakry Port Authority
- **Mr. G. Gallianti**, Italy
Genoa Port Authority
- **Mr. M. Caselli**, Italy
Genoa Port Authority
- **Mr. C. Oudendijk***, Netherlands
Amsterdam Port Authority
- **Mr. P. Mollema***, Netherlands
Rotterdam Municipal Port Management



- **Mr. F. van Zoelen***, Netherlands
Rotterdam Municipal Port Management
- **Mr. F.J. Gauze***, Nigeria
PAPC
- **Mr. N. Diop***, Senegal
Port Autonome de Dakar
- **Mr. S. Gama***, South Africa
National Ports Authority of South Africa
- **Ms. R. Phiyega***, South Africa
National Ports Authority of South Africa
- **Mr. J. Estrada**, Spain
Puerto del Estado
- **Mr. G. Nygren**, Sweden
Port of Göteborg AB
- **Mr. S. Luhigo***, Tanzania
Tanzania Harbours Authority
- **Mr. F. Mziray***, Tanzania
Tanzania Harbours Authority
- **H.E. Hassan M. Al Qumzi***, U.A.E.
Abu Dhabi Seaport Authority - Mina Zayed
- **Capt. A.W. Al Diwani***, U.A.E.
Abu Dhabi Seaport Authority - Mina Zayed
- **Mr. C. Meaby**, U.K.
ABP Sothampton
- **Mr. D. Dunn***, U.K.
ABP
- **Mr. D. Whitehead**, U.K.
BPA
- **Dr. S. Inoue***, Japan
Secretary General, IAPH
- **Mr. P.C. van der Kluit***, Netherlands
IAPH Europe Office

*: Those who attended the regional meeting on January 30.

Urgently Requesting Your Attention and Input on the IMO Initiative for Prevention and Suppression of Acts of Terrorism Against Shipping

1. The Maritime Safety Committee (MSC) of the International Maritime Organization (IMO) on September 26, 1986 issued a Circular with reference MSC/Circ. 443 "Measures to prevent unlawful acts against passengers and crews on board ships".
2. The tragic events of September 11, 2001 have shown that security considerations should not be restricted to passenger ships and ferries including their passengers and crew and related terminals. In recognition thereof the Assembly of IMO has adopted a resolution with the goal of significantly enhancing maritime domain awareness and maritime security to preclude a maritime tragedy similar to the terrorists attacks that occurred in the United States on September 11. Furthermore the Assembly decided on the convening of an inter-sessional MSC Working Group on Maritime Security (ISWG), from February 11 to 15, 2002.
3. The International Association of Ports and Harbors (IAPH) is in full support of viable and workable measures directed at the prevention of acts of terrorism in the maritime domain including ports and harbors.
4. In preparation for the inter-sessional MSC Working Group on Maritime Security (ISWG) documents have been submitted to the Secretariat of IMO.
 - 4.1 For your information, the following IMO documents are attached herewith:
 - **MSC 75/ISWG/3, dated January 11, 2002 (Outcome of FAL 29)**
 - Contains the outcome of the 29th Meeting of the Facilitation Committee (FAL 29) and the concurrent session of the Ship-Port Interface (SPI) Working Group on the subject of prevention and suppression of acts of terrorism against shipping.
 - (Refer to Page 6 for full text.)
 - **MSC 75/ISWG/5/7, dated January 15, 2002 (Submitted by the United States)**
 - In line with resolution A.942(22), the United States proposes a number of specific actions that it believes will improve maritime security worldwide.
 - (Refer to Page 7 for full text.)
 - 4.2 In the first document, proposals for the review of MSC/Circ. 443 are made and areas identified

where there is a need to update/expand this publication e.g. the need for security plans on ships, port facilities and offshore terminals and ensuring a secure chain of custody for containers from their port of origin to their destination.

- 4.3 Furthermore, existing gaps are identified together with the need to develop new instruments, in particular for port/offshore terminals and ship security.
5. Your comments, which will be used as input for our representatives at the February 2002 Inter-sessional MSC Working Group on Maritime Security, will be highly appreciated. In order to avoid delays it would be best to send such comments to:

Mr. Fer van de Laar, Chair PSEMO
E-mail: fer.v.d.laar@amsterdamports.nl
With a copy to:
Peter van der Kluit
IAPH Liaison Officer with IMO, and
Managing Director of IAPH European Office
E-mail: pvdkluit@msr-r.nl
And
Secretary General of IAPH
E-mail:

portsecurity@iaphworldports.org

6. Special Remarks and Request from the HEAD OFFICE
 - Beyond the above said date of February 11-13, 2002, this office welcomes your input to the specially created e-mail address. The Head Office plans to record, compile and feed back such advice to members, be it through publications or a special page on its homepage (which is yet to be completed).
 - In doing so, Members are further encouraged to input information on any changes in the security measures resulting from the September 11 incident last year.
 - This circular, together with the two IMO documents, has been sent by e-mail to IAPH members as widely as possible.
 - The above said arrangement has been made possible at the urgent advice from Mr. Fer van der Laar, Chair of PSEMO (Port Safety, Environment & Marine Operations) by his e-mail advice of January 25 2002.
7. It is my sincere hope that you will give your thoughts for the formulation of viable and workable port security measures to support global maritime transport for the sustainable development.

Best regards,

Satoshi Inoue
Secretary General



IMO

PREVENTION AND SUPPRESSION OF ACTS OF TERRORISM AGAINST SHIPPING

Review requested in operative paragraph 1 of
resolution A.924(22)

Outcome of FAL 29 and the concurrent session
of the SPI Working Group

Note by the Secretariat

MSC 75/ISWG/3
January 11, 2002

SUMMARY

Executive summary:

This document reports on the outcome of FAL 29 and the SPI Working Group on the prevention/suppression of acts of terrorism against shipping issue

Action to be taken:

Paragraph 34

Related documents:

Resolution A.924(22), FAL 29/18, FAL 29/WP.2

GENERAL

- 1 The twenty-ninth session of the Facilitation Committee and the concurrent session of SPI Working Group were held from 7 to 11 January 2002. This document reports on the outcome of these bodies on the issue addressed by this agenda item.

OUTCOME OF FAL 29

- 2 The Facilitation Committee (hereinafter referred to as the "Committee") noted the adoption by the Assembly of resolution A.924(22) on Review of measures and procedures to prevent acts of terrorism which threaten the security of passengers and crews and the safety of ships (FAL 29/2/1, annex 2), in particular the last preambular paragraph and operative paragraph 1 thereof.
- 3 The Committee also noted the decision of the Assembly on the convening of an interessional MSC Working Group on Maritime Security (ISWG), from 11 to 15 February 2002 and the terms of reference thereof.
- 4 The Committee further noted that the Assembly had:
 - 1 recognized that, since FAL 29 would meet before the interessional Working Group meeting, the Committee would be in a position to decide what contributions it might wish to make to the Working Group; and
 - 2 decided that the outcome of the interessional Working Group be submitted to MSC 75 for follow-up by an ad hoc working group; as well as to the Legal and FAL Committees for appropriate action.
- 5 The delegation of the United States expressed sincere appreciation for the words of sympathy and support they had received from so many delegations since the tragedy of 11 September 2001 and the swiftness of action taken at the twenty-second session of the Assembly. The delegation further expressed the view that, as highlighted by the discussions at A 22, the FAL Committee should work towards improving maritime security and, to that end, it had a unique opportunity, before the February 2002 ISWG, which should be considered the primary venue for the discussion of maritime security issues, to examine closely what efforts the Committee might contribute to that work. The United States delegation recommended that the Committee tasked the Ship/Port Interface (SPI) Working Group to begin examining maritime security-related issues, with a view to having key SPI members continue their work at the February 2002 ISWG meeting.
- 6 The Committee, although desiring to address the issue expeditiously, recognized that many Member Governments were still formulating their position on specific items to be addressed by the ISWG in February. It further recognized that it would be prudent for the ISWG to first consider the issue and develop specific recommendations to be addressed by the Committees concerned. In this regard, the Committee decided that an initial review of the two MSC circulars (MSC/Circ.443 and MSC/Circ.754) mentioned in resolution A.924 (22)

should be carried out to identify any gaps and areas where improvements could be made and that the outcome of the initial review should be submitted to the ISWG for consideration.

- 7 Following interventions by a number of delegations, the Committee acknowledged that facilitation and enhanced security were complimentary to each other and should not be viewed as excluding each other. Enhanced security could lead to expeditious clearance of ships, crews, passengers and cargoes. To ensure that this aspect was taken into account, the FAL Committee recommended that existing documentation requirements for seafarers and for the clearance of ships should be reviewed and, where necessary, security improvements should be made prior to any action taken to initiate new and/or additional documentation requirements.
- 8 The Committee decided that the SPI Working Group was most suited to carry out the review of the MSC Circulars, considering its broad expertise in both the port and shipping sectors and instructed it, as a matter of urgency and, as part of the Committee's contributions to the work of the interessional Working Group on Maritime Security, to:
 - 1 review MSC/Circ.443 (Measures to prevent unlawful acts against passengers and crews on board ships) and MSC/Circ.754 (Passenger Ferry Security), referred to in resolution A.924(22), from the SPI viewpoint and to identify the areas where there is a need to update/expand, e.g.:
 - 1 the need for security plans on ships, port facilities and off-shore terminals; and
 - 2 ensuring a secure chain of custody for containers from their port of origin to destination;
 - 2 identify any gaps and if there is a need to develop new instruments, in particular, for port/offshore terminals and ships security; and
 - 3 prepare a list of subjects to be further considered, including proposing a work plan.
- 9 The Committee, having received the report of the SPI Working Group (FAL 29/WP.2) and in thanking it for the amount of work accomplished in the short time available, recognized that the report reflected the initial consideration given to maritime security matters from the port perspective, aiming at drawing the attention of the ISWG to those items which should be further considered, as having the potential to improve security on ships and in ports.
- 10 It was noted in this context that the work to be undertaken was not solely under the scope of IMO but the role of other organizations, in particular that of ILO needed to be taken into consideration as well.
- 11 Recalling that the Technical Committee of the twenty-second session of the Assembly had recognized that, since FAL 29 would meet before the ISWG meeting, it would be in a position to decide what contributions it might wish to make to the ISWG, the Committee agreed that in the context of the items on List of subjects for further elaboration; and Preparation of the work plan and time frame for further work, to be developed by the ISWG, the relevant parts of the SPI Working Group report and its own report should be conveyed to that meeting. This would assist the work of the ISWG, which could then categorize and prioritize the matters and identify which bodies should consider the relevant issues further in detail and in what time frame.
- 12 The Committee recognized that, due to time constraints, and in view of the fact that the work of the SPI Working Group on this issue was only a first initial approach, it could not consider the matters discussed on maritime security in detail and, therefore, agreed to authorize the Secretariat to editorially amend the relevant part of document FAL 29/WP.2, as appropriate, and to convey it to the ISWG meeting.
- 13 The Committee endorsed the SPI Working Group's recommendation that port expertise should be included in the composition of delegations to both the ISWG and MSC 75 and in any subsequent work related to port security.

OUTCOME OF THE SPI WORKING GROUP

- 14 Recalling the instructions given by plenary on this issue, the Working Group reviewed first documents MSC/Circ.443 (Measures to prevent unlawful acts against passengers and crew on board ships) and MSC/Circ.754 (Passenger Ferry Security) from an SPI viewpoint, in order to identify those areas where there is a need to update/expand, e.g. the need for security plans on ships, port facilities and off-shore terminals.
- 15 Based on the review of the MSC Circ.443, the following points should be taken into consideration from an SPI point of view, when revising the circular:
 - 1 The tragic events of 11 September 2001 have shown that security considerations should not be restricted to passenger ships and ferries including their passengers and crew and related terminals. Security considerations should cover all ships, persons on board (passenger and crew), off-shore terminals and the whole port area including port approaches, port operations and persons ashore (port personnel or nearby inhabitants). Therefore, the scope of application of the circular should be expanded to cover "Measures to prevent terrorism and other unlawful acts against ships, passengers and crew on board ships, port personnel, ports and port facilities" and the title be changed accordingly;
 - 2 the above expanded scope should be reflected in the whole circular wherever appropriate; and
 - 3 with regard to definitions, these will need to be amended consequently, to reflect any accepted changes to the circular.

General provisions

- 16 The following additional points should be considered:
 - 1 The establishment, by the national designated authority, of national and/or local port security committees comprising but not limited to representatives of:
 - Maritime administrations
 - Ministries concerned with security;
 - Port Authorities;
 - Police;
 - Navy;
 - Coast Guard;
 - Customs;
 - Immigration;
 - Emergency Services;
 - Representatives of port users such as terminal and plant operators, refineries, stevedores, shipping companies and agencies, etc.; and
 - Private security firms operating in the port.
 - 2 Establishment of a port security management system based on guidelines developed by the designated authority. The development, implementation and maintenance of an overall port security plan, as well as individual port facility security plans, should be part of the port security management system, covering all port operations.
 - 3 Appropriate legislation should be in place to provide adequate penalties for any unlawful act committed, not restricted to passengers and crew only.
 - 4 Risk/Vulnerability assessments of the Port, its installations and approaches should be conducted. In this connection there is a need for developing criteria to be used for such assessments. The areas to be considered should be expanded to cover also cargoes in general, dangerous goods storage areas, processing areas, chemical plants, and refineries, dredged channels, VTS operations, etc.

Port security plans

- 17 The following points should be considered:
 - 1 Security plans should be developed for ports and/or for individual port facilities after an initial security assessment survey has been conducted, taking into consideration the risk/vulnerability assessments.
 - 2 The conduct of the initial assessment and the development of the subsequent security plans should be the responsibility of the management rather than that of a port facility security officer. The overall port assessment and development of an overall port security plan should be the responsibility of a port security committee under the supervision of the designated authority.
 - 3 Port security plans should provide for the evaluation of all port personnel and not only those with responsibilities for any aspect of security. The evaluation should take into account the person's position in the company and access to vulnerable areas.
 - 4 Individual port facility security plans should be approved by a port security committee and integrated into an overall port security plan. The plans should cater for different levels of threats. In this connection the development of harmonised criteria for establishing threat levels should be considered.
 - 5 An integration of the security plan into an overall emergency plan might be advantageous. The plan may also take into account the following important security issues:
 - Piracy and armed robbery
 - Drug smuggling
 - Illegal migration
 - Stowaways

Any measures recommended in IMO instruments covering the above issues, as set out at annex, should be looked at with the view to integrate those that would be appropriate for enhancing security.

- 6 Port and individual port facility security plans should be subject to an implementation survey and regular, rather than periodical, improvement surveys. These surveys should be conducted by qualified auditors with special knowledge in security under the responsibility of a port security committee.
- 7 Access control should be expanded to cover access to and restriction of movements within the whole port area and/or certain restricted areas, as appropriate, based on the risk/vulnerability involved. It should include access and movement control of shore and ship personnel, passengers, road vehicles, railway wagons, barges, service craft, pleasure craft, cargoes or other commodities moving by such means or other means such as pipelines and conveyor belts. In this connection, the issue of proper identification of port personnel, passengers and crew was discussed. The use of photo identity passes should be considered. In the light of the explanations given by the ILO observer that the present ILO Seafarer's Identity Document Convention 1958 (No. 108), currently under revision to take into account security concerns and elements relating to positive identification, requires the Seafarers Identity Document to carry a photograph, no new documentation would be necessary, as the crew and passenger list, together with photo ID cards for seamen and passports for passengers, would suffice.

Ship security plans

- 18 The following points should be considered:
 - 1 The development of ship security plans should also be the responsibility of the company rather than the ship security officer and be part of the ISM system.
 - 2 The ship security plan should be prepared according to guidelines to be developed by IMO and cover the areas of:
 - Terrorism
 - Piracy and armed robbery
 - Drug smuggling
 - Illegal migration
 - Stowaways

Communications

- 19 Effective communications and sharing of information are of utmost importance. This should be ensured for communications between:
 - authorities concerned with security on local, national and international level;
 - authorities and ports;
 - different port authorities (e.g. port of call and previous one); and
 - port authorities/facility operators and ships.
- 20 The issue of relevant and timely pre-arrival information from ships to ports on crew, passengers and cargoes as well as operational requirements on bunkering, repairs, supply of provisions and ship stores, etc. need to be considered. Wherever possible existing FAL Forms and EDI methods should be used. Also the exchange of important elements of ship security plans and port/port facility security plans should be addressed. However, details of a ship security plan should only be disseminated on a need to know basis. In this connection the development of security check lists, similar to safety check lists, should be explored.
- 21 Another important aspect to be addressed is the promulgation of security requirements and procedures of ports to ships and shipping companies and vice-versa well in advance and immediately when established requirements are modified.

Intelligence gathering

- 22 Liaison of ports with national and international intelligence networks with regard to security threats should be reviewed. The set up of a local port intelligence network should be considered. In this connection the need for acting on intelligence information obtained should be highlighted.

Annexes to the MSC/Circ.443

- 23 Annexes 1 to 3 and 5 should be revised in accordance with the appropriate amendments to the main text, taking into account changes in technology.
- 24 In the development of the improved security measures,

care should be taken to strike a balance between the facilitation of maritime traffic and port operation on one hand and security on the other.

MSC/Circ.754 (Passenger Ferry Security)

- 25 In reviewing the contents of this circular, the SPI Working Group noticed that it covers the same issues as MSC/Circ.443. The two circulars should be amalgamated into one instrument, but that guidance developed for such instrument should highlight specific security measures to be considered for a particular operation such as cruise ships, passenger ferries, tankers, etc. in separate chapters. It should be pointed out that Governments should consider implementing similar provisions for ships on national voyages.

Ensuring a secure chain of custody for containers from point of origin to destination

- 26 With the present available technology, a total secure chain of custody cannot be assured. Improvement could be achieved by requiring sealing of all cargo transport units rather than only containers, whether loaded or empty, at the place of origin, after completion of loading or discharging, irrespective of customs/sealing requirements. This would make the identification of containers, that have been tampered with, easier. However, this does not preclude false declarations of the contents of a container.

Identified gaps and development of new instruments

- 27 The lack of knowledge of what is being carried inside freight containers and ro-ro vehicles has severe security implications. To open up every such unit on receipt at the port would totally negate the free multi-modal movement of goods. Unless, therefore, there is reason to doubt that a consignment is bona fide, it will be handled and carried, even if there is a wrong or mis-declaration of the contents. It is difficult to envisage what measures might be taken to remedy this. The provision and use of x-ray machines would not solve the problem. The Working Group recognised that, whilst dangerous goods require a packing certificate to be signed, there is no similar requirement for general cargo in cargo transport units (CTUs). Consideration should be given as to whether the introduction of such a measure might assist in improving this position.
- 28 MSC/Circ 443 and MSC/Circ 754, like many others with bearing on ports, have apparently not been received by many ports. Since these circulars contain measures which are of particular interest also to ports, the Working Group discussed the development of two separate instruments, such a ship security code and a port security code, with appropriate status and accompanying guidelines, which could remedy the situation. In both instruments, the Ship/Port Interface aspect should be adequately addressed and harmonized.
- 29 MSC Circulars 443 and 754 would provide a good basis for the development of these instruments. While certain ship security provisions could be included in SOLAS Chapter XI, doubts were expressed whether that would be true for a port security code, as there is no suitable legal instrument available. A possible solution to that problem could be the development of a joint ILO/IMO port security instrument.
- 30 Turning to the list of subjects to be further considered, MSC Circulars 443 and 754, amended as appropriate, would cover the maritime security aspect adequately from the port perspective.

Off-shore terminals

- 31 The above considerations should be equally applied to off-shore terminals, as appropriate.

Other instruments

- 32 In view of the above considerations, the Recommendations on the safe transport of dangerous cargoes and related activities in port areas and the IMO/ILO UN ECE Guidelines for packing of CTUs should be reviewed in light of any security measures to be included.

Future action

- 33 Port expertise should be included in the composition of delegation to both, the ISWG and MSC 75, and in any subsequent work related to port security.

ACTION REQUESTED OF THE ISWG

- 34 The ISWG is invited to take the information provided above into account when considering the review contemplated under operative paragraph 1 of resolution A 924(22) and take appropriate action.

ANNEX

IMO INSTRUMENTS RELATED TO MARITIME SECURITY

- 1 Resolution A.584(14) – Measures to prevent unlawful acts which threaten the safety of ships and the security of their passengers and crews;
- 2 MSC/Circ.443 – Measures to prevent unlawful acts against passengers and crews on board ships;
- 3 MSC/Circ.622/Rev.1 – Recommendations to Governments for preventing and suppressing piracy and armed robbery against ships;
- 4 MSC/Circ.623/Rev.2 – Guidance to shipowners and ship operators, shipmasters and crews on preventing and suppressing acts of piracy and armed robbery against ships;
- 5 MSC/Circ.754 – Passenger ferry security;
- 6 Convention for the Suppression of unlawful acts against the safety of maritime navigation; and its Protocol for the Suppression of unlawful acts against the safety of fixed platforms (both adopted in Rome in 1988);
- 7 Resolution A.871(20) on Guidelines on the allocation of responsibilities to seek the successful resolution of stow-away cases;
- 8 Resolution A.872(20) on Guidelines for the prevention and suppression of the smuggling of drugs, psychotropic substances and precursor chemicals on ships engaged in international maritime traffic; and
- 9 Resolution A.924(22) on Review of measures and procedures to prevent acts of terrorism which threaten the security of passengers and crews and the safety of ships.



IMO

PREVENTION AND SUPPRESSION OF ACTS OF TERRORISM AGAINST SHIPPING

Consideration of proposals and information on maritime security issues

Measures to Improve Maritime Security

Submitted by the United States

MSC 75/ISWG/5/7
January 15, 2002

SUMMARY

Executive summary:

The Assembly adopted resolution A.924(22) with the goal of significantly enhancing maritime domain awareness and maritime security to preclude a maritime tragedy similar to the terrorists attacks that occurred in the United States on 11 September. In line with resolution A.924(22), the United States proposes a number of specific actions in this document that it believes will improve maritime security worldwide.

Action to be taken:

Paragraphs 3, 4, 5, 7, 9, 11, 13, 16, 19, 20, 21, 22, 23, 24, 25 and 26

Related documents:

Assembly resolution A.924(22) and MSC/Circ.443

- 1 In response to the terrorist attacks that took place in the United States on 11 September 2001, the Assembly adopted resolution A.924(22), Review of measures and procedures to prevent acts of terrorism which threaten the security of passengers and crews and the safety of ships. One of the main purposes of this resolution is for the Maritime Safety Committee, the Legal Committee and the Facilitation Committee to review, on a high priority, the instruments under their purview to determine if they need to be updated and to determine if there is a need to adopt other maritime security measures that may be appropriate. The United States fully supports this resolution.

2 Since the tragic events of 11 September, the United States has conducted an assessment of maritime security in the United States related to United States flag ships, foreign ships entering the United States ports and the United States port facilities. This assessment incorporates the elements of awareness, prevention, response and consequence management. It is believed that emphasizing the first two elements, awareness and prevention, provides the best return on investment. This assessment indicates that there are a number of awareness and prevention initiatives that should be taken to improve maritime domain awareness and maritime security within the United States and that these measures would also be beneficial if adopted worldwide. In light of resolution A.924(22), the United States believes that the proper course of action is to bring these initiatives to IMO seeking international action to improve maritime domain awareness and maritime security. These initiatives focus on the four primary components that need to be addressed to improve maritime domain awareness and maritime security worldwide. These four components are the ship, its cargo, the port facility and people onboard the ship and ashore. The following is a discussion of these initiatives and specific action proposed by the United States to address these components.

AUTOMATIC IDENTIFICATION SYSTEMS (AIS)

3 MSC 73 adopted amendments to Chapter V of SOLAS to require the installation of AIS on ships. AIS is intended to provide a ship's identity, position, course and speed, among other things. AIS offers tremendous potential to achieve significant awareness of vessels operating in the maritime domain which will improve maritime security. These amendments will enter into force on 1 July 2002 and provide a phase in schedule in Regulation 19/2.4 that begins in 2002 and ends in 2008 depending on ship type and tonnage. The United States believes that AIS should be installed on all ships as soon as possible within the legal framework of SOLAS. The United States understands that to change the installation dates in Regulation 19/2.4, additional amendments to SOLAS are required. Assuming amendments were agreed to at MSC 75, they could be circulated for adoption at the international conference on maritime security in December 2002. Under the provisions of Article 8 of SOLAS, the earliest these amendments could enter into force is 1 July 2004. With this in mind, the United States recommends that:

The dates in regulations 19/2.4.2.4, 19/2.4.2.5, 19/2.4.2.6 and 19/2.4.3 of Chapter V of SOLAS be amended to require the installation of AIS not later than 1 July 2004.

4 A separate, but related issue is the range of the AIS. AIS operates in the VHF-FM band, thus the range is limited to line of sight. Ship to ship range is approximately 10-15 nautical miles, while ship to shore can approach 20-30 nautical miles, depending on the height of the AIS receiver ashore. While VHF-FM cannot provide long-range coverage, the SOLAS carriage requirement for GMDSS specifies a capability for a long-range communications mode. Although the AIS is required by ITU to have a two-way interface to equipment which provides for long range communications, there is no requirement that long range radiocommunications equipment carried by ships be able to connect to this AIS interface and accept data intended for long range communication. It is conceivable that the long-range communication requirement could be met with either MF/HF or INMARSAT GMDSS equipment already carried on ships. INMARSAT is the most attractive because of its capacity and coverage and there are infrastructures ashore to receive the reports. The United States recognizes that there would be a per report charge for using INMARSAT for this purpose. It should be noted that VHF AIS provides a near continuous signal, while the long-range system would only need to provide position updates on the order of 2-4 times per hour, maximum. The United States believes that the long-range communications interface already required in AIS equipment should be made practical to the maximum extent possible. However, this work should in no way disrupt the AIS work already completed, nor in any way delay the implementation of AIS. The United States recommends that:

The NAV and COMSAR Subcommittees be requested to consider means for making practical use of the long range interface in shipborne AIS equipment, to update the necessary technical standards to accomplish this, to recommend the most appropriate vehicle to accomplish this extended range of AIS and to recommend an implementation plan.

SHIP AND OFFSHORE FACILITY SECURITY PLANS

5 MSC/Circ.443, "Measures to prevent unlawful acts against passengers and crews on board ships", contains recommendations to assist Member governments in strengthening port and ship security and was intended to apply to passenger ships engaged on international voyages. However, as requested by Assembly resolution A.924(22), this circular should be thoroughly reviewed and updated for application to all ships, offshore facilities and port facilities. The circular contains three major sections - General provisions, Port facility security plan and Ship security plan. One of the best ways for the crew of any ship to prevent terrorist action on the ship is for the crew to be properly prepared in case such an incident is attempted. The best way for the crew to be prepared is through the development and exercising of a proper ship security plan. The United States recommends that:

The Title of Chapter XI of SOLAS be amended to read: "Special measures to enhance maritime safety and security", and

A new Regulation 5 be added entitled, "Ship and Offshore Facility Security Plans." This new regulation would require all cargo ships of 500 gross tonnage and upwards and all fixed and floating platforms, mobile offshore drilling units (MODUs) and passenger ships irrespective of size to have an approved ship security plan complying with the requirements for ship security plans adopted by resolution MSC (to be developed).

6 The provisions of the ship security plan section of MSC/Circ.443 should be used as a starting point for the above mentioned requirements for ship security plans. They should be updated and expanded as necessary for all ships, MODUs and fixed and floating platforms.

PORT FACILITY SECURITY PLANS

7 As mentioned above, MSC/Circ.443 contains a major section on port facility security plans. Like ships, the development and exercising of a proper port facility security plan is one of the best ways for a port facility to prevent terrorist action. Further, port facility security plans will aid ships calling at facilities by deterring potential terrorist activity. Such plans will also help prevent the smuggling of terrorists and their weapons, including weapons of mass destruction. The United States believes that port facility security plans should become mandatory. The best vehicle to accomplish this goal is through the addition of a new regulation 6 to Chapter XI of SOLAS. The inclusion of requirements in SOLAS for shoreside facilities would not be new. They would be similar to the requirements of Chapter V of SOLAS, which impose requirements for aids to navigation and shoreside maritime safety facilities for search and rescue. The United States recommends that:

A new Regulation 6 be added to Chapter XI of SOLAS entitled, "Port Facility Security Plans." This new regulation would require all port facilities to have an approved port facility security plan complying with the requirements for port security plans adopted by resolution MSC (to be developed).

8 The provisions of the port facility plan section contained in MSC/Circ.443 should be used as a starting point for the above mentioned requirements for port facility security plans. They also should be updated and expanded as necessary for all types of port facilities.

SHIP SECURITY OFFICER

9 An essential concept contained in MSC/Circ.443 is the designation of a ship security officer and a description of the responsibilities of this officer. The designation of such an officer and the proper carrying out of this person's responsibilities can play a crucial role in enhancing maritime security on the ship and preventing terrorist action against the ship and its crew or passengers. A key role of the ship security officer would be to make sure that all other members of the ship's crew have a basic understanding of the ship's security plan and their responsibilities under that plan. On the other hand, rather than requiring the ship security officer to train the other members of the crew, another option would be to require all other crewmembers to undergo basic security training. Such a requirement could be incorporated into the familiarization training required under Chapter VI of the STCW Convention. The United States recommends that:

A new Regulation 7 be added to Chapter XI of SOLAS entitled, "Ship Security Officer." This new regulation would require an officer on the ship to be

designated as the ship security officer and list the responsibilities of this officer. In addition, this regulation should stipulate the specific training that the officer must take prior to being designated as the ship security officer; and

The MSC discuss whether a responsibility of the ship security officer should be to train the other members of the crew on the basic security measures for the ship or whether all other crewmembers should undergo basic security training.

10 The ship security officer responsibilities contained in MSC/Circ.443 should be used as the starting point for developing the list of responsibilities to be included in this new regulation. In addition, the training requirements contained in annex 3 to MSC/Circ.443 for the ship security officer should be used as the starting point for developing the training requirements for the ship security officer. (The United States recognizes that it may be more appropriate to include these training requirements in the STCW Convention and has no objection to doing so. However, if the STCW Convention would be amended only for these provisions, it may be more practical to include all the new security requirements in one location in SOLAS.)

COMPANY SECURITY OFFICER

11 Like the ship security officer, MSC/Circ.443 also recognizes the importance of designating a company security officer and the responsibilities of that officer. This concept is similarly imbedded within the ISM Code through the designation of a company person ashore who has responsibility for monitoring the safety and pollution prevention aspects of the ship. A company designated security officer ashore is another essential factor in enhancing maritime security. The United States recommends that:

A new Regulation 8 be added to Chapter XI of SOLAS entitled, "Company Security Officer." This new regulation would require each company as defined in Chapter IX of SOLAS to designate a shoreside company security officer and list the responsibilities of this officer. In addition, this regulation should stipulate the specific training that this person must take prior to being designated as the company security officer.

12 The operator security officer responsibilities contained in MSC/Circ.443 should be used as the starting point for developing the list of responsibilities to be included in this new regulation. In addition, the training requirements contained in annex 3 to MSC/Circ.443 for the operator security officer should be used as the starting point for developing the training requirements for the company security officer. (The United States recognizes that a requirement for the designation of a company security officer could be added to Chapter IX of SOLAS and the ISM Code instead of a new regulation under Chapter XI and has no objection to doing so. However, in view of the implementation of the second phase of the ISM Code on 1 July 2002 and the potential disruptions of changing the ISM Code at this early stage could have, it may be more practical to include all the new security requirements in one location in SOLAS.)

SEAFARER IDENTIFICATION VERIFICATION AND BACKGROUND CHECK

13 A critical part of improving maritime security is ensuring that the seafarers involved in the maritime transportation of goods and passengers have positive verifiable identification documents and that these seafarers pose no threat to national security or to the safety and security of maritime commerce. These goals can be accomplished through the issuance of verifiable seafarers' documents and background checks of the seafarer. The United States believes that the issuance of seafarer identity documents should allow the identity of the seafarer to be positively verified. One method of positive identification verification would be through biometrics on the document, such as a finger print, retina scan, etc. Other vital information can also be stored on the identity document including training and qualifications. With regard to background checks, the United States recognizes that when considering the global pool of seafarers that are used throughout the world's maritime industry, background checks on each individual seafarer may be extremely difficult. Nevertheless, it is imperative to ensure that no seafarer poses a threat to the safety and security of the maritime industry. For these reasons, the United States recommends that:

A new Regulation 9 be added to Chapter XI of SOLAS entitled, "Seafarer Identification and Background Check." This new regulation would

require:

The Administration to verify whether each member of the ship's crew or other persons employed or engaged in any capacity on board a ship on the basis of that ship has been convicted of any serious criminal offence under the national laws of the Administration. A serious criminal offence would include murder, assault with intent to murder, espionage, sedition, treason, rape, kidnapping, armed robbery, trafficking of drugs or similar offences. The Administration may accept the verification of another Party; and

The Administration to issue to each person that meets the above background check requirement, an identification document with verifiable positive identification of that person, or amend an existing appropriate document to add verifiable positive identification of that person. The Administration may accept identification documents issued by another Party. The verifiable positive identification shall comply with the requirements for verifiable positive identification adopted by resolution MSC (to be developed).

- 14 It should be noted that this proposal would not prevent a person convicted of a serious criminal offense from being employed on board a ship. That decision would be left to each Administration. This proposal would allow Administrations the ability to ensure that such a person is not employed in security sensitive positions and may be used by port states to limit access to secure, restricted or limited access areas ashore.
- 15 In addition, the purpose of allowing the verifiable positive identification to be added to an appropriate document is to provide the Administration with the maximum flexibility in using existing documents, if it chooses. Existing documents to which the verifiable positive identification could be added may include documentation issued under the STCW Convention or seafarer identity documents issued under the International Labor Organization (ILO) Convention number 108, Seafarers' Identity Documents Convention.

PORT VULNERABILITY ASSESSMENTS

- 16 Port security risks, port security standards and port vulnerability assessments vary throughout the world. In some locations, port security standards are very high, making the port security risk relatively low. In other locations, the situation is reversed, i.e. low port security standards with a resultant higher port security risk. Terrorists looking to use the maritime sector as the means for their actions will obviously be inclined to initiate their actions in ports where the port security standards are low. Clearly, the solution to this problem is to establish an international standard for port vulnerability assessments so the existing port security standards can be assessed and the port security risk determined. The results of that assessment can then be used by the port to determine what measures need to be taken to improve its port security standards and lower its port security risk. The United States recommends that:

A new Regulation 10 be added to Chapter XI of SOLAS entitled, "Port Vulnerability Assessments."

This new regulation would require each port to undergo, by the Party in which the port is located, a periodic port vulnerability assessment complying with the requirements for port vulnerability assessment adopted by resolution MSC (to be developed).

- 17 The United States is currently developing the requirements for port vulnerability assessments for submission to and consideration by IMO.

PORT OF ORIGIN CONTAINER EXAMINATIONS

- 18 At MSC 68, Spain proposed mandatory inspection of containers carrying dangerous goods and at MSC 69 Japan also proposed a requirement for the inspection of all freight containers. The MSC agreed not to pursue a mandatory requirement for the inspection of containers, but it did adopt MSC Circular 859, Inspection Programmes for Cargo Transport Units (CTUs) Carrying Dangerous Goods. In this circular, the MSC urges governments to implement container inspection programs on a regular basis.
- 19 Containers are a rapid and efficient method for loading and unloading of ships. However, they are often loaded and unloaded away from the seaport with no scrutiny and then moved by rail or truck to the seaport for transshipment. Millions of containers are used to ship goods worldwide by maritime transport, making it highly unlikely that a specific container will be opened and the contents thoroughly examined. The potential for the use of these containers by terrorists for atrocious acts is very

real. Containers can be used for the transport of weapons of mass destruction or, as has been recently experienced in a European port, for the transport of potential terrorists. The United States fully recognizes the tremendous resource implications to require an inspection of every container before it is loaded on board a ship. However, there is portable detection equipment that may be available for shipboard or dockside container inspection applications that may facilitate these inspections. In addition, after a container is packed and closed or upon completion of the container inspection, electronically sealing the container may provide a chain of custody of the container as it moves through the world's transportation system. We believe that these issues need to be discussed in depth. With this in mind, the United States recommends that:

The MSC revisit its decision regarding mandatory inspection of freight containers, taking into account any technological advances in portable detection equipment that may be available for shipboard and dockside container inspection applications, and have an in depth discussion of the issue with the objective of establishing appropriate measures that would significantly enhance our confidence level in deterring the use of freight containers for terrorist or other illegal activities, including electronic sealing or other acceptable technology.

CO-OPERATION WITH THE WORLD CUSTOMS ORGANIZATION

- 20 The integrity of all cargo, including containers, is a concern to all parties involved in the packing, sealing, documenting and transporting of cargo - the manufacturer, the freight forwarder, the shipper and the consignee. Effective security controls for all cargo needs to be properly implemented by all parties concerned. This responsibility and concern extends beyond IMO's purview of the maritime world into land-based sources. To properly address this issue, other stakeholders need to be appropriately engaged to develop effective overall security measures. Customs administrations in each country are responsible for monitoring the import and export of cargo. The World Customs Organization (WCO) is an independent intergovernmental body whose mission is to enhance the effectiveness and efficiency of customs administrations. The United States recommends that:

The IMO and WCO should work together through the appropriate mechanism with the aim of establishing international measures that would enhance the integrity of all cargo. This should include advancing the concepts and principles of industry partnership programs, through which administrations engage the trade community in a cooperative relationship to improve the security of cargo movement.

INFORMATION ON THE SHIP AND ITS CARGO AND PEOPLE

- 21 As indicated in paragraph 2, the ship, its cargo and its people (crew and passengers) are primary components that need to be addressed to improve maritime domain awareness and maritime security. Information on the ship's cargo, its crew and its passengers is collected for each ship's voyage. Improved exchange of this information will significantly enhance each country's maritime domain awareness relating to ships intending to call at its ports. Exchange of information between the ship and the port State on the ship's cargo, crew and passengers makes the port State more aware of what and who will be calling at its ports. Equally important, transparency of information on the ship's owner/operator plays an important role in ensuring that ships are not used to support terrorist activities, either directly or indirectly. Further, any country would welcome information about maritime activities that may adversely impact them. It is primarily through information collection and analysis that a country can identify suspicious patterns that may point to terrorist activities. Investigations subsequent to the tragic events of 11 September indicate that many countries had information about activities taking place inside their country that, while odd, or even suspicious, did not seem alarming enough to relay to other countries. The sharing of information about maritime activities in one country may prevent future terrorist acts against another country. The United States recommends that:

The MSC discuss the issue of information exchange between ships/port States, flag States/port States and port States/port States on the ship, its cargo, its crew and its passengers to determine if additional measures should be implemented to enhance the current information exchange that takes place to further increase maritime domain awareness worldwide.

MEANS OF SHIP ALERTING

- 22 Currently, a ship in the process of being hijacked by terrorists has no simple and unobservable means for activating an alarm to notify authorities and other ships of the danger. GMDSS equipment has a "piracy/armed robbery attack" nature of distress capability, but selecting this alert takes time and cannot be done surreptitiously or quietly, since activation sounds an alarm. Aside from text messaging, AIS equipment does not provide this function either, although the AIS "type of ship" report does include reserved characters that could conceivably be used for this purpose. The United States recommends that:

The NAV and COMSAR Sub-Committees be requested to consider means for providing a capability for seafarers to activate an alarm to notify authorities and of other ships of a terrorist hijacking, including a recommendation on whether such an alarm should be surreptitious.

SHIP SECURITY EQUIPMENT

- 23 Ship security can also be enhanced by installing appropriate ship security equipment. Most buildings in ports and some ships have some sort of basic security enhancement equipment. This equipment is usually a closed circuit television (CCTV) monitoring system and alarms on security sensitive doors. Installation of this basic security equipment on board ships would help the crew quickly become aware of security threats while the ship is in port. In addition, some ship security equipment that could enhance security while the ship is underway include stern radar systems to warn of approaching small vessels used by hijackers to board the ship and a simple ship tracking device which could not be switched off to track a ship if it is hijacked. The United States recommends that:

The MSC discuss the need for ship security equipment when the ship is dockside and while at sea and, if determined to be appropriate, add a new regulation to Chapter XI of SOLAS requiring ship security equipment.

UPDATE OF MSC/CIRC.443

- 24 The essence of a number of the measures proposed above are contained in MSC/Circ.443, including ship and facility security plans, designation of ship security officer, security officer training, etc. Assuming that these proposals are approved by the MSC for adoption at the conference, many of the key elements of MSC/Circ.443 will be expanded and made mandatory. Once the MSC decides which elements of MSC/Circ.443 will become mandatory, the United States recommends that:

The MSC conduct a review of MSC/Circ.443, taking into account decisions made regarding mandatory application of the elements of the circular and revise/update the circular, as appropriate.

LONG TERM GOAL

- 25 All of the measures proposed in this paper are based upon an assessment of maritime security in the United States. These proposals are aimed at improving maritime domain awareness and prevention worldwide and are submitted with the objective of obtaining MSC approval for submittal to and adoption at the IMO conference on maritime security in December 2002. The United States believes that international acceptance of these measures will significantly diminish the risk of a maritime tragedy similar to the terrorists attacks that occurred in the United States on 11 September. However, adoption of these measures should in no way be viewed as completion of the work at IMO on maritime security. On the contrary, adoption of these measures should be viewed as the start of the work at IMO on this important subject. With this in mind, the United States recommends that:

The MSC discuss how to best integrate maritime security into the long term goals and objectives of IMO to ensure that it remains a high priority item for the foreseeable future. In this regard, the MSC should review the current organizational structure to determine how to best integrate maritime security into the work of IMO as a high priority.

Action requested from the Working Group

- 26 The United States requests that the Working Group consider the recommendations contained in the above paragraphs and take the appropriate action.

Report on meeting of IMO's Working Group on the Ship/Port Interface (SPI)

January 7-11, 2002, London

IAPH was represented at the meeting by Mr. Patrick Decrop, Harbour Master from the Port of Antwerp and Mr. P. C. van der Kluit, Managing Director, IAPH Europe Office and Liaison Officer with IMO.

SPI was attended by delegations from 21 member states, one UN agency and 7 non-governmental organizations with consultative status.

The following paragraphs briefly describe the main items that were discussed at the meeting, which was chaired by Capt. H.-J. Roos from Germany.

1. Security

Following the tragic events of September 11, 2001, the issue of security in relation to terrorist activities dominates the agenda of IMO. During the Assembly meeting in November 2001 it was decided to organise a diplomatic conference on the subject in December 2002. The preparation for the conference was tasked to the Maritime Safety Committee (MSC) that will hold a special meeting during the week commencing 11 February 2002. SPI was tasked with preparatory work for that meeting.

Based on MSC circular 443 ("Measures to prevent unlawful acts against passengers and crews on board ships") SPI identified areas where, from a ship/port interface point of view, there would be a need for updating or amending the circular.

The Working Group concluded that the September 11 events have shown that security considerations should not be restricted to passenger ships, but should cover all ships, persons on board, be it passengers or crew, off-shore terminals and the complete port area including port approaches, port operations and people ashore (port personnel or nearby inhabitants).

This expanded scope should be reflected in the revised circular.

Furthermore, SPI suggested considering:

The establishment, by the national designated authority, of national and local port security committees, comprising all relevant parties, such as:

- ministries concerned with security
- port authorities
- police
- navy
- coast guard
- customs

- immigration
- emergency services
- representatives of port users
- etc.

It was also suggested to consider the establishment of a port security management system, covering all port operations, based on guidelines developed by the designated authority as well as an overall port security plan and individual port facility security plans. The bases for these activities should be risk and vulnerability assessment studies.

The security management system and port security plan could be made part of an overall emergency plan that would also be able to address security issues related to piracy and armed robbery, drug smuggling, illegal immigration and stowaways.

Issues that were discussed in detail included access control to port facilities, identification of port and ship personnel, the gathering and sharing of relevant information and the setting up of intelligence networks.

A detailed report by the Secretariat of IMO of the discussions in the SPI Working Group will be submitted to the inter-sessional meeting of MSC in February for consideration. IAPH has already indicated that it will participate in this event.

The discussion on security issues took so much time that the remaining of matters on the agenda could only be briefly touched upon.

2. Availability of tug assistance in ports

SPI recalled that at its last session it had concluded that the Nautical Institute's publication "Tug Use in Ports - A Practical Guide" represented a useful and appropriate assessment method regarding tug assistance.

The SPI Working Group then drafted a joint MSC/MEPC/FAL circular, highlighting the key elements of the publication.

3. Development of a manual on loading and unloading of solid bulk cargoes for terminal representatives

The SPI Working Group considered the outline of the manual that had been developed by DSC 6 on the basis of a first draft provided by the previous meeting of SPI. It was decided that members of SPI

would contribute draft text for the various sections of the document for further consideration at the next meeting of DSC and submit these texts by May 2002. IAPH was asked to provide text on the roles and responsibilities of ports (in relation to the loading and unloading of solid bulk cargoes). Other contributors to the document are IBTA (Independent Bulk Terminals Association), IFSMA (International Federation of Shipmasters' Association), Greece, Germany and The Netherlands.

4. Development of Guidance for Education and Training of Port Marine Personnel

This item has been on the agenda of the SPI Working Group for some time. Since the last meeting a correspondence group had been active and had prepared a document that identified the areas where there is a need for education and training of port marine personnel. During this meeting the matter was taken forward and the main functions and services in a port that traditionally used to be discharged by personnel with a seafaring background were identified:

- functions carried out under the responsibility of the Harbour Master
- pilotage
- VTS
- Port marine services, in particular towage and mooring services

As education and training of pilots and VTS operators have been adequately addressed by IMO in conjunction with other organizations, the SPI Working Group concluded that there was no need to further discuss these functions.

IAPH and IHMA offered to investigate the matter of functions carried out under the responsibility of the Harbour Master and report back to the Working Group.

Regarding mooring services the Working Group noted that the industry has provided information that the safety of these services has raised considerable concern because of incidents during mooring and un-mooring of vessels. IMO has already recognized this problem and has tasked the DE-Sub Committee to address the matter.

As also mooring services suffer from a decline in the availability of seafaring personnel and lack internationally agreed standards of training and education, the SPI Working Group has suggested to develop guidance for this matter. In this context IMO member governments and non-governmental organizations were requested to provide the SPI Working Group with any available material that could be helpful in developing such guidance.



The First Meeting of the WCO Working Group on the Protection of Society

November 5-7, 2001 / WCO, Brussels

ENFORCEMENT COMMITTEE
21st Session

EC0111E1
TE7-811

Brussels, December 6, 2001

(Compiled by IAPH Head Office)

1. Dr. Mellwig, Deputy Director for Enforcement and Compliance, welcomed the participants by highlighting the impact of the fight against terrorism on "Protection of Society". As this meeting was the first lot of its kind following the restructuring of WCO Enforcement Working Groups, it was pointed out that not every WCO program relating to protection of society could be covered by the Agenda and that there was a need for prioritization.

2. Agenda and Notes

2.1 INTERNATIONAL TERRORISM

The Secretariat introduced the item by stating that, in the light of September 11, there was a need for Members and the WCO's to review their programmes. Four WCO documents were mentioned, namely letter 01SL0294 to Directors General containing sixty recommendations for action; letter 01EL360 concerning chemical, biological and nuclear weapons; letter 01EL376 concerning measures to protect Customs staff and Doc. SP0078 requesting the Policy Commission to consider the actions required by Customs internationally. There was general consensus that terrorism was not separate program. It had implications for all enforcement programmes. It was therefore necessary to prioritize the actions to be taken.

In the ensuing discussion it was agreed that the proper application of risk management was a prerequisite for good information. Measures should be introduced nationally to ensure that advanced passenger information was provided by airlines to Customs. Representatives spoke of the importance of information sharing as a necessary measure to combat terrorism.

Many representatives referred to the issue of exchange of nominal data. Members considered that WCO policy, which precluded the exchange of nominal data, should be reconsidered in the light of the current situation. It was accepted that any change could

only take place on a properly formulated legal basis. It was suggested that the effective control of terrorism at the border would necessitate Customs administrations being granted additional enforcement powers.

In respect of chemical weapons, it was pointed out that there were licit shipments of some sensitive chemicals. The present system of monitoring precursor chemicals for drug production could be extended to include those which could be used to produce weapons. Members also felt that money laundering was a particular concern in relation to terrorism. Representatives felt that it would be desirable to form an expert group on terrorism to take these issues forward and identify other necessary steps to be taken.

The Secretariat was tasked with referring the issue of exchange of nominal data through the CEN Management Team to the Enforcement Committee, with raising the possibility of monitoring licit shipments of chemicals with the relevant agencies and setting up a terrorism expert group after the Policy Commission meeting in December 2001. Representatives were asked to stress to their administrations the need for enhanced risk management, the requirement for advance passenger information, the need for increased information sharing and the relevance of money laundering to terrorism.

2.2 INTELLIGENCE PHILOSOPHY AND STRATEGY

The Secretariat referred to the relevant documents (EC0057 and EC0091) and explained the need for the WCO to develop an intelligence strategy in order to link and manage the intelligence aspects of its enforcement programmes. This was particularly important in the new operating environment, where security and access to information and intelligence had become so vital. The recent terrorist attacks had also created a situation

whereby previous policy decisions on the exchange of certain nominal data should be reviewed.

The Secretariat explained that the previous decision to develop a virtual discussion group had not been successful in developing this strategy, as the issues were too complex and difficult to discussed using this medium. A number of options could be explored in the future: (1) Keeping the proposal "on file"; (2) Developing the intelligence strategy via the development work being carried out for Regional Intelligence Liaison Offices (RILOs); (3) Developing a model strategy for use by developing countries and (4) Developing the intelligence strategy via an expert group.

The delegates agreed that an intelligence strategy should be developed. They recommended that the Enforcement Committee should consider whether a group of intelligence experts should be formed in the future. Such a group should report directly to the Enforcement Committee and should contribute towards the intelligence needs of many enforcement programmes, including, for example, the 13 points dealing with intelligence in "The fight against terrorism".

The Chairman concluded that the Enforcement Committee should consider establishing an expert group and its relationship to anti-terrorism initiatives, the CEN, RILOs and the re-evaluation of the WCO's policy on the exchange of nominal data.

- 2.1 DRUG ENFORCEMENT STRATEGY
- 2.2 DRUG TRAFFICKING
- 2.3 AFRICAN SEAPORTS PROJECT
- 2.4 PROCEEDS OF CRIME (MONEY LAUNDERING)
- 2.5 ELECTRONIC CRIME
- 2.6 FIREARMS SMUGGLING
- 2.7 DIAMOND SMUGGLING
- 2.8 CITES ENFORCEMENT
- 2.9 ENVIRONMENTAL CRIME
- 2.10 CULTURAL GOODS TRAFFICKING
- 2.11 STOLEN VEHICLES

3. Notes by the IAPH Head Office

In accordance with the Terms of Reference accepted by the meeting, the Deputy Director invited the meeting to elect a Chairman for the next meeting. Mr. Didier Rabosée (Belgium) was unanimously elected and the meeting was closed. Representing IAPH Mr. I.D.K. Jangana attended the meeting on behalf of the Trade Facilitation Committee (Chair: Emili Arbós).

Minutes of the meeting of the Committee on Port Safety, Environment and Marine Operations



Date: November 19 & 20, 2001

**Venue: ALA Headquarters
20ter, Rue Schnapper
78100 Saint Germain
en Laye (near Paris)**

1. Opening

Chairman Van de Laar opens the meeting and welcomes the participants and thanks the host, Mr. Kruise, Secretary General from IALA, for its hospitality.

He advises that apologies for absence have been received from:

Vice Chairman John Hirst
Capt. Hans Juergen Roos
Nouhoum Diop
Capt. John Joyce
Henk Regelink

A list of participants to the meeting of 19 November is attached as an appendix.

Mr. Kruise makes a brief statement in welcoming the Committee to the IALA office and expresses the hope that it will be a constructive and successful meeting.

The Chairman advises that the meeting of the Dredging Task Force will take place after lunch. Mrs Knatz, Chairperson of the Dredging Task Force circulates additional papers for that meeting.

He also advises the Committee that under agenda item 10, Any other business, he wishes to address two issues: SPI and a request from ICS regarding port security matters

2. Minutes of Committee meeting in Montreal, May 19, 2001, Queen Elisabeth Hotel

Mr. Pouliot advises the Committee that on the subject of pilotage pre-planning IMO's NAV Sub Committee has made satisfactory progress. Training and certification issues are expected to be addressed at the next meeting of the STCW Sub Committee. He expresses the hope that at the next Assembly meeting in 2003 all outstanding issues will be resolved.

The minutes are then accepted.

3. Environmental Impact Assessment

The Chairman advise the Committee that the Port Guidance Document on Environmental Impact Assessment, that was approved at the Montreal Conference will shortly be printed by IAPH Head Office. Publication has been delayed due to the absence of an introductory letter by the Chairman.

Once the document is published its existence will be mentioned in Ports and Harbors and it will be circulated among IAPH members.

4. Port Safety Management System

The Chairman re-iterates the history of this issue that started as early as 1999 during the previous Bremen Conference on Safety in the Port Environment. Since then it has been discussed at Committee meetings in Marseilles and Long Beach. At that meeting in January 2001 it was decided that the Committee would draft a guidance paper for IAPH members to enable them to establish their own management system. At the Montreal Conference in May 2001 the Committee met again and on that occasion two presentations were made on port safety management systems: one by Bureau Veritas and one by the Port of Brisbane.

The Committee decided to task a consultant to draft the Terms of Reference (TOR) in close co-operation with 4 members of the Committee (Van de Laar, Roos, Diop and Van der Kluit).

In the process of preparation of the TOR it became evident that an initiative of IMO, UNEP and GEF has similar aims as the Committee and is already well under way. The joint IMO/UNEP/GEF initiative involves pilot projects in the ports of Klang and Manila. IAPH has been urged to join that initiative in order to avoid duplication of work and efforts.

The initiative should result in a

methodology to develop a safety and environmental management system. The pilot projects in Klang and Manila serve to ensure that the methodology really works in practice.

At the recent IAPH/IMO Interface Group meeting in Auckland, the proposal to join the above initiative was discussed. The following line of action was suggested:

- the development of a management system should be a voluntary activity by the ports concerned
- Certification should not be part of the exercise, unless the individual ports would wish to do so

The Chairman has recently discussed these conditions with parties involved in the joint initiative of IMO/UNEP/GEF and reports that these conditions can be met.

It is therefore decided to abandon the previous decision to prepare an IAPH document, and to seek approval from the IAPH/IMO Interface Group to join above initiative. The information made available by the Port of Brisbane will be used as input and as an example how a port has already developed a management system.

In order not to complicate things from the start, it is decided that the results of the Klang and Manila pilots should be applied to the entry and departure of ships into and out of ports. At a later stage the methodology may be applied to other activities as well, such as cargo handling.

5. Ports of Refuge

As a result of a.o. the incident with the tanker CASTOR in the Mediterranean earlier in 2001, the matter of ports of refuge, safe havens etc. received renewed attention in IMO. IAPH considered the issue during the Montreal Conference and adopted a Resolution on safe havens.

At the recent Bremen conference on

Safety in the Port Environment, Capt. Roos presented an amalgamation of views that are currently available, notably in Germany and Australia. Both the German as well as the Australian approaches consider the question "who is responsible for the costs involved" as the first one to be addressed when a request for a safe haven is received.

The Committee discusses the question whether a port is obliged to accept a ship in distress. It appears that in several countries, such as the UK and Germany, the national authority may override a decision made by the local port authority/harbour master.

Capt. Pouliot suggests that in Annex 3 of Capt. Roos' document, "pilots" should be added as one of the organizations to be consulted.

The Committee decides to advise members to follow the recommendation in Capt. Roos' paper and to urge their respective governments to uphold their responsibility and to make clear their position vis-à-vis that of the port authority.

It should be clear that if a national authority decides to exert its power to override a decision by the local authority, it should be liable for all costs incurred by the port that is forced to accept a ship.

6. Mooring Lines

The Chairman explains the background of the issue: severe accidents in Australia have prompted the Australian authorities to bring the safety of mooring lines issue to the attention of IMO, requesting it to be put on the agenda of the relevant IMO (sub) Committee, most likely MSC. Australia would wish that mooring lines would be considered ships' equipment, which would mean that they could be made subject to Port State Control.

As an alternative, mooring lines could be considered to fall under the sphere of ILO 152, and as such become subject of inspection.

IAPH and IHMA have consulted their members on the issue and have received a massive response, indicating that the safety of mooring lines is a matter of widespread concern that requires urgent attention by IMO.

ICHCA has also received information on accidents with mooring lines alongside the quays of their members.

The Committee then discusses the problem of how to process the abundance of information, so that an accessible document results which can be submitted to IMO. IHMA has already done so with the responses from IHMA mem-

bers, but even the processed information represents a large document that, as such, is less suitable for submission to IMO.

A possible solution emerges in that IAPH, IHMA and ICHCA could submit a joint paper to IMO indicating that consultation of the respective memberships has indicated that safety of mooring lines is a widespread concern as a result of frequent serious accidents. The results of the enquiries would clearly indicate that there is a compelling need for IMO to address the issue.

Mr. Pouliot suggests that the submission to IMO could take the form of an "INF" paper to MSC, asking the Committee how to address the issue. That might invoke action on behalf of MSC.

Note: Due to commitments of a number of participants, who have to leave the meeting, the future meetings of the Committee are advised as follows:

- Abu Dhabi, 19-24 April 2002, during the Mid-term board meeting
- Kobe, 15-19 October 2002, during the yearly EXCO meeting

The following agenda items were discussed on Tuesday, 20 November 2001, in the presence of:

- F. van de Laar
- P. Mollema
- J. Franssen
- Capt. Nakayama
- T. Kruise
- P. van der Kluit

7. Vessel Design Considerations for Stevedore Safety

A paper by the Port of Felixstowe, that was originally produced for presentation at the recent conference on Safety in the Port Environment in Bremen, is circulated among those present. The paper describes a number of potentially dangerous situations on board container ships that can cause injury to personnel involved in lashing activities. The Port of Felixstowe actively and successfully communicates with the ship owners of the vessels that frequent the port in order to convince them of the need to rectify these unsafe situations. The paper contains a number of examples where dangerous situations have been remedied.

The Committee applauds the initiative of the Port of Felixstowe and would welcome permission from the author(s) to use the paper as basis for advice to IAPH members on how to improve the safety of workers in container terminals.

Van der Kluit will approach the Port of

Felixstowe with this request.

An article in Ports and Harbors, including some photographs, is considered the proper instrument. (Please see page 20)

8. Liaison with the Black and Azov Sea Ports Association (BASPA)

The Chairman explains the history of BASPA and its wish to enter into an agreement on close co-operation with IAPH and ESPO.

When attending a recent (October 2001) BASPA conference in Bourgas on behalf of IAPH, he convinced the BASPA officials that it would be far better for them to join IAPH as an associate member. As such, BASPA members would have full access to relevant IAPH Committees, such as the Committee on Port safety, Environment and Marine Operations. The Chairman takes it upon himself to invite BASPA members to join the Committee, once an application for associate membership has been received.

A similar approach was chosen by the ESPO chairman, Mr. Whitehead.

Mr. Kruise supplies details of a committee on safety in the Black Sea in which both IALA and IHO are represented. The committee has been involved in the introduction of DGPS in the area.

9. Meetings in Auckland, October 2001

Van der Kluit, who attended the EXCO meeting in Auckland, as well as a meeting of the IAPH/IMO Interface Group, provides details on these meetings. Minutes have been circulated and will appear on the IAPH website in due course. The contents will therefore not be repeated in these minutes.

10. Any other business

- Ship/Port Interface

Van der Kluit advises the meeting that he has attended a recent symposium in Johannesburg (ISTDG 14) at which he made a presentation on behalf of IAPH. In the presentation he underlined the importance of the IMO Working Group on the Ship/Port Interface. This resulted in the symposium adopting a resolution to the same effect. The symposium organizers were advised by the chairs of IMO's MSC and MEPC, who attended the symposium, to submit the resolution to relevant bodies of IMO.

- Port security

The chairman tables a request from

ICS that he received shortly before the meeting and that he had circulated by e-mail. ICS asks the Committee to consider the development of an inter-industry "International Code of Practice on Port Security". A detailed document had been provided by ICS.

Mr. Greg Smith had mailed a reaction to the effect that he considers the ICS paper to be a timely document. The port of Brisbane is currently involved in discussions on the matter.

The Committee concludes that it should positively react to the suggestion of ICS.

It is decided to first discuss the issue during the forthcoming Pan-African conference in Abidjan with the President of the International Association of Airport and Seaport Police (IAASP), who will present a paper at the conference. Following that the matter should be taken up by the Inter-Industry Contact Group.

Following information from Mr. Mollema that ESPO's Marine Committee has been discussing this matter as well, the chairman agrees to send a copy of the ICS paper to the Chairman of the ESPO Marine Committee.

- "European transport policy for 2010: time to decide"

This EU-document, provided by Mr. and Mrs Steinberg, will be submitted to ESPO's Marine Committee by Van der Kluit.

- VHF Digital Selective Call (VDSC)

Mr. Pouliot advises the Committee that VDSC will come on stream soon. The system will automatically switch all communication to the emergency channel as soon as a distress call comes in. This may lead to dangerous situations when e.g. pilots are involved in critical manoeuvres. They would lose contact with ships, tugs etc. He stresses the need for corrective measures to eliminate this unwanted side effect.

The Chairman then thanks Mr. Kruise for the hospitality and the excellent secretarial support during the meeting and closes the meeting.

List of Participants
(November 19, 2001)

1. **F.M.J. van de Laar**, Chairman
Port of Amsterdam
2. **P.C. van der Kluit**, IAPH,
Europe Office
3. **T. Kruise**, IALA
4. **M. Pouliot**, IMPA
5. **J. Fransen**, Green Award

6. **A. Navarro**, (DTF)
Port of Aviles Authority
7. **R. Boutin**, (DTF), CEDA
8. **P. Hamburger**, (DTF), IADC
9. **M. Ravenscroft**, Port of Brisbane Corp.
10. **N. Kogon-Steinberg**, Steinberg &
Associates
11. **B. Steinberg**, Steinberg & Associates

12. **G. Knatz**, (Chair DTF)
Port of Long Beach
13. **P. Mollema**, (DTF and PSEMO)
Rotterdam Municipal Port Management
14. **T. Nakayama**
Nagoya Port Authority
15. **B. Coloby**, Port Autonome du Havre
16. **J. Perrot**, Port Autonome du Havre



ASSEMBLY
22nd session
Agenda item 8

A 22/8/1
November 16, 2001
Original: ENGLISH

**REPORT OF THE COUNCIL TO THE
ASSEMBLY ON THE WORK OF THE
ORGANIZATION SINCE THE TWENTY-FIRST
SESSION OF THE ASSEMBLY**

**Consideration of proposed draft Assembly resolutions with
a view to adoption**

ANNEX 3

**DRAFT ASSEMBLY RESOLUTION
REVIEW OF MEASURES AND
PROCEDURES TO PREVENT
ACTS OF TERRORISM WHICH
THREATEN THE SECURITY OF
PASSENGERS AND CREWS AND
THE SAFETY OF SHIPS**

THE ASSEMBLY,
RECALLING Articles 1 and 15(j) of the Convention on the International Maritime Organization concerning the purposes of the Organization and the functions of the Assembly in relation to regulations and guidelines concerning maritime safety; and also the general purpose of the Convention on Facilitation of International Maritime Traffic, 1965,

TAKING INTO ACCOUNT United Nations:

- *General Assembly resolution 56/1 and Security Council resolution 1368, both adopted on 12 September 2001, condemning the terrorist attacks on the United States of America on 11 September 2001; and*
- *Security Council resolution 1373(2001) calling on the international community to redouble their efforts to prevent and suppress terrorist acts, including full implementation of the anti-terrorist conventions,*

EXPRESSING great concern for the security of passengers and crews on board ships, including

small craft, both at anchor and under way, in the context of incidents involving terrorism and other unlawful acts against ships and the associated risks to people on shore or populations in port areas as well as to ports, offshore terminals and the marine environment,
RECALLING resolution A.584(14) on Measures to prevent unlawful acts which threaten the safety of ships and the security of their passengers and crews,
RECALLING ALSO MSC/Circ.443 on Measures to prevent unlawful acts against passengers and crews on board ships, approved by the Maritime Safety Committee at its fifty-third session, in pursuance of the requests of the Assembly as contained in the aforementioned resolution A.584(14),
RECALLING FURTHER MSC/Circ.754 on Passenger Ferry Security, approved by the Maritime Safety Committee at its sixty-sixth session,
FURTHER RECALLING the provisions of the Convention for the Suppression of Unlawful Acts against the Safety of Maritime Navigation (Rome 1988) and its Protocol for the Suppression of Unlawful Acts against the Safety of Fixed Platforms located on the Continental Shelf,
FINALLY RECALLING United Nations General Assembly resolution 55/7 urging States to become party to the 1988 Convention for the Suppression of Unlawful Acts against the Safety of Maritime Navigation and its Protocol, and to ensure their effective implementation,
RECOGNIZING the need for the Organization to review, with the intent to revise, existing, and

consider new, appropriate international legal and technical measures to prevent and suppress terrorism against ships and to improve security aboard and ashore in order to reduce the risk to passengers, crews and port personnel on board ships and in port areas and to the vessels and their cargoes,

1. REQUESTS the Maritime Safety Committee, the Legal Committee and the Facilitation Committee, under the direction of the Council, to undertake, on a high priority basis, a review to ascertain whether there is a need to update the instruments referred to in the preambular paragraphs and any other relevant IMO instrument under their scope and/or to adopt other security measures and, in the light of such a review, to take prompt action as appropriate;

2. REQUESTS ALSO the Committees referred to above, when taking action as requested in operative paragraph 1, to take account of the work of other international organizations competent in the development of standards for transport-related safety and security by land, air

and sea, as well as industry organizations;

3. CALLS on Governments, which have not accepted the 1988 Rome Convention and Protocol, to consider doing so at the earliest opportunity;

4. ENCOURAGES Governments, pending the outcome of work tasked to the Committees referred to in paragraph 1 above, to put in place and vigorously implement appropriate security measures around and in port areas and terminals, including offshore terminals;

5. REQUESTS the Secretary-General to take appropriate measures, within the Integrated Technical Co-operation Programme, to assist Governments to assess, put in place or enhance, as the case may be, appropriate infrastructure and measures to strengthen port safety and security to prevent and suppress terrorist acts directed against ports and port personnel as well as ships in port areas, passengers and crews;

6. REQUESTS FURTHER the Secretary-General to submit a report to the twenty-third session of the Assembly on progress made in the interim.

United States ports against potential threats posed by flag vessels of nations named in paragraph (2).

SEC. 3. SEA MARSHAL PROGRAM.

(a) ESTABLISHMENT- Within 6 months after the date of enactment of this Act, the Secretary of Transportation shall establish a program to place sea marshals on vessels entering United States Ports identified in subsection (c).

(b) CONSULTATION- In establishing this program, the Secretary shall consult with representatives from the port security task force and local port security committees.

(c) SEA MARSHAL PORTS- The Secretary shall identify United States ports for inclusion in the sea marshal program based on criteria that include the following:

(1) The presence of port facilities that handle materials that are hazardous or flammable in quantities that make them potential targets of attack.

(2) The proximity of these facilities to residential or other densely populated areas.

(3) The proximity of sea lanes or navigational channels to hazardous areas that would pose a danger to citizens in the event of a loss of navigational control by the ship's master.

(4) Any other criterion deemed necessary by the Secretary.

(d) SEA MARSHAL QUALIFICATIONS- The Secretary shall establish appropriate qualifications or standards for sea marshals. The Secretary may use, or require use of, Federal, State, or local personnel as sea marshals.

(e) AUTHORIZATION OF APPROPRIATIONS- There are authorized to be appropriated to the Secretary of Transportation such sums as may be necessary to carry out the requirements of this section for each of the fiscal years 2002 through 2006.

(f) REPORT- Within 3 years after the date of enactment of this Act, the Secretary shall report to the Committee on Commerce, Science, and Transportation of the Senate, and Committee on Transportation and Infrastructure of the House of Representatives on the success of the program in protecting the ports listed under (c), and submit any recommendations.

SEC. 4. SEA PILOT COMMUNICATION AND WARNING SYSTEM.

Within 6 months after the date of enactment of this Act, the Secretary of Transportation shall provide a secure report to the Committee on Commerce, Science, and Transportation of the Senate, and Committee on Transportation and Infrastructure of the House of Representatives on the potential for increasing the capabilities of sea pilots to provide information on maritime domain awareness. The report should specifically address necessary improvements to both reporting procedures and equipment that could allow pilots to be integrated more effectively in a maritime domain awareness program.

107th CONGRESS

1st Session

S. 1587

To provide improved port and maritime security, and for other purposes.

IN THE SENATE OF THE UNITED STATES

October 30, 2001

Mr. KERRY (for himself, Mr. BREAUX, and Mr. HOLLINGS) introduced the following bill; which was read twice and referred to the Committee on Commerce, Science, and Transportation

(Notes by Head Office: This is one of various bills related to maritime security that were submitted to Congress. This was circulated to PMEMO members.)

A BILL

To provide improved port and maritime security, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the 'Port Threat and Security Act'.

SEC. 2. IMPROVED REPORTING ON FOREIGN-FLAG VESSELS ENTERING UNITED STATES PORTS.

Within 6 months after the date of enactment of this Act and every year thereafter, the Secretary of Transportation, in consultation with the Secretary of State, shall provide a report to the Committees on Commerce, Science, and Transportation and Foreign Relations of the Senate, and the Committees on Transportation and Infrastructure and International Relations of the House of Representatives that lists the following information:

(1) A list of all nations whose flag vessels have entered United States ports in the previous year.

(2) Of the nations on that list, a separate list of those nations--

(A) whose registered flag vessels appear

as Priority III or higher on the Boarding Priority Matrix maintained by the Coast Guard;

(B) that have presented, or whose flag vessels have presented, false, intentionally incomplete, or fraudulent information to the United States concerning passenger or cargo manifests, crew identity or qualifications, or registration or classification of their flag vessels;

(C) whose vessel registration or classification procedures have been found by the Secretary to be insufficient or do not exercise adequate control over safety and security concerns; or

(D) whose laws or regulations are not sufficient to allow tracking of ownership and registration histories of registered flag vessels.

(3) Actions taken by the United States, whether through domestic action or international negotiation, including agreements at the International Maritime Organization under section 902 of the International Maritime and Port Security Act (46 U.S.C. App. 1801), to improve transparency and security of vessel registration procedures in nations on the list under paragraph (2).

(4) Recommendations for legislative or other actions needed to improve security of

SEC. 5. SECURITY STANDARDS AT FOREIGN SEAPORTS.

- (a) Assessment-
 - (1) IN GENERAL- The Secretary shall assess the effectiveness of the security measures maintained at--
 - (A) each foreign seaport--
 - (i) served by United States vessels;
 - (ii) from which foreign vessels serve the United States; or
 - (iii) that poses a high risk of introducing danger to international sea travel; and
 - (B) other foreign seaports the Secretary considers appropriate.
 - (2) INTERNATIONAL COOPERATION AND STANDARDS- The Secretary of Transportation shall conduct an assessment under paragraph (1) of this subsection--
 - (A) in consultation with appropriate port authorities of the government of a foreign country concerned and United States vessel operators serving the foreign seaport for which the Secretary is conducting the assessment;
 - (B) to establish the extent to which a foreign seaport effectively maintains and carries out security measures; and
 - (C) by using a standard that will result in an analysis of the security measures at the seaport based at least on the standards and recommended practices of the International Maritime Organization in effect on the date of the assessment.
 - (3) REPORT- Each report to Congress required under section 2 shall contain a summary of the assessments conducted under this subsection.
- (b) INTERVAL- The Secretary of Transportation shall conduct assessments under subsection (a) of this section of at least 25 foreign seaports annually until all seaports identified in subsection (a)(1) are completed. The first 25 of these assessments shall be conducted within 18 months after the date of enactment of this Act.
- (c) CONSULTATION- In carrying out subsection (a) of this section, the Secretary of Transportation shall consult with the Secretary of State--
 - (1) on the terrorist threat that exists in each country; and
 - (2) to establish which foreign seaports are not under the de facto control of the government of the foreign country in which they are located and pose a high risk of introducing danger to international sea travel.
- (d) QUALIFIED ASSESSMENT ENTITIES- In carrying out subsection (a) of this section, the Secretary of Transportation may utilize entities determined by the Secretary of Transportation and the Secretary of State to be qualified to conduct such assessments.
- (e) NOTIFYING FOREIGN AUTHORITIES- If the Secretary of Transportation, after conducting an assessment under subsection (a) of this section, determines that a seaport does not maintain and carry out effective security measures, the Secretary, after advising the Secretary of State, shall notify the appropriate

- authorities of the government of the foreign country of the decision and recommend the steps necessary to bring the security measures in use at the seaport up to the standard used by the Secretary in making the assessment.
- (f) Actions When Seaports Not Maintaining and Carrying Out Effective Security Measures-
 - (1) IN GENERAL- If the Secretary of Transportation makes a determination under subsection (e) that a seaport does not maintain and carry out effective security measures, the Secretary--
 - (A) shall publish the identity of the seaport in the Federal Register;
 - (B) shall require the identity of the seaport to be posted and displayed prominently at all United States seaports at which scheduled passenger carriage is provided regularly;
 - (C) shall notify the news media of the identity of the seaport;
 - (D) shall require each United States and foreign vessel providing transportation between the United States and the seaport to provide written notice of the decision, on or with the ticket, to each passenger buying a ticket for transportation between the United States and the seaport; and
 - (E) may, after consulting with the appropriate port authorities of the foreign country concerned and United States and foreign vessel operators serving the seaport and with the approval of the Secretary of State, withhold, revoke, or prescribe conditions on the operating authority of a United States or foreign vessel that uses that seaport to provide foreign sea transportation.
 - (2) PRESIDENTIAL ACTION- If the Secretary makes such a determination under subsection (e) about a seaport, the President may prohibit a United States or foreign vessel from providing transportation between the United States and any other foreign seaport that is served by vessels navigating to or from the seaport with respect to which a decision is made under this section.
 - (3) When action to be taken-
 - (A) IN GENERAL- The provisions of paragraphs (1) and (2) shall apply with respect to a foreign seaport--
 - (i) 90 days after the government of a foreign country is notified of the Secretary's determination under subsection (e) of this section unless the Secretary of Transportation finds that the government has brought the security measures at the seaport up to the standard the Secretary used in making an assessment under subsection (a) of this section before the end of that 90-day period; or
 - (ii) on the date on which the Secretary makes that determination if the Secretary of Transportation determines, after consulting with the Secretary of State, that a condition exists that threatens the safety or security of passengers, vessels, or crew traveling to or from the seaport.
- (B) TRAVEL ADVISORY NOTIFICATION-

- The Secretary of Transportation immediately shall notify the Secretary of State of a determination under subparagraph (A)(ii) of this paragraph so that the Secretary of State may issue a travel advisory required under section 908 of the International Maritime and Port Security Act (46 U.S.C. App. 1804).
- (4) CONGRESSIONAL NOTIFICATION- The Secretary of Transportation promptly shall submit to Congress a report (and classified annex if necessary) on action taken under paragraph (1) or (2) of this subsection, including information on attempts made to obtain the cooperation of the government of a foreign country in meeting the standard the Secretary used in assessing the seaport under subsection (a) of this section.
- (5) CANCELLATION OF PUBLICATION REQUIREMENTS- If the Secretary of Transportation, in consultation with the Secretary of State, determines that effective security measures are maintained and carried out at the seaport against which the Secretary took action under paragraph (1), then the Secretary shall--
 - (A) terminate action under paragraph (1) against that seaport; and
 - (B) notify the Congress of the Secretary's determination.
- (g) SUSPENSIONS- The Secretary of Transportation, with the approval of the Secretary of State and without notice or a hearing, shall suspend the right of any United States vessel to provide foreign sea transportation, and the right of a person to operate vessels in foreign sea commerce, to or from a foreign seaport if the Secretary of Transportation determines that--
 - (1) a condition exists that threatens the safety or security of passengers, vessels, or crew traveling to or from that seaport; and
 - (2) the public interest requires an immediate suspension of transportation between the United States and that seaport.
- (h) AUTHORIZATION OF APPROPRIATIONS- There are authorized to be appropriated to the Secretary of Transportation \$2,000,000 for fiscal year 2002 and each fiscal year thereafter to carry out this section.

SEC. 6. FOREIGN PORT ASSESSMENT FEES.

- (a) IN GENERAL- The Secretary of Transportation shall collect a user fee from cruise vessel lines upon the arrival of a cruise vessel at a United States port from a foreign port. Amounts collected under this section shall be treated as offsetting collections to offset annual appropriations for the costs of providing foreign port vulnerability assessments under section 5.
- (b) AMOUNT OF FEE- Cruise vessel lines shall remit \$0.50 for each passenger embarkment on a cruise that includes at least one United States port and one foreign port.
- (c) USE OF FEES- A fee collected under this section shall be used solely for the costs associated with providing foreign port vulnerability assessments and may be used only to the

extent provided in advance in an appropriation law.

(d) EFFECTIVE DATE- The requirements of this

section apply with respect to travel beginning more than 179 days after the date of enactment of this Act.

terrorist attacks in New York and Washington, D.C. on 11 September 2001 and had already been unanimously approved by the Council at its twenty-first extraordinary session. It also recalled the Plenary's decision, responding to a proposal by the United States' delegation, that, in order for action on the Assembly's requests in the resolution to be taken expeditiously, an intersessional working group should be established to report to MSC 75 for any necessary follow-up action. The elaboration of the details to give effect to the proposals made in Plenary, and any other relevant proposals made by interested parties, was entrusted to its Technical Committee (Committee 2) for consideration and advice to the Plenary. The Committee was advised that, among the measures the United States was considering, included:

MARITIME SAFETY COMMITTEE
1st extraordinary session
Agenda item 4

MSC/ES.1/4
November 28, 2001
Original: ENGLISH

REPORT OF THE FIRST EXTRAORDINARY SESSION OF THE MARITIME SAFETY COMMITTEE

1. INTRODUCTION

1.4 After welcoming participants, the Secretary-General provided background information and outlined the outcome of the Committee's deliberations at its seventy-fourth session on the subject of information communicated to him in accordance with regulation I/7 of the revised STCW Convention. He also explained the reason for the extraordinary session of the Committee.

The Secretary-General stressed that the process associated with the confirmation that Parties to the STCW Convention had been found to give full and complete effect to the revised Convention was only one of the measures introduced therein to improve monitoring and implementation. The list of confirmed Parties was the end of the beginning of a lengthy process and much work still remained to be done.

He assured those STCW Parties which were still actively working towards full and complete implementation or whose information was currently being considered by panels of competent persons, that the Organization would provide technical assistance when requested. IMO would give whatever help it could to facilitate the process so that as many complying Parties as practicable might be included in the next update of the list in May 2002.

Moving away from the sole purpose for which the extraordinary session had been convened, the Secretary-General recalled the world's reaction to the atrocious terrorist attacks in New York and Washington, D.C. on 11 September 2001, which had prompted him to submit to the Assembly, through the Council, a draft Assembly resolution on Measures and procedures to prevent acts of terrorism which threaten the security of passengers and crews and the safety of ships, which had been unanimously approved by the Council at its twenty-first extraordinary session and by the Assembly on 20 November 2001.

The Secretary-General advised the Committee that, in response to a proposal by the United States' delegation and in order that action on the Assembly's requests in that resolution should be taken expeditiously, the Assembly had decided that an intersessional MSC Working Group

on Maritime Security should meet at IMO Headquarters. The outcome of the intersessional working group should be followed up by an ad hoc working group during MSC 75 for appropriate action.

In recalling the Committee's decision at its last session in June 2001 that three working groups (on large passenger ship safety; bulk carrier safety; and the human element) should be established at the seventy-fifth session, the Secretary-General noted that the ad hoc Working Group on Maritime Security matters would be a fourth group. Although he appreciated that such an arrangement would deviate from the provision in the Guidelines on organization and method of work, he expressed his confidence that the extraordinary session would appreciate the need for such an exceptional action to respond to the exceptional circumstances. The Secretary-General also noted that endorsement of that proposal by the extraordinary session would provide sufficient time for Member Governments and international organizations concerned to include security experts in the composition of their delegations to MSC 75.

1.5 In his response, the Chairman thanked the Secretary-General for his words of welcome and the confidence he had expressed in the successful outcome of the deliberations of the Committee. He welcomed the initiative taken by the Secretary-General to recommend prompt action to be taken by the Organization so that shipping would not become a target of international terrorism.

3. ANY OTHER BUSINESS

Measures and procedures to prevent acts of terrorism which threaten the security of passengers and crews and the safety of ships

3.1 Further to the Secretary-General's opening remarks, the Committee was informed of the unanimous adoption, on 20 November 2001, by the Plenary of the intersessional Assembly, of the draft Assembly resolution on Measures and procedures to prevent acts of terrorism which threaten the security of passengers and crews and the safety of ships (annex 3 to document A 22/8/1), which had been proposed by the Secretary-General in the aftermath of the

- .1 reviewing the issues related to the installation of automatic identification systems on ships;
- .2 considering the need for security plans on ships, port facilities and off-shore terminals;
- .3 reviewing the need for identification verification and background security checks for seafarers; and
- .4 ensuring a secure chain of custody for containers from their port of origin to their destination.

3.2 The Committee was also informed that Committee 2 had considered that, while AIS matters could be considered within the context of the revised SOLAS chapter V, the port and ships' security plans issue could not be considered under any other SOLAS chapter, in which case it might be appropriate to have it dealt with by means of an amendment to SOLAS chapter XI on Special measures to enhance maritime safety. If that chapter were to be amended, it could incorporate other maritime security measures proposed, in which case it would be appropriate to rename it "Special measures to enhance maritime safety and security". The Committee noted that it would be for MSC 75 to decide which parts of SOLAS, STCW or other IMO Conventions should be amended.

3.3 The Committee was further informed that Committee 2 had noted that, in order to adopt amendments under SOLAS chapter XI there would, in accordance with resolution 5 of the 1994 SOLAS Conference, be a need to convene a conference of SOLAS Contracting Governments. Further to the need for action in accordance with that resolution, Committee 2 had recognized that, in opting for a SOLAS conference a strong message would be conveyed about the seriousness that IMO was attaching to the issue of maritime security.

3.4 The Committee was also informed that Committee 2 had also agreed that a conference on Maritime Security could be organized in conjunction with MSC 76 in December 2002, provided the Assembly, at

its current session, decided that such a conference was desirable and such a decision was concurred to by at least one-third of SOLAS Contracting Governments attending the Assembly. The Committee also noted that organizing the Conference in conjunction with an MSC session would entail no additional financial cost to the Organization.

3.5 The Committee was informed that Committee 2 had eventually agreed that the intersessional MSC Working Group on Maritime Security already decided by the Plenary, should meet (against IMO costs, including interpretation costs, covered by the United States) at IMO Headquarters from 11 to 15 February 2002 to:

1. start work on the review requested in operative paragraph 1 of the resolution;
2. prepare a list of subjects to be further discussed which, according to their nature, should then be forwarded to the MSC and the Legal and FAL Committees for further elaboration;
3. consider proposals on maritime security issues submitted by Member Governments and international organizations concerned; and
4. prepare a plan and timeframe for further action.

3.6 The Committee noted that a deadline of 15 January 2002 had been recommended for the submission of relevant documents for consideration by the intersessional working group.

3.7 The Committee noted that Committee 2 had further decided that the outcome of the intersessional working group referred to above should be submitted to MSC 75 for follow-up by an ad hoc working group; as well as to the Legal and FAL Committees for appropriate action. In this respect, it recalled that MSC 74 had agreed, in principle, that three working groups should be established at MSC 75 (on large passenger ship safety; on bulk carrier safety; and on the human element); and noted that, if a decision was made for a new Working Group on Maritime Security, that, in essence, would require a fourth group, which would go beyond the provisions of the Guidelines on organization and method of work. However, noting the Secretary-General's comments, endorsed by its Chairman, that exceptional circumstances demanded exceptional action and that the special effort the MSC would be asked to make would be worth taking for the sake of both maritime safety and security and the Organization's good name, the Committee, therefore, agreed to proceed with the establishment of a fourth Working Group on Maritime Security to meet during MSC 75 for the issue to be considered under a separate agenda item; and invited Members to include security experts in their delegations to that meeting.

Obituary

MR. Fernand L.H. Suykens, Honorary President of ESPO and Honorary Member of IAPH (1993) on January 6, 2002, at the age of 74, according to information from Mr. Peter van der Kluit, Managing Director of IAPH Representative Office for Europe and IAPH Liaison Officer with IMO.

Dr. Satoshi Inoue, IAPH Secretary General, submitted a letter of condolence to ESPO citing his meritorious service and contributions to IAPH during his tenure as Board Member and Exco Member over the past two decades. He was elected Honorary Member of IAPH at the 1993 Conference in Sydney. He was the IAPH/CCC Liaison Officer and assisted with the implementation of the WCO (Formerly CCC)/IAPH MOU on the prevention of illegal trafficking of drugs through ports (1987). He was the architect of the establishment of European Seaports Organization (ESPO).



Speaking on the roles ports play in countering the global threat of drugs at the 1989 Miami Conference (July-August 1987 issue of the journal).

A letter from Mrs. Rie den Toom-van der Veen, bereaved spouse of Mr. Johannes den Toom, informed IAPH that her husband died on December 22, 2001.

Dr. Satoshi Inoue, Secretary General, sent her a letter of condolences stating that Ir. Den Toom's service to IAPH spanned from 1965, at our 5th biennial Conference in London, UK when he first attended the IAPH Conference as Director for the Netherlands, until he left as IAPH President and official officer of IAPH on the occasion of the 1987

Conference in Seoul, Korea. He played vital roles for various facets of IAPH, when the IAPH was facing difficulties, throughout the years that he served IAPH. I cannot properly describe the impact he had on IAPH.

January 25, 2002

Mrs. Rie den Toom-van der Veen
Ruys de Pereziaan 21
2111 WN Aerdenhout
The Netherlands

Dear Mrs. Rie den Toom - van der Veen:

I have just received via the IAPH Head Office in Tokyo, the very sad news of the passing away of Mr. Johannes den Toom. As the incumbent President of this Association may I send my deepest condolences to you and all his bereaved family.

Although I unfortunately did not have a chance to work with Mr. den Toom personally, as I joined the IAPH as recently as in 1995, I have heard a lot about his contributions and accomplishments for the development of our Association over the years. I would like to take this opportunity to express how much my colleagues and I value all the generous work he has done to make the IAPH what it is today, overcoming many difficulties and hardships.

We are determined to continue striving for the further betterment of the Association into the future, following in the spirit and enthusiasm of Mr. den Toom. Again, my heartfelt condolences and sympathies for this great loss,

Sincerely,

Akio Someya
President, IAPH
Executive Vice President
Nagoya Port Authority



Mr. J. den Toom (right) receiving Royal Decoration from Mr. E. van Thijn, Mayor of Amsterdam (December 1987 issue of the journal).

Introducing New Head Office staff

DR. Satoshi Inoue, Secretary General, with the full support of the Officers, announces the names of two staff to serve the Head Office as the result of his yearlong effort not only to fill the vacancy created by the departure of Ms. Kimiko Takeda in March 2001, but also for the rejuvenation of the Head Office over the long term.

To fill the vacancy created by the passing away of Ms. Kimiko Takeda, Dr. Inoue announces that Ms. Yuko Akamatsu, as Assistant Under Secretary, has been employed effective January 2002. A citizen of Yokohama City, she has plenty of experience concerning public relations and publicity activities, in particular for a Danish pharmaceutical firm operating in Japan from 1991 to 2000, after working for the Far East Representative Office of the Commonwealth of Pennsylvania from 1981 to 1988.

Dr. Inoue further announces, effective March 1 2002, Mr. Tatsuki Hioka, a Tokyoite, as Under Secretary to serve the Head Office. Mr. Hioka worked for Tokio Marine and Fire Insurance Company for 30 years assuming various positions in the firm covering shipping and overseas trade sectors. He was stationed at its UK Office in London for two years and Germany Office in Düsseldorf for three years. During the past two years, he served the office for the promotion of customer services.



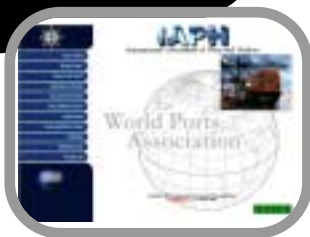
L to R (Front row): Kondoh, Inoue, Hioka and Akamatsu
(Back row): Nagai, Kuriya, Katoh, Fujinami and Mita at the Head Office

New IAPH Website received 25,766 hits by February 19

IAPH successfully launched its totally redesigned Website with a new domain name on January 1, 2001 at the start of the 21st century. The new site is now located at <http://www.iaphworldports.org>.

It is totally new in design and functions, and offers a "Members Area" where only IAPH members (user ID and password required) can enter and have access to the latest information on our activities, including IAPH publications on-line. IDs and passwords were issued to the chief executive officer of every member port or organization in December 2000. Members are requested to share their user IDs and passwords only with staff members of their organization.

In the Members Area, we have also installed an "Open Forum" where IAPH members may post their opinions or raise questions on any subject of common interest to initiate on-line discussions. In parallel with the "Open Forum," the "IAPH Email Discussion" has also started, where members can exchange views and opinions regarding various issues by means of email. For improved and enhanced communication, IAPH members are strongly requested to visit the new website and take part in the newly launched "Open Forum" and "IAPH Email Discussion."



Membership Notes

New Members

Regular Member

Ningbo Port Authority (China)

Address: 496 Yanjiang Road E., Zhehai District
Ningbo 315200, China
Phone: +86-574-87695900
Fax: +86-574-87695523
E-mail: lh@nbport.com.cn
Website: <http://www.nbport.com.cn>
Addressee: Mr. Li Linghong, Director

Associate Members

Research Committee, International Automotive Complex Study Program, Higashimikawa Regional Research Center [B] (Japan)

Address: 504 Toyohashi Science Core, 333-9
Hamaike, Nishimiyuki-cho,
Toyohashi 441-8113, Aichi Pref., Japan
Phone: +81-532-47-3300
Fax: +81-532-47-3301
E-mail: toda@hrrc.tsc.co.jp
Website: <http://www.hrrc.tsc.co.jp/~complex>
Addressee: Mr. Toshiyuki Toda, Managing Director

Circlechief AP [D] (U.K.)

Address: Suite 2, 85 Western Road, Romford, Essex,
U.K. RM1 3LS
Phone: +44-1708-734831
Fax: +44-1708-734877
E-mail: mike@portsafety.demon.co.uk
Addressee: Mr. Mike Compton, Owner, Proprietor

Changes (Changes involved are underlined>

Port Autonome de Conakry (Guinea)

Director General: Mr. Almamy Kabele Camara

Contributors to the Special Port Development Technical Assistance Fund 2001-2003

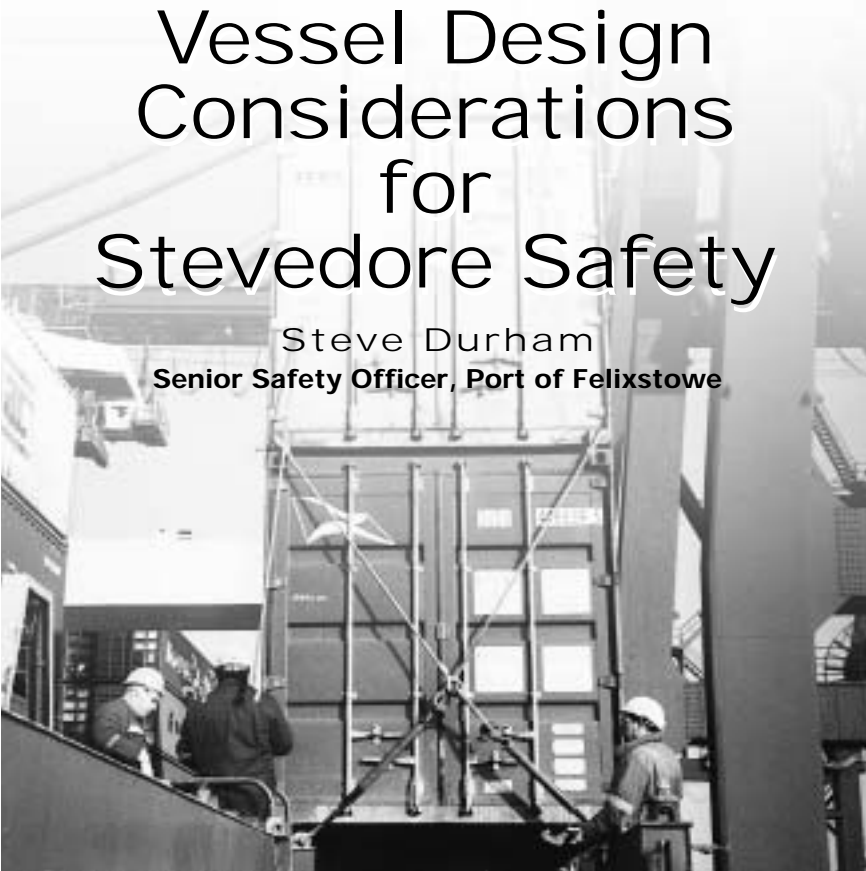
(in order of receipt)

Organization	Country	US\$
Port Autonome d'Abidjan	Cote d'Ivoire	980
Port of Brisbane Corporation	Australia	1,000
Maldives Ports Authority	Maldives	250
Rotterdam Municipal Port Management	Netherlands	1,000
Sydney Ports Corporation	Australia	1,000
Dr. Susumu Maeda	Japan	200
Marine Department, HKSAR	China	500
Vancouver Port Authority	Canada	500
Johor Port Authority	Malaysia	1,000
Montreal Port Authority	Canada	500
Ghana Ports and Harbours Authority	Ghana	500
World Cargo News	UK	150
Amsterdam Port Authority	Netherlands	1,500
Nagoya Port Authority	Japan	1,000
Port of Houston Authority	USA	1,500
Sea Ports Corporation	Sudan	500
Total		12,080

OPEN FORUM

Vessel Design Considerations for Stevedore Safety

Steve Durham
Senior Safety Officer, Port of Felixstowe



Introduction

INJURY accidents on board visiting ships account for the majority of accidents that occur within container ports. The most common cause is the lack of suitable and safe access to lashing work-stations provided by the vessel, resulting in unorthodox and unsafe work practices. This often involves tasks on unprotected platforms with a potential fall of over the side of the vessel or into the well deck. Over the past few years there have been initiatives by individual ports, vessel owners, trade organisations and international standards committees to improve matters. However, much of these recommendations concentrate on the design of new vessels and does little to improve safety standards on existing vessels, or indeed new vessels currently being constructed to old designs.

It is the intention of this document to identify the hazards and difficulties involved during vessel lashing operations and offer possible solutions, some of which have already been successfully progressed by vessel owners and ship-

ping lines. In addition, for those that may not be familiar with legal standards in the UK and Europe, a general overview of legal considerations is offered.

Many of the construction recommendations in this report reflect current ISO, British and European standards, but where none apply to particular applications, other standards such as USA OSHA standards and industry guidance, have been used.

If you have any queries or comments on this article or it's content, please contact....

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(Notes by the Head Office: Introduction of this paper was made by the PSEMO meeting in Paris. This office extends thanks to the author for his corporation.)

Hatch Covers and Coamings.

Container lashing undertaken on board is often performed by standing on the exposed edges of hatch covers, or a step formed by the coaming. In many cases the turnbuckles (or bottlescrews), themselves occlude access once in position, often reducing foothold down to less than 150mm.



Where three high lashing is required it is necessary to stand back from the container stack to locate the head in the corner castings.

These bars are often five metres long and weigh up to 21kg and when in the final locating position, the centre of gravity is high in the bar.



In most cases narrow ledges are unnecessary, as modifications in the form of extension plates or gratings not only ensures an improved working surface, but improves lashing expediency also.

Hatch extensions can be applied to most rolling (McGregor) hatches, but they must be a precision fit so as not to foul hinges and dogs.

Many container vessels in operation are converted bulk or general cargo carriers and these tend to offer the worst situations for access. Invariably, the design for container stowage concentrates on the maximum number of containers achievable with little thought to how stevedores', or crew will access these areas.

Experience has shown that on modern purpose-built container vessels,

walkways and work-stations are often no more than an after thought in the final construction phase.

On existing vessels and converted bulk carriers much can be done to improve lashing access and turn-round time efficiency by simply providing good access platforms.

Lashing platforms can be constructed to fill in the void spaces between hatches and other structures. In some cases these gratings can be hinged to form secure storage space for gear during the voyage.



BEFORE - No consideration given to access. Vessel securing plan dictates three-high lashing which is not safe from this position, particularly when wet or icy.



AFTER - Same vessel after modifications. Now safer enabling improved lashing efficiency and improved 'turn round' times in port.

This recently fitted platform (left photo) is of little use because it is far too low. For lashing purposes, it needs to be one metre high, (with access ladders at each end), to ensure it is level with the deck cleats. As it exists no



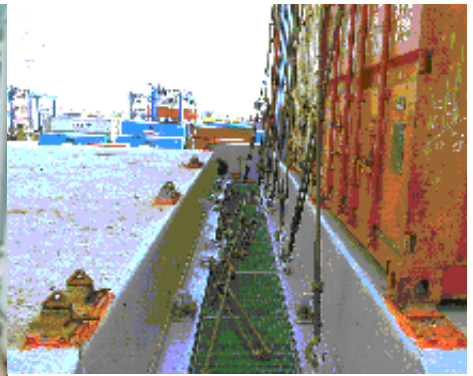
lashing can be performed from this current platform level and ships crew revert to standing legs apart either side of the walkway, to perform three high container lashing. However, the right photograph shows the same location on a sister vessel with the modified lashing platform at the correct height. This has improved both safety and lashing efficiency.

Lashing Gear and Planning

In some cases it has been known for the approved lashing plan not to be compatible with the design of the vessel, with the intended container securing method not being physically possible. This has become more common with the increased use of 'high cube' containers.

This is often exacerbated by incorrect lashing gear for the intended lashing plan. For example two high bars being used for one high containers, or a combination of two high and one high bars being used for three high lashing. At face value this appears reasonable, except the securing heads, the container corner casting apertures and the final lashing bar angles, differ considerably. Unless the correct bar is used, containers are not secure with an additional risk of falling out and injuring workers.

Lashing and securing gear on any vessel must be uniform and compatible. There currently exists over thirty types of container twistlocks in circulation and many vessels have a multitude of types on board. Not only does this create confusion as to whether a twistlock is locked or not, it compromises the



safety of stevedores and ships crew during container handling. It also leads to vessels on our oceans without secure cargo with the potential for marine environmental pollution.

This is currently further exacerbated by the introduction of auto and semi-automatic twistlocks that are not compatible with existing 'short head' lashing bars used with manual twistlocks. The bars can effectively unlock a twistlock as they are positioned for lashing and the bars themselves are under considerable outward tension, forcibly ejecting themselves when slackened or disturbed during unlashng.

Outboard Lashing Stanchions

Containers stowed over the well deck are secured by deck fittings and lashings attached to the top of a steel post structure, often an extension of the bulwark or gunwale.

However, in most cases this post only performs that function with little consideration as to how workers will access it. On large container vessels a fall from this post has the potential for a person to fall over the side into the sea or onto the quayside. The latter may involve heights of up to 22 metres into the sea, or 15 metres to the quayside.





BEFORE - Stevedores and crew standing on the gunwale to lash containers.



A portable well deck platform. (This particular example utilises the ships' gantry rail running along the hatch coaming.)

Lashing Platforms - Design Recommendations

Where outboard stanchions are level with the hatch covers or coamings and the height does not exceed two metres, removable flat sections of steel grating can be used to bridge the well deck.

However, as with all lashing platforms, they should be wide enough to perform the task and the width will depend on whether one, two or three high lashings are required.

Permanent platforms should ideally be 1 m wide, but they should never be less than 750mm wide. Likewise, platforms provided at outboard lashing stanchions should not be less than 750mm X 750mm.

Where practical, permanent platforms should be provided with toe boards (or kick plates) around the sides of at least 75mm high.

Portable or removable lashing platforms should ideally be 750mm wide, but no less than 500mm wide and sufficiently strengthened to prevent springing or warping.

Safety Barriers / Handrails

Where platforms are above 2 metres high they must have safety barriers. Collapsible posts and ropes are acceptable if correctly raised and tensioned before lashing operations.

The presence of safety rails is essential to prevent falls.

The top rail of safety barriers should be 1 metre high from the base, with an intermediate rail at 0.5 metres.

Ideally, safety barriers and handrails should be highlighted with a different colour (white, yellow or orange) to the background (as shown).



Good example of a safety barrier but note the bridging platform that slots into the outboard platform is not shown.



Sockets for removable handrails

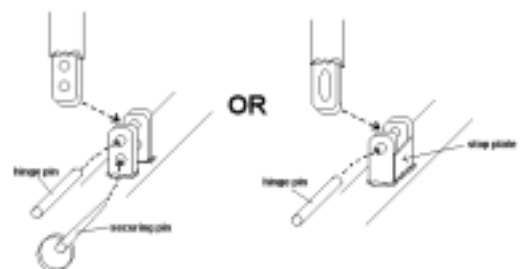


AFTER - The construction of a lashing platform and access ladder, to allow safe access. This particular platform is collapsible to allow the removal of hatch covers.

The construction of well deck platforms or bridges from the hatch coaming to the gunwale assist considerably. Where these exceed 2 metres in height from the well deck, collapsible safety rails should be considered.

These platforms can be constructed so that they are portable. Some vessels may only have one per well deck, but they must be of a design that enables ease of movement and handling, regardless of in-situ containers.

Vessels that have their own above deck gantry offer a particular problem, as the rails on the well deck coamings prevent the construction of permanent well deck platforms. However, these rails may in some circumstances be utilised to provide a method of transferring a portable access gantry along the vessel.



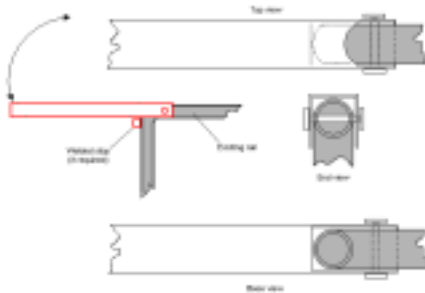
Two methods of constructing collapsible safety rails. The first on the left is a simple hinged bar with a securing pin. The other relies on an elongated slot in the bar and a stop plate to allow the bars to drop into place. To collapse the bar it must be lifted then folded away from the platform or gunwale.



Typical gap in safety barrier

Openings in safety barriers are understandable to allow some tolerance during container movements, particularly with luffing cranes. However, such openings are hazardous for the stevedore as this is precisely where the lashing and turnbuckle handling takes place.

In this location a drop down bar would enhance safety and should be considered. Some designs also incorporate hinged hanging framework that forms the intermediate protection.



Access Between Containers on Deck

Access between lashings should ideally be 1 metre but no less than 500mm.

Narrow access between hatches (as shown) can be worked but it is slow and every lashing will have to be removed on the way in and replaced on the way out. Three high lashings are not possible in these confines.

Lashing bars weigh up to 21kg and turnbuckles up to 17kg and this confined space greatly increases the risk of muscular-skeletal injuries.

That aside, this arrangement is far from being productive.



Insufficient access in between container lashings (shown is only 200mm)

Legal Considerations

Where vessels operate within UK territorial waters, elements of the UK Merchant Shipping Act apply, in particular those aspects concerning safe access and safe movement on board ship.

These standards are enforced by a UK Government agency, the Marine Coastguard Agency (MCA) who have powers of arrest, seizure and the issue of enforcement notices under Port State Control, as defined by the Paris Memorandum of Understanding, effective from July 1982 (amended 1999); that ratified ILO Convention 147.

When vessels are berthed alongside and operations involve the co-ordination of shore side workers (and in particular when they board the vessel), the UK Health and Safety at Work Act of 1974 with its subsequent regulations, apply to that workforce, the master and crew.

Of particular note is the UK Docks Regulations of 1988. Although these did not wholly ratify ILO Convention 152 (1979), they were drafted within the spirit of the Convention and in mind of future ratification.

These shore based regulations are enforced by a separate UK Government agency The Health and Safety Executive (HSE). Through powers invested by the Health and Safety at Work Act, HSE Inspectors have legal right of entry to any workplace and can take immediate enforcement action and prosecute if necessary. Where vessels are concerned, they will invariably work jointly with the MCA and a written code exists between the two organisations as to who will proceed in any given situation with enforcement.

Fines can be a maximum of £5,000 GBP (\$8,000 US) for each offence or a maximum of two years in prison, or a combination of both.

Environmental offences can incur fines of £20,000 GBP (\$32,000 US), or again two years imprisonment.

New legislation in the UK has been introduced since 1992 and many old regulations have been amended to comply with European Directives and to harmonise standards. Therefore legislative standards are technically applicable throughout European Member states.

All UK ports employ directly, or have the services of a safety advisor or officer, they too have certain enforcement powers normally restricted to the movement of dangerous goods classified by the IMDG Code.

Fixed Ladders

Access ladders should be uniform in design and the width between the side strings should not be less than 380mm and no greater than 450mm.

Ladder rounds (rungs) should be evenly spaced and be no less than 250mm, or no greater than 300mm apart. Where ladders are flush against structures such as bulkheads, a minimum of 230mm clear space is needed behind the rungs to provide a suitable foothold.

At landing stages the strings should extend at least one metre (1m) above the landing or platform. Where this is not possible other methods of hand-holds should be considered to assist the transition from the ladder to the platform.

Ladder openings in decks or landing

stages should be fitted with a hinged hatch cover, particularly if lashing operations are to be performed there.

Where vertical (or near vertical ladders) extend above two metres (2m) from the deck, safety hoops or cages should be fitted where possible. If ladders descend into areas where vehicles may be moving (such as forklift trucks in a hold), hoops or cages may be excluded for six metres (6m), from the base of the ladder to allow sufficient headroom.

Ladders should not extend above 6 metres without the provision of landing stages or rest platforms.

Ideally, all ladders and hand-holds should be highlighted with a different colour (white, yellow or orange), to the background and all ladders should be inspected and maintained regularly.

However, they're normally employed by the Port Authority, or the operating company, who in turn must comply with the Health and Safety at Work Act. As such, they are empowered by their employer to take action with operations or actions of non-compliance, including on board ships alongside. Such action may include stopping operations, or placing working restrictions and conditions, to ensure the safety of all concerned and compliance with UK Acts and Regulations.

In addition, when injury accidents occur, civil action may be legally pursued by the injured person, in what is increasingly becoming a litigious society. Compensation claims in the UK have no upper limit and frequently fatal accidents have incurred pay-outs in court in excess of £1,000,000 GBP (\$1,600,000 US).

Useful Legislation References

United Kingdom

- The Health and Safety at Work Act – 1974 (UK)
- The Docks Regulations – 1988
- Lifting Operations and Lifting Equipment Regulations – 1998
- Provision and Use of Work Equipment Regulations – 1998
- Management of Health & Safety at Work regulations – 1999
- Merchant Shipping (Safety at Work Regulations)(Non-UK Ships) Regulations – 1988
- Merchant Shipping (Means of Access) Regulations – 1988
- Merchant Shipping (Entry into Dangerous Spaces) Regulations – 1988
- Merchant Shipping (Safe Movement on Board Ship) Regulations – 1988
- Merchant Shipping (Hatches and Lifting Plant) Regulations - 1988

United State of America - Occupational Safety and Health Administration

- Containerized Cargo Operations - Standards 1918.85
- Fixed Ladders – Standards 1910.27 & 1917.118
- Stairways & Ladders – Standards 3124
- Longshoring & Marine Terminals 62:40141 – 40234
- Deck Openings & Edges – Standards 1915.73
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Useful Websites

- International Cargo Handling & Co-ordination Association - www.ichca.org.uk/index.htm
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- The International Association of Port and Harbors - www.iaphworldports.org
- International Transport Federation (Dockers Section) – www.itf.org.uk
- International Organization for Standardization - www.iso.ch
- The Health & Safety Executive (UK) - www.hse.gov.uk
- The Paris Memorandum on Port State Control in Europe - www.parismou.org
- Occupational Safety & Health Administration (USA) - www.osha.gov

- Freie und Hansestadt Hamburg - www.hamburg.de/Behoerden/BAGS/arbeitschutz/Publi/m3.5.htm

Useful References and Standards

- HSE – HS(G) 7 Safe working on top of containers on board ship
- HSE – Dock Info' Sheet 1 Freeing jammed freight containers and fittings on ships
- British Standards – BS3951 Guide to Handling and Securing Series 1 Freight Containers
- British Standards – BS5395 Part 3 - Stairs, Ladders and Walkways
- ISO 3874:1997 – Twistlocks, latchlocks, stacking fittings and lashing rod systems
- ICHCA – Container Top Safety, Lashing & Other Related Matters
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- The Nautical Institute – Lashing & Securing of Deck Cargo by Cpt. John Knott
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- IMO Code of Safe Practice for Cargo Stowage and Securing
ISBN 92-801-1290-2

- IMO MSC/Circ.886 – Safety of Personnel During Container Securing Operations. Dec 1998

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- Maersk Sealand
- Mediterranean Shipping Company SA
- Yang Ming (UK) Ltd
- Zim Israel Navigation Co Ltd

Evolution of Institutional Framework and Port Reforms



Gary Crook
Economic Affairs officer
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LIBERALIZATION and globalization of the world economy coupled with technical change have resulted in a major evolution of transport and particularly maritime transport. The need for greater efficiency in seaports has led governments to take various steps to reform ports in most regions of the world. There are many forms of port reform from establishing performance contracts between the government and the port authority to the sale of assets to private companies. Some examples of reform measures taken are given. Finally the future role of public port authorities is suggested. (Summary of paper presented at Pan-African Port Conference on December 11, 2001 in Abidjan, Côte d'Ivoire).

Introduction

1. Liberalization of trade has resulted in the globalization of the manufacturing process which has in turn resulted in a massive increase of trade with the majority of these manufactured goods moving in containers. As competition increases, manufacturers and shippers are constantly striving to minimize transport times and costs and at the same time want guaranteed delivery times and the ability to know the location of their goods on a real time basis. Port users have been putting enormous pressure on authorities to improve handling efficiency, reduce port user fees, and expand facilities to accommodate larger cargo flows and larger ships. As well, an efficient transport sector is a critical factor of multi-national firms seeking manufacturing sites that will give them a competitive advantage and that will result

in major investments and job creation.

2. Containerization and information technology are providing the means to meet shipper's needs. This has had a profound impact on the transport industry with the introduction of larger and larger vessels to reduce transport costs, which has required renewed investments in both port infrastructure and cargo handling equipment. To reduce costs the shipping lines have been following a programme of mergers and acquisitions in addition to forming alliances. These mega-operators are thus in a powerful bargaining position when negotiating performance and pricing arrangements with terminal operators. At the same time the growth of container traffic has led to the formation of international terminal operators who are constantly looking for opportunities to expand their business. To stay competitive, port authorities have had to modernize and

upgrade port facilities to meet the needs of the shipping lines. However the investment required has often gone beyond the financial and managerial capabilities of public port authorities in both developed and developing countries.

3. In parallel to these developments, the International Monetary Fund (IMF) and the World Bank introduced structural adjustment to the developing world. Structural adjustment required governments to reduce domestic demand by cutting expenditures (tightening the national money supply through higher interest rates), cutting public spending (down-sizing bureaucracies), and devaluing the monetary exchange rate (making imports more expensive and exports more affordable to outside purchasers): Governments were also encouraged to expand supply by deregulating controls on foreign trade (to encourage exports) and foreign capital (to attract outside investment), removal of internal subsidies, and encouraging the commercialization, corporatization and privatization of state enterprises to improve operational efficiency. Port sector reform has been strongly encouraged by this policy.
4. Another factor that could influence institutional reform would be the resumption of WTO negotiations on commitments in services auxiliary to maritime transport which include port transport services. Negotiations could lead to an agreement where foreign firms would be able to compete for port services such as pilotage, towage, stevedoring services, etc. This would likely be through open and fair selection procedures in the form of public tenders to grant authorization for technical services and cargo handling services. If this were to occur there would be increased pressure for operating port authorities to divest some of their services.
5. This has resulted in a rethinking of national port development strategies and ultimately major reforms in the legislative, regulatory and management environment. As a result of these pressures, a large number of countries had undertaken institutional reform in the port sector as a means to improve performance and to reduce the government's financial and administrative responsibility. Institutional reform offers the potential to improve the competitiveness of port services and thus strengthen trade capacities. Reforms are not always successful unless a number of preliminary condi-

tions are satisfied and the proper strategies and procedures are implemented. Above all, governments want safeguards to ensure that the facilities operate well, that labour and social problems are minimized, that charges are fair, that regulatory control is maintained and that an efficient, integrated transport system is developed.

Institutional framework

6. Most ports are controlled through a public body that has been given the responsibility for the port's development and operations by a Ports Act. Ports could be managed and operated by an operating port authority, where often the work aboard ship was carried out by separate either private or public stevedoring companies. The port authority was responsible for operations from the time the goods were landed on the quay until they left the port. Thus the port authority provided all cargo handling equipment. Another alternative was to transfer all the cargo handling on shore to the private/public stevedoring companies who would become responsible for providing cargo-handling equipment. However the ship-to-shore cranes would often continue to be owned and controlled by the authority that became a tool port authority. The final alternative was the landlord port authority that develops facilities and leases them out to operators for long periods of time. They divest themselves of the managerial and financial responsibilities for commercial facilities such as terminals and equipment. These terminal operators are responsible for developing the superstructure and the provision of all handling equipment. In most cases the terminal operator is from the private sector.
7. The authority may be commercialized; a process where the government retains ownership and control of ports but introduces and emphasizes commercial principles in the way the port manages its business. Thus the authority must cover its cost and has some freedom in setting tariffs. An example of this is the creation of the Canadian Port Authorities in 1999. Another alternative for the authority is corporatization, a process of legally restructuring the port as a private business enterprise under the country's company laws, making full payment of taxes and meeting all other obligations required of private firms, although ownership may remain vested with the government. An example is the Port of Singapore Authority (an

operating port authority) which became the PSA Corporation. As a corporation it could now invest internationally in other terminals. The final alternative is privatization, the transfer of public assets to the private sector by liquidating the port through the outright sale or long term lease of the property and assets by tender or through the floatation of shares on the stock market. In theory, this contracting out of services is not strictly speaking privatization, however the granting of a concession or lease to the private sector is generally considered as a form of privatization. An example of the floatation of shares is Associated British Ports (ABP) that was established in 1982 for 19 ports and within 2 years all of the shares were sold in the stock market.

8. The growth of the involvement of the private sector in ports is remarkable when one considers that twenty years ago the involvement of the private sector in most developing countries was limited to stevedoring firms who were responsible only for the discharge and loading of ships. These firms had limited cargo handling equipment and it was the port authority that provided the berths as well as the manpower, equipment and area for the transfer and storage of goods in the port. The port authority was either an operating or tool port authority. However with the development of containerization, this split of responsibility between the stevedores and port authority no longer made sense and the terminal concept was developed. Thus one organization became responsible for all aspects of cargo handling at the terminal. The port authority had the choice of becoming an operating port authority or a landlord port authority. In addition to demands for managerial and technical skills, there was the demand for large-scale investments for infrastructure, superstructure and cargo handling equipment. After attempting to provide efficient facilities many port authorities in developing countries realized that their institutional structure and financial capacity were not sufficient to meet the demands of their users. They needed to adopt the landlord port authority model and to enter into partnerships in order to provide the services expected for modern transport needs. This has resulted in adaptations of legislation where necessary, to allow the private sector to establish joint ventures and to obtain a long-term concession for the operation of a terminal.

9. In the port sector, leasing a terminal to a joint public/private entity or a private entity is a frequent form of privatization. Essentially, leasing means renting specific facilities in return for payments over the life of the lease. These payments cover the cost of developing (fully or partially) and maintaining (fully) the facilities. There is no change in the ownership status of fixed assets that remain with the state, but moveable assets may be sold. The duration of the licences for lease is dictated by the importance of the private investment. The time period agreed must satisfy the lessee in his efforts to secure an adequate return on his investment, but it should not be so long as to enable him to ignore the need to secure renewal of the lease. The most common licence lease periods are therefore between 20 and 25 years.
10. There are three basic forms of rents. A flat rate where the use of an asset is compensated for by a fixed amount of money during a specific period of time. As such, it provides a strong incentive to the lessee to generate a level of business as close as possible to the maximum capacity of the facilities. A minimum-maximum rate whereby the owner and the lessee agree on a minimum and a maximum amount of rent, depending on the activity performed on the fixed asset. The bottom and ceiling amounts are established in advance. A shared revenue arrangement whereby the lessee pays a reasonable annual rental and the lessor shares with the lessee the benefits of additional cargo activity above an agreed bottom level but without setting a ceiling. In practice the shared revenue works as a royalty system with a fixed rental being increased by royalty payments calculated on extra activity (mostly based on throughput in tonnes or containers). Most costs are for the lessee, with the port acting as landlord, providing the basic infrastructure and possibly (depending on the object of the lease, as pointed out previously) some main equipment items.
11. Build-operate-transfer (BOT), build-own-operate (BOO) and build-own-operate-transfer (BOOT) are all variants of the same mode of privatization. They are a contract by which the port authority grants the terminal operator the right to finance, build and operate a facility, for public use, for a stated period of time, after which the facility or the equipment will be transferred to the authority. The distinction between

the alternative concession agreements is as follows:

BOT: *This arrangement acknowledges the fact that the operator never has ownership of the facilities, but that he has been granted the right to build and operate the facility for a specified period. After the expiration of the period the authority can lease out the facilities or, if the facilities have to be completely rehabilitated, can possibly grant another concession. As the operator is not the owner he cannot expect at the end of the BOT arrangement to receive compensation for the transfer of the facilities.*

BOO: *The assumption in this type of scheme is that the concession granted gives the operator two exceptional advantages. First, he is explicitly granted ownership of the facilities that he will build, and second, there is no specified duration, which implies that the facilities will not have to be transferred back at a specified time against an agreed level of compensation.*

BOOT: *This scheme is similar to the previous one, but provides for the return of the facilities, possibly against payment of a mutually agreed indemnification for the residual asset value.*

Examples of port reform in developing countries

12. During the past decade the reform of port administration has gained momentum in industrial and developed countries alike. Between 1990 and 1998, the World Bank has identified 112 port projects with private participation in twenty-eight developing countries. The total investment for these projects totalled more than US\$9 billion with about 20 per cent covered by the private sector. Under this approach, public port authorities continue to own the land and basic infrastructure, such as berths, and retain their regulatory role.
13. In East Asia and the Pacific, a model for private development and management of port facilities has been the port of Hong Kong where the authority has given a concession to the private sector to fully develop and manage the terminals. The Philippine Port Authority handed over management of its new container facilities at the Port of Manila initially to MIPTI and then to International Container Terminal Services (ICTSI) in 1988. China opened the management of its ports to the private sector beginning in 1991. The Hong Kong port operator, Hutchison took over the development and management of container facilities in Shanghai in 1993 and in Yantian. By 1998 the private sector was managing thirteen facilities in China, excluding Hong Kong. Private operations are generally structured as joint ventures with public port authorities and there is limited competition within ports.
14. One of the most notable examples of port privatization was Port Klang in Malaysia. In 1986, the operational services of the container terminal of Port Klang were privatized. Tenders were called from local interested parties based on specific terms of reference and the container operations were awarded to Klang Container Terminal (KCT). This was the first port-operating company in Malaysia which was set up as a joint-venture between the Klang Port Authority (KPA) (49 per cent) and Konnas Terminal Klang (51 per cent), a joint-venture between a state-owned container haulage firm (80 per cent) and a private shipping line, P&O Australia (20 per cent). KCT bought the non-fixed assets, such as cranes and equipment, but leased the fixed assets, such as quays and land, for 21 years. After privatization, KCT took over all container operations previously operated by KPA. According to KPA's director, the general performance at the terminal improved by between 15 and 20 per cent. The terminal operator, who is independent and has the freedom to respond to the market, has been able to upgrade the container terminal to meet the demands of growing trade.
15. Two lessons can be learned from Port Klang. One is that the public sector initially remained an important player: private-sector participation in the new organization was only around 10 per cent (which rose at a later stage). The other is that several privatization forms were used; for instance, the fixed assets were leased to the joint-venture company, but the superstructure and equipment were sold to it. Port joint ventures are attractive to the government because they often involve both a foreign and local firm. Joint ventures are viewed favourably by the private sector as the investment and commercial risks are shared or the involvement of local partners can bypass restrictions on a foreign private company.
16. The Asian crisis compelled Indonesia to raise capital through selling stakes in a number of state companies. This has resulted in two of the world's mega-port operators taking up concessions in two of Indonesia's major container ports. At the end of March 1999, Hutchison Port Holdings (HPH) took a majority 51 per cent stake,

through its Singapore-based subsidiary Grosbeak, of the Jakarta International Container Terminal (JICT) from the PT Pelabuhan Indonesia II and its employee co-operative Koperasi Pegawai Maritim. The deal was worth a total of US\$243 million and gives HPH a 20-year operating concession. HPH will invest US\$215 million in the port and a further US\$28 million in technology. In July 2000, HPH acquired a 48 per cent share in Koja Terminal adjacent to JICT with a quay length of 450 meters and 29.3 hectares container yard. This development has attracted an increasing number of direct calls and Jakarta is becoming a major hub for Indonesia.

17. In May 1999 the Government signed another privatization deal with P&O Ports of Australia, for a US\$174 million 49 per cent stake in a similar joint venture with Pelindo III to form the Surabaya International Container Terminal (SICT). The concession is also for 20 years and P&O Ports projects that growth will be in the order of 200,000 to 250,000 TEU per year. For both terminal operating companies the risk of currency devaluation is reduced as the tariff is denominated in US dollars. One of the main objectives for both operators is to increase the skill levels of their employees in terms of equipment, maintenance, information technology and customer service levels.
18. In India P&O Ports was awarded in 1997 a 30 year licence to build, operate and manage India's first private container terminal. Nava Sheva International Container Terminal is situated at the Jawaharlal Nehru Port, Nava Sheva, Mumbai. The terminal which cost US\$200 million commenced operations in 1999. In June 2000, P&O Ports was selected as preferred tenderer for the management, operation and redevelopment of the Chennai container terminal, the largest terminal on the Indian Eastern Coast. In August 2001 the company was awarded the 30-year concession for Chennai and will invest US\$100 million in the first five years followed by another US\$70 million when a neighbouring ore berth is decommissioned. Further P&O Ports was the only bidder for the development of Rajiv Gandhi Container Terminal (RGCT) at Cochin Port. The BOT Concession for 30 years will involve taking over the existing terminal and also to develop a new transshipment hub at Vallarpadam Island as traffic increases and to transfer operations from RGCT to Vallarpadam

Island. Vallarpadam Island has a waterfront of about 1,200m, draught of 17.5m and 80 ha back up area and will be able to handle 6th and 7th generation vessels.

19. In South America, while the economies have generally been growing during recent years, the various national port structures have not developed fast enough to keep up with this growth. It is only in the last three or four years that governments have taken serious steps to provide the efficiency needed to handle the growing traffic. The concept of port reform and private participation has been accepted but the rate of implementation has varied greatly from country to country. Privatization commenced first in Chile in 1981, and is only now entering the final phase with the liquidation of the national port authority, Emporchi. Venezuela started next in 1991 but privatization has not been fully achieved. In Uruguay steps towards privatization were begun in 1992 but there have been considerable delays in awarding the concession for the container terminal. Argentina started privatization in 1993 and the largest port Buenos Aires is completed and work is progressing well in other ports. Colombia also started reform in 1993 and the management and operation of all ports has been decentralized. Finally Brazil started its reform in 1995 and after a slow start due to labour issues has largely been completed. Concessions for a number of terminals have been granted in the ports of Santos - Container Terminal 1, Sepetiba - Container Terminal 1, Angra dos Reis - Container Terminal and Ro-Ro Terminal, and Vitória - Capuaba and Paul piers. As well a 30-year lease has been granted for the new container terminal in Suape.
20. Colombia's four main public ports, Cartagena, Barranquilla, Santa Marta and Buenaventura have been transferred to the states and municipalities in which they were located. They in turn rented the ports on a twenty year non-renewable lease to Regional Port Societies that contracted port operators to operate the facilities. Operating costs in the four ports have decreased 65 per cent and productivity for container vessels rose from 10 to 40 containers per ship hour from 1993 to 1998 and general cargo productivity increased nine-fold to 4,500 tonnes per day. Ship time in port has decreased from an average of ten days to fifteen hours while total tonnage handled has

more than doubled to 10.5 million tonnes. The port of Cartagena plans to have five post-Panamax gantries and 12 rubber tyred gantries in operation by the year 2000.

21. In Chile the state-owned port authority Emporchi, is being dismantled and its functions are being divided among ten autonomous Port Companies that can compete against each other and that are responsible for the development and maintenance of infrastructure. The private sector is being given long-term operating concessions. The main container ports are Valparaiso and San Antonio that handled 256,400 and 455,600 TEUs respectively in 2000. As land for expansion is limited in both these ports, the government is promoting the construction of a new mega port with private funds, 1440 kilometres north of Santiago and adjacent to Chile's largest copper producing region. In Uruguay, there have been three attempts to grant a BOT concession for the Montevideo container terminal. Lack of political will and transparency has resulted in bids being rejected which has raised questions in the minds of foreign investors. In July 2001, a consortium including Belgium Seaport Terminals won a 30-year concession for the container facility with an 80 per cent share and the balance held by the National Port Administration.
22. Argentina's port reform process that started in 1991 has resulted in dramatic improvements. The productivity in the port of Buenos Aires has risen by 530 per cent and the workforce has been reduced to 1,600 from 8,000. The original four terminal operators that had concessions for container handling in the port are now two plus there is another operator, Exolgan, outside the port area. In 2000 the three terminals handled 1.13 million TEUs.
23. The three main ports in Brazil are Santos, Rio de Janeiro and Sepetiba. The law for the modernization of ports was passed in 1993 but there have been many difficulties in implementing the law. Labour interests in the port of Santos had a very strong influence on local politicians that resulted in a lengthy tendering process. Finally in July 1997 the authority to conduct the tender process was given to the National Economic and Social Bank of Brazil. Within three months, a 25 year operating concession was auctioned off in public and within two months the operator increased productivity by 40 per cent and by 1999 the box han-

dling tariff will have been reduced to US\$150 from the pre-auction tariff of US\$500. Employers are not free to negotiate stevedoring arrangement and thus there are still some labour problems even though the number of Santos dockworkers has been reduced from 12,000 to 1,000. Thus in the last few years a revolutionary port reform has been taking place in South America and as a result the long term growth prospects for the ports industry are very good.

24. In Africa reform has not been so rapid but it has started and will accelerate in this decade. There have been some management contracts in the past, for example HPH in Mombasa, P&O Ports in Maputo and Durban, but with limited investment in equipment. P&O Ports have also established the second largest stevedoring firm in South Africa, known as P&O Ports Stevedoring of South Africa. There are a number of recent examples with direct investment. A group comprising ICSTI, ICTSI International Holding Corp and Vertex Financial Services (Tanzanian partner with 25 per cent) were granted a 10 year concession to manage and develop the container terminal in Dar es Salaam (expected investment US\$6.5million). In May 2001, ICSTI sold its International Holding Corp to Hutchison Port Holding. Dubai Port International were granted a 20 year management contact for the container terminal in Djibouti which includes a US\$2.0 million investment in computerization and human resource development. The Port of Abidjan is looking for a partner for a 30 year BOT concession for a new container terminal. In 1998, Portnet in South Africa has introduced a reform program to achieve operational efficiency and commercial competitiveness through a process of restructuring, rationalization, staff development and re-defining corporate goals. As of August 2001, Portnet was split into two separate entities with the Port Authority Division renamed the National Port Authority of South Africa and assigned the role of landlord for the seven ports.

Future Role of the Port Authority

36. Opinions differ greatly with respect to the need for maintaining a Port Authority (or similar body) after the private sector becomes responsible for running most of a country's port facilities and services. Not surprisingly, private sector representatives are gen-

erally of the point of view that organisations of the port authority merely constitute an additional layer of bureaucracy and consequently use a substantial amount of national economic resources without generating measurable output. Thus, they press for the abolition of Port Authorities and at best will accept the establishment of a landlord-type company that has a limited liability status, is profit-driven and remains solely responsible for managing the port's real estate. At the other extreme of the spectrum, one finds staunch defenders of a continuation of the public Port Authority, although it is understood that the actual running of operational activities such as cargo-handling, towage, mooring, pilotage, shipchandling and other specific services will be entrusted to private operators.

37. A smooth privatization process requires that the Government and the initiators of the privatization scheme define their position at the outset. This will to a large extent then determine the mode and modalities of privatization. As a result, it will impact on the definition and wording of clauses in licence and concession agreements. In essence, however, what is needed in modern port management is the capacity to command and flexibility, which the private sector is well able to deliver, and at the same time control and long-term vision, which are the recognized strengths of public organisations. Hence, a growing private involvement in ports is not synonymous with the redundancy of a port-authority-type organization.
38. What is absolutely clear is that privatization schemes will fundamentally change the mission and functions of the traditional Port Authority. Instead of acting as the omnipresent, omnipotent and autocratic body, responsible for everything but often highly ineffective in most of its endeavours, a modern Port Authority will essentially have to concentrate its efforts on the efficient provision and execution (directly or through subcontracting) of five fundamental functions: the landlord function; the policy-making and planning function; the regulatory, supervisory and surveillance function; the monitoring and promotion function; and the port training function. The landlord function assures the provision and maintenance of major infrastructure and also the binding of terminal operators to the port. The planning function is key to assure that road and rail infrastructure are devel-

oped in parallel with port expansion. The supervisory function must assure that there are no negative impacts on operations. For instance, minimum performance standards could be set (to avoid reducing service quality) and in cases with limited competition, tariff control or an appeals procedure to contest charges could be established (to avoid inappropriate tariff increases). Thus the Authority will continue to have an important role to assure that the country has an efficient transport network.

39. Governments through their Port Authorities in a growing number of developing countries have chosen to open the provision of container handling services to international terminal operators and shipping lines. In general this has resulted in increased investment, transfer of knowledge and improved performance of container handling services. The procedure of using a lease or concession provides autonomy to the operator while at the same time retaining ultimate control for the state as the owner and landlord. The tendering procedure also provides a methodology to assure that the "best" operator is chosen and that the services to be provided will benefit national interests. With the tendering procedure and the leasing of public domain assets rather than their sale, the opening of access of cargo handling services should not create problems for developing countries as the port authority will effectively control access through licensing of a limited port area. Further, a condition of leases and concession is normally that the terminal is operated on a common-user basis so there will be no discrimination to access. However to sustain efficiency achievements, Governments will need to encourage a good commercial environment within the port that gives shippers the ability to choose. As long as the port authority retains the landlord and planning functions and seeks to improve performance levels, market access to the provision of cargo handling services will be beneficial for the trading community and thus the economic development of the country.

¹ Sid Cass; *South American Ports: An overview of growth, privatisation and future developments; Seaport Professional*; <http://cargohandling.seaportnet.com/wbi/library/spn/authors/S.Cass/0001/0001.htm>

WORLD PORT NEWS

IMO/Jamaica: Workshop on Marine Pollution Prevention and Environmental Management in Ports in the Wider Caribbean Region

CONVENTION ON THE PREVENTION OF MARINE POLLUTION BY DUMPING OF WASTES AND OTHER MATTER (LONDON CONVENTION 1972)

THE Workshop on Marine Pollution Prevention and Environmental Management in Ports in the Wider Caribbean Region will be held in Jamaica at the kind invitation of Jamaican Government from Monday, May 20 to Friday, May 24, 2002, to be followed by the 25th meeting of the London Convention Scientific Group (Monday, May 27 – Friday, May 31, 2002)

This Workshop is being organized as a technical co-operation project under the London Convention Technical Co-operation and Assistance Programme. The outline for this Workshop is as follows. Various port management issues will be addressed and plans are being developed to run a working group session devoted to dredged material management in co-operation with WODA, PIANC, IAPH and interested contracting parties.

DRAFT PROGRAMME

• Opening Day

Session 1 *Opening Ceremony*

Welcome and Introduction
Role of the Scientific Group
Objectives and Structure of the Workshop

Session 2 *Legal Framework for Waste Management*

Introduction to London Convention 1972
Introduction to 1996 Protocol to the Convention
Implications of Membership: Minimum Requirements for Contracting Parties
Relationship between the London Convention/Protocol and other International Legal Instruments and Programmes

- *Basel Convention*
- *Cartagena Convention*
- *MARPOL 73/78 Convention*
- *UNEP/GPA for the Protection of the Marine Environment from Land*

- *Basic Activities.*

Session 3 *Waste Management in the WCR*

Introduction to Waste Management Principles
Overview of Waste Management in the WCR – (UNEP)
Case Study – Jamaica
Other case studies

• Day 2

Session 4 *Environmental Management in Ports: Identification of Issues*

Port Reception Facilities
Management of Ballast Water Discharges
Land-based discharges
TBTs
Local case studies

Session 5 *Introduction to Waste Assessment Guidance*

Key components of Waste Assessment

- Waste Characterization
- Waste Management Options
- Identification of Disposal Sites
- Permitting Process
- Environmental Impact Assessment and Monitoring
- Selected Case Studies (Case Study: Port Development Programme
Kingston Transhipment Port)

• Day 3

Session 6 *Working Group Sessions*

Working Group 1
Sewage and Other Organic Waste
Working Group 2
Dredged Material
Working Group 3
Bulky Items/Industrial Waste

• Day 4 *Field Trip – Kingston Harbor / EPA Vessel*

• Day 5 *Identification of follow-up projects / Partners*

- legal
- technical
Closing Remarks

For details and please write to:

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Tel: +44 20 7587 3239
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E-mail: rcoenen@imo.org



BIMCO: Future BIMCO Meeting

Maritime Emergency
May 6-8, 2002, Copenhagen, Denmark

SHIPPING in the wake of September 11, 2001 - are we next? This and other questions will be discussed during this three-day course focusing on security risks for ships, companies, ports and terminals. The course will also include a half-day workshop addressing media response skills.

For more information and registration, please contact BIMCO Courses:

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DEMOLISHCON
May 28, 2002, London, United Kingdom,

THIS new standard sale & purchase contract for demolition and recycling will be presented at the course. Key causes will be explained against the backdrop of current developments in the recycling industry.

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CONTAINERISATION
INTERNATIONAL

**CI: The Shipping
Forecast**

April 25-26, 2002, The Brewery, London

Conference Highlights:

- The future of the container shipping industry
- How much further industry consolidation can be expected in the future and can pure container operators survive on their own?
- How can ocean carriers manage their risks more effectively?
- How can carriers improve cost control and their margins?
- What opportunities will China's entry into the WTO provide for carriers and their customers?
- How much opportunity still exists to containerise bulk cargoes?
- The containership charter market – a 3 year forecast
- How is the trend towards bigger post-Panamax container vessels effecting port design and operations?
- The new European regulatory framework for cross border rail services
- What is the future of liner conferences?

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**Drewry: Industry
nosedives in 2001**

AFTER a record performance in 2000, the container shipping industry went into a sharp reverse in 2001. According to Drewry Shipping Consultants latest quarterly report on the state of the liner markets, continuing economic uncertainty – made worse by the terrorist attacks on the US on September 11 and the subsequent war in Afghanistan – slowing rates of traffic growth, rising levels of overcapacity and slumping freight rates would result in a significantly worse financial performance for most carriers.

Overall, world container port throughput was expected to increase by just 4.3% in 2001, compared with 12.5% in 2000 and 10.2% in 1999. This would make it the worst year for growth in the container

industry's history. Moreover, the slower growth has come at a time when new-build deliveries have been a record high levels – in the third quarter of 2001 the cellular fleet grew by 177,367 teu (3.5%) – and Drewry's unique supply/demand index plummeted from 93.5 points in the third quarter of 2000 to 91.2 points in the corresponding period of this year.

A lacklustre 2002

Although Drewry expects traffic volumes to rise more strongly in 2002 (+ 5.6% to 257.4 million teu), cellular slot capacity is forecast to increase by at least 14.5%. This will keep vessels utilisation levels under pressure, with the supply/demand index hovering in the 88 to 91.7 point range for the full year. Average revenue per teu, which at the end of September stood at US\$1,300/teu had fallen further in the final quarter of the year. Drewry does not expect any significant recovery to take place in 2002, but is hopeful of an improving pricing environment from mid-2003 onwards.

Vessel charter rates, which for tonnage in the 2,000 teu plus size range have collapsed by 40% to 50% since May/June 2000, are forecast to deteriorate further in the first half of 2002, before stabilising in the second half of the year. Clearly, owners are going to have to accept more ships being returned by their charterers and more positioning/ballasting voyages to find employment.

Setting ships aside

The current crisis has resulted in a number of carriers and operating alliances implementing tonnage set aside and vessel idling programmes, with the Grand Alliance recently announcing that its programme would continue for the whole of 2002. In most cases, the carriers/operating groupings are taking out between 10% and 20% of their slot capacity on both the transpacific and Europe/Far East/Europe trades.

But as Drewry's latest report reveals, at the end of November only three ships

were classified as being in official lay-up. Nonetheless, there were some 30 units, amassing approximately 25,000 teu that had been idled and/or undergoing repairs for longer than two months. And with market prospects slowing further and brokers estimating that between 70 and 100 containerships are looking for employment, this is expected to rise sharply by the time of our next report in late March 2002.

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"Key indices 2000 and forecast 2001 and 2002"

	2000	2001	% Change	2002	% Change
World container trade (million teu)	69.9	72.7	4.0%	76.9	5.8%
World port throughput (million teu)	233.5	243.7	4.4%	257.4	5.6%
World cellular fleet capacity ('000 teu)	4,799	5,402	12.6%	6,186	14.5%
World newbuid deliveries ('000 teu)	481	634	31.8%	876	38.2%
Drewry supply/demand index	95.6	92.8	-2.9%	89.9	-3.1%
Average revenue/teu*(US\$)	1,416	1,300	-8.2%		
Average charter rate 2,500 teu-gearred (US\$)	18,094	15,850	-12.4%	12,810	-19.2%

*Note: All data based on October 1, 2001; *transpacific, transatlantic and Europe/Asia/Europe trades only
Source: Drewry Shipping Consultants Ltd*

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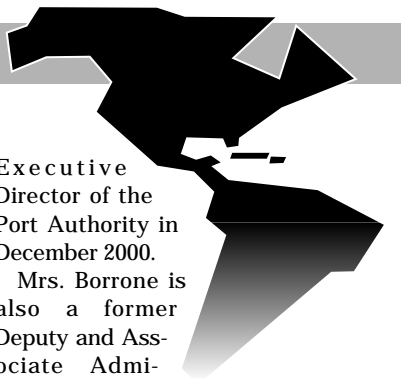
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The Americas



AAPA: Lillian C. Borrone receives Distinguished Service Award

LILLIAN C. Borrone, former Assistant Executive Director of the Port Authority of New York and New Jersey (PANYNJ) and past AAPA Chairman of the Board, is the 2001 recipient of the Transportation Research Board's W.N. Carey, Jr., distinguished Service Award.



The award presentation, made during the TRB's 81st Annual Meeting earlier this month, recognizes individuals who have given outstanding leadership and service to transportation research and to the Board.

During her 30 year career at the Port Authority, Mrs. Borrone held numerous positions of responsibility, including Director of Management and Budget, Assistant Director of the Aviation Department, and Director of Port Commerce. She retired as Assistant

Executive Director of the Port Authority in December 2000.

Mrs. Borrone is also a former Deputy and Associate Administrator of the U.S. Urban Mass Transportation Administration. She was elected to the National Academy of Engineering in 1996 and is currently Secretary-Treasurer of the Board of the Eno Transportation Foundation.

In 1997, Mrs. Borrone was elected Chairman of the Board of the American Association of Port Authorities. She also served as a member of the Association's Executive Committee, U.S. Legislative Policy Council, Board of Directors, and as Vice Chairman of its National Defense Committee.

In July 2001 she was appointed by President Bush to serve on the Commission on Ocean Policy. In the aftermath of the September 11 terrorist attacks, she served as Recovery Coordinator, New Jersey Office of Recovery and Victim Assistance.

(AAPA ADVISORY)

featuring a 24-hour pizzeria and breakfast, lunch and dinner buffets, an elegant two-level restaurant, a patisserie and a steakhouse-style supper club. Additionally, 80 percent of the 1,062 staterooms offer an ocean view and 80 percent of those feature private verandahs.

Following a two-day cruise, Carnival Pride will sail a three-day Bahamas voyage Jan. 9-12, then launch seven-day eastern and western Caribbean service from Port Canaveral Jan. 12.

Former astronaut Dr. Tamara Jernigan is to serve as godmother of Carnival Pride. She will officially name the vessel by breaking a champagne bottle on the ship's hull in a dockside ceremony.

Jernigan's career includes five space shuttle flights, comprising 1,512 hours in space < more than any female astronaut. She was the youngest female astronaut to participate in a manned space mission and is a five-time recipient of the NASA Space Flight Medal and a two-time recipient of NASA's Distinguished Service Medal.

Buenos Aires: New Cruise Terminal Inaugurated

Benito Quinquela Martin

THE inauguration ceremony was held with the presence of Dr. Fernando de la Rúa, President of Argentina; Mr. Hernán Lombardi, National Minister of Tourism, Culture and Sports; Mr. Aníbal Ibarra, Chief of Government of the City of Buenos Aires; Mrs. Cecilia Felgueras, Vice-Chief of Government of the City of Buenos Aires;



Mr. Ignacio Ludueña, Transportation Secretary; and Mr. Ricardo del Valle, Interventor of the Port of Buenos Aires. The new Cruise Terminal was named "Benito Quinquela Martin."

Canaveral: Carnival Cruise Line's Newest Cruiser "Carnival Pride" Launching 7-day service

CARNIVAL PRIDE, Carnival Cruise Lines' newest cruise ship, will launch year-round seven-day service from Port Canaveral, Fla., Jan. 12. The 88,500-ton vessel is the newest and largest cruise ship based year-round at that port.

Carnival Pride's on-board amenities include four swimming pools, cascading water slide, Internet café, conference center, health club, duty-free shopping mall and 16 bars and lounges. Dining choices include a casual poolside eatery

Canaveral: CPAC Elects 2002 Officers

RODNEY Ketcham, the owner of a Cocoa Beach commercial real estate firm, was elected chairman of the Canaveral Port Authority, Fla., during the board's first meeting of 2002.



"I appreciate your vote of confidence and I look forward to 2002," Ketcham said after the unanimous vote. "I encourage the board not to look back at what we have done, but to look forward to what we can do." Ketcham is serving his second term representing District 5.

Other officers elected were:

- Raymond Sharkey as vice chairman. He is a retired aerospace manager serving his second term representing District 1.
- Donald Molitor as secretary/treasurer. The retired telecommunications business owner represents District 3 and also is serving his second term.

Other board members are: Titusville attorney Joe Matheny, a second-term representative of District 2, and Ralph Kennedy, a construction business owner and Port Commissioner since 1990. He represents District 4.

with domestic goods to qualify for lower duty. Duties can be deferred until the merchandise leaves the FTZ and enters U.S. territory for domestic consumption.

Advantages of Operating in a FTZ

Merchandise is protected 24 hours a day in compliance with security controls, and cash flow may be improved by deferring duty payments as long as merchandise is stored in the FTZ. Other advantages include the following (see also 20 Ways to benefit with the FTZ Program on page 34):

FTZ Manufacturers May:

- Conduct complete processing or assembly operations and defer the payment of duties until the product enters U.S. territory;
- Combine foreign and domestic components or manipulate, repackage or reassemble products in order to qualify for lower duties;
- Avoid payment of duties on materials lost in manufacturing;
- Avoid payment of duties on materials used in manufacturing and on any materials exported;
- Place goods intended for export in the FTZ in order to qualify for tax rebates, yet retain the ability to further process, assemble and repackage.

FTZ Distributors and Wholesalers May:

- Store goods indefinitely and free of duty or quota restrictions until they enter U.S. territory - if exported, no duty is levied;
- Inspect merchandise for quality, breakage and loss before duty is paid - substandard goods may be discarded, destroyed or returned without duty;
- Remark, repackage, etc. in order to qualify for lower duties;
- Insure only the value of the merchandise, plus freight charges, thereby avoiding insurance on value, plus freight, plus duty, plus taxes;
- Borrow on goods stored in the FTZ through the issuance of warehouse receipts;
- Store goods while awaiting favorable exchange rate;
- Avoid penalties and fines for improperly marked items or lost documents. Merchandise may be stored until documents are found or identification is corrected;
- Sample merchandise in order to determine duty rates before actual payment is required;
- Exhibit or market goods before payment of duty.

Charleston: The Role of Foreign Trade Zones in Commerce

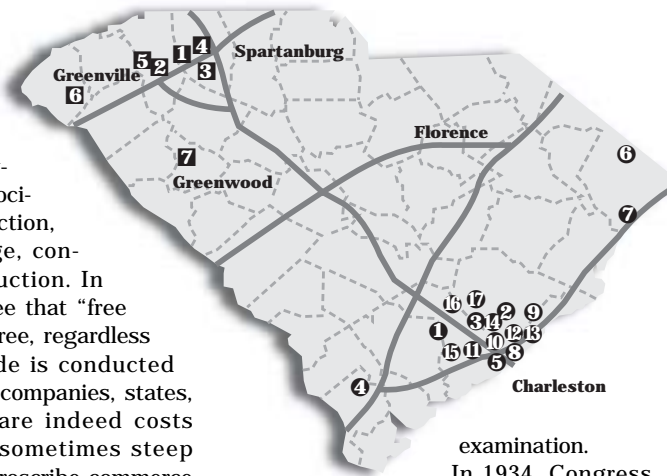
By Shelia Watson

ONE of the axioms we can bank on is the idea that there is no free lunch. Virtually everything has a cost associated with its production, distribution, storage, consumption, or destruction. In that vein, we can see that "free trade" is not really free, regardless of whether the trade is conducted between neighbors, companies, states, or nations. There are indeed costs involved in trade, sometimes steep enough to actually proscribe commerce and injure economic stability.

The late British philosopher John Stuart Mill, who knew a thing or two about economics, called trade "a social act" and asserted a view regarding the "doctrine of free trade, which rests on grounds different from, though equally solid with, the principle of individual liberty..." As Mill suggests, the desire for individual liberty may be as basic as the concept of trade, but trade itself is as old as the earliest needs of mankind, who, even in caves with the barest of necessities, must have found some value in exchanging what one possessed for different things another possessed.

Whether social act or economic expediency, the business of exchanging goods can be a costly and/or frustrating venture, which fortunately has been alleviated to some degree in this country by the introduction of the Foreign Trade Zone (FTZ) program.

A Foreign Trade Zone is a neutral, secured, enclosed area legally outside of U.S. Customs territory located in or adjacent to a port of entry. Foreign or domestic merchandise may enter this area without formal customs entry, payment of customs duties, or government excise taxes - and without thorough



examination.

In 1934, Congress first passed the Foreign

Trade Zones Act in an attempt to mitigate some of the destructive effects of the tariffs imposed in the 1930s. The Act was designed to encourage foreign commerce in the United States through these designated geographical areas where the tariff and tax relief can help lower the costs of U.S.-based operations engaged in international trade. Over the last 30 years, the FTZ program has grown dramatically. Whereas in 1970 there were eight FTZ projects with three subzones in the country, today there are more than 230 FTZ projects with nearly 400 subzones.

The basic concept of the FTZ is relatively simple. When the final product is exported from the U.S., no U.S. customs duty or excise tax is levied. When the final product is imported into the U.S., customs duty and excise taxes are due only at the time of transfer from the FTZ. Spoiled, damaged, or waste goods may be disposed of or re-exported without payment of duty.

Foreign and domestic material or merchandise may be moved into an FTZ without being subject to U. S. customs duties. While in the FTZ, the merchandise may be stored, manufactured, repackaged, exhibited, or combined

The Application Process

When an FTZ project has been determined as both needed and feasible, the Foreign Trade Zone application process is the next logical step. In preparation for the application, several questions must be answered, such as: Who will serve as the Zone Grantee? Which site or sites will serve as the community's General Purpose Zone? Who will oversee and finance the operation of the Zone project? Will it be the Grantee or some private organization?

With those questions answered, the application itself consists of a letter of transmittal, an executive summary and five exhibits, which include 1) The Authority to Apply, 2) The Site Description, 3) Operation and Financing, 4) Economic Justification, and 5) Maps.

In addition, various fees are required and the application must be reviewed and processed by the Foreign Trade Zones Board with a submission and pre-filing review, a formal filing, opportunity for public comment and rebuttal, public hearing, case review. Upon favorable report, the application is sent to the Treasury Department and to the office of the Assistant Secretary of Commerce for Import Administration for final review and a final action of issuance of a Board Order and a published decision in the Federal Register, with notification to the applicant of the application's approval.

Typically, applications that do not involve manufacturing under Zone procedures take from 10 to 12 months for processing and review. Applications involving manufacturing under Zone procedures typically take 12 months or longer, although some applications involving FTZ manufacturing authority that meet so-called "fast-track review" procedures may be processed more quickly.

Foreign Trade Zones provide many economic advantages for business involved in international trade. The intent of the original FTZ Act was to stimulate international trade, thereby creating new jobs in companies engaged in international trade, as well as those in spin-off industries. In addition, more and more companies are looking globally when deciding to expand. The FTZ program provides a more level playing field when investment and production decisions are made.

Recently, the Ports Authority was instrumental in establishing the S.C. Foreign-Trade Zone Association with an

inaugural meeting held in August at the BMW Zentrum in Greer, S.C. The next meeting will be held in Charleston in April, 2002 at the Wando Welch Terminal. For more details contact Mike McGinnis at 843-577-8144 or mmcginnis@scspa.com.

The Ports Authority, as Grantee, is available to help companies through the paperwork process to establish and sus-

tain FTZs. To learn more about how FTZs can benefit your company, contact Mike McGinnis or visit the SPA homepage at www.scspa.com/general/ftz/ftz.asp where a comprehensive list of FTZ benefits, a map of site locations, a savings worksheet, costs, and other information can be viewed or downloaded.

20 Ways to Benefit With The FTZ Program

1. Duty deferral - Customs duties are paid only when imported merchandise is shipped into US Customs territory. Merchandise may be held in inventory in the FTZ without Customs duty, indefinitely.
2. Exports - Customs duties are not paid on merchandise exported from the FTZ.
3. Defects, Damage, Obsolescence, Waste, Scrap - Customs duties are significantly reduced or eliminated on merchandise subject to defect, damage, obsolescence, waste and scrap in the FTZ.
4. Nondutiability of Labor, Overhead and Profit - Customs duties are not owed on labor, overhead and profit attributed to production operations in the FTZ.
5. Inverted Customs Duty Savings - FTZ users may elect to pay the duty rate applicable to component materials or merchandise produced from the component materials - whichever is lower.
6. International Returns - Merchandise exported and subsequently returned to the FTZ is not subject to Customs duties upon return. It can be repaired and re-exported without duty payment.
7. Spare Parts - Unneeded spare parts may either be returned to the foreign vendor free of duty or destroyed, avoiding Customs duties.
8. US Quotas - Most merchandise may be held in the FTZ, even if its subject to US quotas. When the quota opens, the product may be immediately shipped into the US Customs territory.
9. Simplification of Import/Export Procedures - Delays in Customs clearances and duty drawback procedures are eliminated. Delivery times are reduced by direct shipments to the FTZ.
10. Quality Control - The FTZ may be used for quality control inspections to ensure that only products that meet specifications are imported. Substandard goods can be destroyed before duty is paid.
11. Cargo Insurance - Some FTZ users have negotiated up to 40% reduction in cargo insurance rates because imported merchandise is shipped directly to the FTZ, thus avoiding potential pilferage at deep water ports and major international air-ports.
12. Security - The FTZ is subject to Customs supervision and security procedures, saving you, the FTZ users, expenses for security and insurance.
13. Inventory Control - FTZ operations require careful accounting on receipt, processing and shipment of merchandise. Firms find that the increased accountability cuts down on problems with inaccurate receiving and shipping as well as waste and scrap.
14. Consumed Merchandise - Merchandise consumed in processing in the FTZ is generally not subject to Customs duties.
15. Inventory Taxes - By federal statute, tangible personal property imported from outside the US, and tangible personal property produced in the US held in a zone for export are not subject to state and local ad valorem taxes. Most state and country tax authorities exempt all merchandise in the FTZ from inventory tax.
16. Exhibition - Merchandise may be held for exhibition without Customs duty payments. Many companies use FTZ's as display areas for merchandise and machinery.
17. Reduced Insurance Costs - The insurable value of merchandise held in the FTZ need not include the Customs duty payable on the product. Therefore, insurance costs should be less.
18. Country of Origin Marking and Labeling - No country-of-origin labels are required on merchandise admitted to the FTZ, saving a complicated procedure and up-front expense. If needed, the labels can be applied in the FTZ.
19. Zone-to-Zone Transfer - An increasing number of firms are transferring merchandise from one zone to another. If the transfer is in-bond, customs duty is not owed until the product is finally shipped into the US.
20. Transfer of Title - Title to merchandise may be transferred in the FTZ, as long as there is no "retail" sale. The global supplier can own it until it is shipped just-in-time to local manufacturers.

Source: National Association of Foreign-Trade Zones

Foreign Trade Zone Definitions

Admit - To bring merchandise into a zone with zone status.

Audit-Inspection Procedures - These procedures provide the framework for Customs to eliminate the on-site supervision of zones, and for zone operators and users to increase zone operating flexibility.

Conditionally Admissible Merchandise - Merchandise which may be imported into the United States under certain conditions. Merchandise which is subject to permits or licenses, or which must be reconditioned to bring it into compliance with the laws administered by various Federal agencies.

Constructive Transfer - A legal fiction which permits acceptance of a Customs entry for merchandise in a zone before its physical transfer to the Customs territory. Constructive transfer is deemed to have occurred when Customs receives an entry in proper form. If the Entry is not accepted, it will be deemed constructively transferred back to the zone in its previous zone status.

Default - An action or omission that will result in a claim for duties, taxes, charges or liquidated damages under the FTZ Operator's bond.

Domestic Merchandise - Merchandise which has been produced in the United States and not exported therefrom; or merchandise imported into the United States and duty paid at the time of entry.

Domestic Status - Merchandise produced in the United States; and imported merchandise properly released from Customs custody on which all applicable duties and taxes have been paid.

Dutiable Value - The value of merchandise imported into the United States upon which duty is owed. For merchandise produced in a foreign-trade zone, the dutiable value is the sum of the value of the non-duty paid foreign material contained in the manufactured product. It does not include domestic value added in the zone.

Foreign Merchandise - Imported merchandise which has not been entered into the Customs territory of the United States. It may have privileged, non-privileged or zone restricted status.

Foreign-Trade Zones Board - The Foreign-Trade Zones Board is responsible for the oversight of the Foreign-Trade Zones program, including the issuance of grants of authority. The Board consists of the Secretary of Commerce and the Secretary of the Treasury.

Fungible Merchandise - Merchandise which for commercial purposes is identical and interchangeable in all situations.

Grantee - A corporation to which the privilege of establishing, operating, and maintaining a Foreign-Trade Zone has been granted by the Foreign-Trade Zones Board. The Grantee of Foreign-Trade Zone No. 21 along the South Carolina coast and 38 in the upstate is the South Carolina State Ports Authority. The

Columbia Metropolitan Airport is Grantee of FTZ No. 127 located in Columbia, S.C.

Harmonized Tariff Schedule of the US (HTSUS) - The HTSUS is an international classification system of imported commodities that is used to determine the tariff that is assessed by the government for these commodities. A Harmonized Code is a specific classification for a specific type of commodity.

Merchandise - Merchandise includes goods, wares, and chattels of every description, except prohibited merchandise.

Mixed Status Merchandise - Foreign merchandise that has been combined with Domestic merchandise in the zone is sometimes referred to as Mixed Status merchandise.

Non-Privileged Foreign Status (NPF) - Foreign merchandise upon which the duty and applicable taxes will be determined at the time that the merchandise enters the Customs territory of the United States from the zone for consumption.

Operator - A corporation, partnership, or person that operates a zone or subzone under the terms of an agreement with the grantee.

Privileged Foreign Status (PF) - Foreign merchandise upon which the duty and applicable taxes have been determined at the time that this status is approved. The determined duty rate and taxes are not subject to future fluctuation. Once established, privileged foreign status cannot be changed. If merchandise has already been admitted to a zone with a non-privileged foreign status, privileged foreign status may be obtained by filing a CF214 and related documents. Application for this status, however, must be filed prior to manipulation or manufacture in the zone.

Prohibited Merchandise/Operations - Merchandise, the importation of which is prohibited by law on grounds of public policy or morals, or any merchandise which is excluded from a zone by order of the Foreign-Trade Zones Board. Books urging treason or insurrection against the U.S., obscene pictures. Also, certain operations involving the following merchandise are prohibited in zones: Tobacco, cigars, cigarettes and cigarette papers and tubes, firearms, distilled spirits, alcohol, wine and beer, sugar, watch movements and retail sales in a zone.

Restricted Merchandise/Operations - Merchandise which may not be authorized for delivery from Customs custody without a spe-

cial permit, or a waiver thereof, by an agency of the U.S. government. Also the Foreign-Trade Zones Board has restricted certain operations involving the following products; steel, textiles, television tubes, sugar. The restrictions may vary on a case-by-case basis.

Subzone - A special purpose zone established as part of a zone project for a limited purpose, which cannot be accommodated within an existing zone facility. The term "zone" also applies to a subzone, unless otherwise specified.

Transfer - To take merchandise with zone status from a zone for consumption, transportation, exportation, warehousing, cartage, or lighterage, vessel supplies and equipment, admission to another zone and like purposes.

Unique Identifier Number - A number or identifier assigned to a specific type of material or merchandise admitted to the zone. FTZ Inventory is tracked by accumulating the admission and shipment quantities associated with this unique number over a range of shipments rather than by maintaining quantities of a variety of materials within a specific shipment. Inventory levels are adjusted on a First-In, First-Out (FIFO) or Foreign-First (FOFI) basis pursuant to generally accepted accounting principles. Merchandise associated with different admission shipments need not be physically segregated from other admissions.

User - A person or firm using a zone for storage, handling or processing of merchandise.

Zone Lot Number - A collection of merchandise maintained under an inventory control method on specific identification of merchandise admitted to a zone by lot and lot number. Use of this method requires use of uniquely and sequentially numbered lot files and the physical segregation and marking of lots.

Zone Restricted Status - Merchandise admitted to the zone for the sole purpose of exportation or destruction. Merchandise with zone restricted status may not enter U.S. Customs territory for consumption except when approved by the Foreign-Trade Board.

Zone Site - The physical location of a zone or subzone.

Zone Status - The status of merchandise admitted to a Foreign-Trade Zone.

Zone Year - The Zone year is the fiscal year by which the Operator or User bases its inventory control reporting.

Source: The Foreign Trade Zone Resource Center



CN: Acquires Wisconsin Central, Providing Single Line Service to Port of Mobile

CANADIAN National Railway Company (CN) completed its acquisition of Wisconsin Central Transportation Corporation (WC) recently and began a phased integration of the companies' operations that will allow for a single line service to the Alabama State Docks.

Paul M. Tellier, CN's president and chief executive officer, said, "We believe that the CN/WC merger will increase transportation competition. We also believe that the STB decision preserves the economic benefits envisaged by the transaction.

Shippers will benefit from extended market reach via new, single-line services, CN's promise to maintain gateways affected by the transaction, greater operating efficiencies and assurances that service on the combined CN/WC network will be as good as, or better than, what existed before the merger. We are determined to achieve a flawless integration of CN and WC, just as we did in the CN/Illinois Central merger."

Immediately after the merger, CN commenced a step-by-step integration of the two companies' North American operations. WC's North American network is now CN's sixth operating division - the Wisconsin Central division - retaining ties to local communities and continuing high standards of safety and customer service.

Gordon T. Trafton, vice president of CN's WC Division, said, "Safety, continuity and focus on customers and employees will be the hallmarks of our integration of CN and WC. There are no

artificial deadlines - the integration will be measured and careful, and we will communicate our plans regularly to customers and employees.

"One of the early benefits of the CN/WC integration will be improved freight traffic flows. As a single company, for example, we'll be able to take advantage of opportunities to improve car connections and eliminate backhauls. This will improve asset utilization, faster transit times and reduce costs."

Canadian National Railway Company spans Canada and mid-America, from the Atlantic and Pacific oceans, to the Gulf of Mexico, serving the ports of Vancouver and Prince Rupert, British Columbia; Montreal, Quebec; Halifax, Nova Scotia; New Orleans, La; and Mobile, Ala. The railroad also serves the key cities of Toronto, Ontario; Buffalo, N.Y.; Chicago, Ill.; Detroit, Mich; Memphis, Tenn.; St. Louis, Mo.; and Jackson, Miss.; with connections to all points in North America.

Halifax: Freezes Major Port Tariffs for 2002

THE Halifax Port Authority will freeze major port tariffs for 2002. The major tariffs include Harbour Dues, Berthage and Anchorage, Wharfage, and Passenger Charges. In addition, the Wharfage incentive rate for midwest cargoes will remain frozen. This special rate provides for a 68 percent discount for US midwest cargoes.

According to Board Chair Mervyn

Russell, the tariff freeze was seen to be necessary in light of current market conditions. "To date this year our traffic has remained steady but it's clear that our customers are concerned about the short to medium term trade prospects and the general economic climate. We are determined to ensure that the Port is responsive to these concerns."

As of the end of November 2001, overall cargo tonnage at the Port of Halifax is up by 1 percent to 12.8 million tonnes. Container traffic is showing a 0.4 percent increase to 4.1 million tonnes. The Port's cruise business experienced a fifth consecutive record year with over 160,000 passengers, representing a 16 percent increase over 2000.

The Halifax Port Authority is a Government Business Enterprise mandated by the Federal Minister of Transport. The HPA leads in the development of the Port of Halifax, serving as a catalyst for the local, regional and national economies. It has a mandate to operate in a financially viable manner.

Halifax: Strong Numbers for 2001

Cargo Business Strong and Cruise has Record Year

THE Port of Halifax cargo results for 2001 indicate a strong performance for the year. Total cargo surpassed 14 million tonnes, up from 13.94 million tonnes in 2000.

"Considering the general economic climate prevailing in 2001, particularly in the second half," said Karen Oldfield, Halifax port Authority's recently appointed President & CEO, "we consider 2001 to be an excellent year for the Port."

Bulk cargo accounted for 9.2 million tonnes for the year. Container cargo totalled 4.41 million tonnes equating to 542,000 TEUs (twenty-foot equivalent units). Container cargo has shown steady growth over the past several years, with TEUs increasing by 17 percent in the three year period since 1999.

The Port's cruise business reached a record this year through a 200 day cruise season. The Port's 160,000 cruise passengers on 96 cruise calls represented a 16 percent increase over the previous year. The number of cruise passengers visiting Halifax has increased by 50 percent in three years.

The Halifax Port Authority's (HPA) preliminary financial results also reflect



Canadian National acquired Wisconsin Central last month, which should result in better service for rail movements in and out of Alabama's seaport.

a strong showing. For 2001, the HPA earned a net income of \$5.7 million on revenues of \$18.3 million. Capital expenditures for the year were \$9.2 million.

The HPA is a Government Business Enterprise mandated by the Federal Minister of Transport. The HPA leads in the development of the Port of Halifax, serving as a catalyst for the local, regional and national economies and has a mandate to be financially viable.

The Port of Halifax has a total annual income impact of \$670 million dollars and an employment impact of over 9,000 direct and indirect jobs.

Nanaimo: Artificial Reef Grows

THE former Second World War victory ship the HMCS Cape Breton was successfully sunk in the waters off Snake Island on Saturday October 20th.

The sinking of this 400 foot ship has created the world's largest artificial reef and follows the HMCS Saskatchewan also sunk near Snake Island in 1997.

The Nanaimo Port Authority was a major contributor to this project and provided free moorage at the Nanaimo Assembly Wharf while the vessel was being cleaned and prepared. In addition, a \$20,000 contribution was made to cover the significant costs associated with the vessel sinking.

More than 500 boats were present for the sinking near Snake Island and the BC Ferries Queen of Coquitlam had a full load of 1400 passengers on board to witness the spectacular event.

A comment by Ian Hall, President, Nanaimo Dive Association to position Nanaimo as the "Whistler of Diving" may well be underway and in the seven weeks following the Cape Breton's sinking he estimated more than 1200 dives have been completed on this ship.



The "Cape Breton" graces the sea bottom as an extension of Canada's longest man-made reef (Photo: Mark Corbett)

Veracruz/Hamburg: Port Cooperation

THE ports of Veracruz (Mexico) and Hamburg (Germany) are to cooperate more closely. Veracruz is Mexico's largest container port and hopes that the intensified partnership will reinforce the positive effects of a free trade agreement between Mexico and the EU.

The port authorities of Veracruz (Mexico) and Hamburg (Germany) signed a partnership agreement. This move is to be seen against a background of positive growth forecasts for the Mexican port and an increasingly dense route network, which includes new frequencies linking the port with Hamburg.

The Mexican port also expects positive effects from a free trade agreement signed between Mexico and the European Union (EU).

The port of Veracruz, with eight berths, a total quay length of 3500 metres, 18,000 sqm of storage area and modern handling equipment, provides excellent infrastructure for handling,

logistics and transport services.

In step with its hinterland, Mexican federal state of Veracruz, which has developed into an important industry and service centre over the last few years, the economic significance of the port has increased.

The port is in a very favourable location on Mexico's southern gulf coast within easy reach of the capital and economic metropolis of Mexico-City, and also plays an important role in the nation's transatlantic trade.

Veracruz is Mexico's largest container port. It handles 40% of the country's foreign trade that leaves Mexico by maritime traffic. Mexico's total volume of maritime foreign trade for the whole of the year has been estimated at 247 million tonnes.

The share of freight handled through Veracruz amounted to 14.5 million tonnes. The majority of this (12.3 million tonnes) was imports.

www.hafen-hamburg.de
www.apiver.com

(INTERNATIONAL TRANSPORT
JOURNAL 4/2002)

Africa/Europe

AMS: Top Year for the Port

IN his New Year's speech, Executive Director of the Amsterdam Port Authority Hans Gerson, announced that 2001 had proven another record year for goods transshipment. Provisional figures show that Amsterdam Ports, comprising the ports of Amsterdam, Zaanstad, Beverwijk and IJmuiden, achieved a substantial increase of 5 percent to over 67 million tons. This makes Amsterdam Ports among the fastest growing ports in Western Europe. Transshipments in the Port of Amsterdam alone increased by almost 10 percent. Numbers of vessels rose by 2.5 percent to 9,360, to confirm the ongoing increase in scale of shipping to Amsterdam. Some 108 cruise ships visited the port, against 100 in the previous year.

Of the 67 million tons that were transhipped, coal represented 18.5 million tons, a 5.8 percent growth. Oil increased by a significant 15.1 percent to 13 million tons. The port also

strengthened its position in the transshipment of derivatives and cattle feed. A 9.4 percent growth was realised here to 8.7 million tons. The lower results at steelmakers Corus had their effects on the transshipment of ore and scrap, which showed a 4.8 percent drop to 8.8 million tons. General cargo decreased by 3.2 percent to 6.6 million tons.

Employment in the Amsterdam Port area continued to show favourable development. The most recent study of the National Port Commission (Nationale Havenraad) revealed that employment had risen from 37,800 to 38,200 over the period 1999-2000.

The issuance of industrial sites in the port area went off especially well in 2001. In total 30 hectares were issued, a level well above average. Some 18 hectares were allocated for a Hitachi

assembly plant for heavy earthmoving machinery and a training centre. Four hectares were added to the new Ceres container terminal for the construction of a fully automated access area. Sites were also issued to various companies among others in the sand and gravel trade and for multi-tenant business premises.

Over the past year the Port Authority made investments of NLG 170 million in the port. NLG 100 million was invested in the container terminal, NLG 20 million in the new Afrikahaven and NLG 25 million went into restructuring the existing port area. The Port Authority also showed impressive operating profits. Over 2001, NLG 50 million was credited to Amsterdam city's finances.

Prospects

Although the slack in the economy had an impact on the transshipment figures in the last two months of 2001, Director Hans Gerson remains optimistic about developments for 2002. He expects further growth in sectors in which Amsterdam is traditionally strong: oil products and coal. He also expects container transshipment at the new Ceres Paragon terminal to speed up in spite of the current malaise in this sector. According to Gerson the terminal clearly has potential: it is more efficient due to the possibility of loading and unloading on two sides of the vessel, as well as offering an outstanding location and competitive prices.

Amsterdam will further increase its competitive position this year through substantial investments in ICT infrastructure. In addition to an Internet-based port management system, 2002 will see start of work on the construction of a land radar system with financial support from the national government.

Finally, in 2002 preparations will start for the port's most vital project for the future; the construction of a second large lock at IJmuiden. In close consultation with the Department of Public Works of North Holland, the Port Authority will draw up a broad programme of work so that contracting out can begin end-2002. Amsterdam expects the national government to make the final decision on the construction and financing of the new lock in 2002. Hans Gerson refers to the most recent report by the National Port Commission's financing working group, which clearly emphasises the role and responsibility of the government for large-scale port infrastructure.

Cruise Europe: Big boost for German speaking cruise market

Dirk Moldenhauer, Managing Director of Hamburg Cruise Centre

THE cruise industry is aiming at a new source its market: Germany. This is why the German-speaking market, which comprises Germany, Switzerland and Austria, will see a big increase in the number of berths offered in 2002 - definitely an exciting new development.

For the first time in the history of this market, two foreign cruise companies, P&O/Princess Cruises and Costa Crociere, will expand the market with new products. In 2002 Costa is offering its first all German cruise product by adapting the Costa Marina to the German taste, sailing under the slogan "Deutsche vita". P&O/Princess Cruises, with its German subsidiary Seetours, is launching two new products: under the "A'rosa" brand, the A'rosa Blu (formerly Crown Princess) will begin cruises out of Germany in spring and at the same time the new Aida Vita will sail exclusively for the Germany market.

This addition of approximately 2,500 extra beds to the German-speaking market is the biggest expansion of cruise capacity it has ever witnessed. Its significance must be seen in the context of the history of the German-speaking market, which has always had great potential. But for a long time it was served only by cruise lines and operators with traditional products, with German as the on-board language and heading for cruise destinations and ports typically liked by Germans. Thus the market grew at a steady but unexciting rate of about 10% per year and passenger figures reached about 300,000 pax in 1998. Over the past three years the new and innovative AIDA product gave the market a kick. Some 380,000 pax were counted in 2000.

Market ready for extra capacity

These figures are promising. They show that new, modern products and bigger ships can develop the market, which has a potential of 100 million people. The marketing money spent to promote these new products has already had a great impact in the vacation market. So we are all excited to see how the new products sell and where the cruise market stands at the end of next year. I personally have no doubt that the market is ready for this added capacity.

Hamburg will profit from this develop-



ment. In 2002 all three new ships will already be sailing from Hamburg. The Costa Marina, the Aida Vita and the A'rosa Blu will start their first season in Hamburg. Also coming in for the first time are the World, Constellation, Seven Seas Mariner and the Astoria. A record of 58 calls in 2002 clearly indicates the importance of Hamburg for the German-speaking market.

Key role for Hamburg as the major cruise port in Germany

Two factors show the potential Hamburg has as a cruise port and as a home port for cruise ships:

- The city is very attractive: historical buildings, great architecture, theatres, opera, musicals, outstanding shopping, restaurants (including 11 with a Michelin star rating), bars, nightlife, beautiful lakes and rivers. For half-day shore excursions there is a choice of four medieval cities: Lübeck, Lüneburg, Buxtehude and Stade, and special landscapes like the Lüneburger Heide, Altes Land and the lake district of Ratzeburg. Berlin, Germany's new, exciting capital, can be reached in an easy full-day tour.
- Hamburg and its metropolitan area, also serving as the gateway for Berlin, represent an own source market of around 10 million people living only about two hours' drive from the port. The city is well connected by plane, train and road with all major cities in Germany and Europe. From Hamburg short or longer cruises can be offered to Western Europe, Great Britain, Norway, Denmark and into the Baltic.

The new development in Germany clearly shows that Northern Europe will become one of the major cruise destinations. Europe has more emerging markets such as Scandinavia, Poland, the Baltic States and Russia.

We will therefore see more ships serving these markets and developing Northern Europe. Passengers from North America will be back soon and their interest will focus on the Baltic once again, but also on new, different cruise areas and on all the small hidden ports along the European shores.

Target cruise companies

Cruise Europe should strengthen its efforts to convince the many cruise companies and operators around the world

about the possibilities they have in Northern Europe and about the potential of our markets. Promoting to the cruise companies is affordable for Cruise Europe. Going after the US travel agents would need a huge sales force and targeting the public in the States would need a big budget.

My personal belief is that cruising in Europe definitely has a future. The destination, the cities, the ports, the rivers the history and the great people are unbeatable!

(Cruise Europe News)

Le Havre: Record Results for 2001 Port Trades

TOTAL tonnage through the Port of Le Harve in 2001 amounted to 69.5 MT against 68 million tonnes in 2000 (+ 2.2%), which is a good result compared to last year which had already been very satisfactory.

Liquid hydrocarbons rose by 5.2% (45MT against 42.7 MT) while the other bulks were down 21.3% (6MT against 7.6 MT), this being due to the fall in coal imports generated by EDF (French Electricity Board).

General cargo reached the record figure of 18 MT against 17.1 MT, that is up 5.2%. The main reason for being satisfied lies of course in container trade which amounted to 14.6MT against 13.8 MT in 2000 with a 5.7% increase.

About 1,525,000 TEU containers (Twenty-foot Equivalent Units) went through Le Havre in 2001 with a very significant rise of transshipments which accounted for 25.9% of this trade against 20.6% in 2000. Excellent figures are also expected for ro-ro trade (around 600,000 vehicles) which should strengthen the growing part played by the Port of Le Havre as a European hub for new car transshipments. Lastly, 814,000 passengers transited through Le Havre and Portsmouth in 2001, that is a 3.1% rise.



Piraeus: Traditional port of national & international importance joins IAPH

Prof. Harilaos N. Psaraffis
Managing Director, Piraeus Port Authority



480 BC: The Athenian fleet of Themistocles demolishes the Persian fleet of Xerxes in the naval battle of Salamis, a battle that will shape the evolution of the Hellenic and Western civilizations.

2002 AD: In the same stretch of water, a 6,800 TEU containership berths at the Eleftherios Venizelos container terminal. The vessel operates on a trunk route that links Northern Europe to the Far East, with feeder connections to the East Med, the Adriatic, and the Black Sea.

There is clearly as much resemblance between classical times and the dawn of the 3rd millenium as there is between a trireme and a hatchless containership. However, geography aside, one parameter is the same in both cases: The role of Piraeus as a port of national and international importance. This is a role that Piraeus held many times during the course of history.

In modern times, and after a long period of decline, Piraeus resurfaced as a city after Greece's war of independence with Turkey. The government began reconstructing Piraeus and refugees from various islands settled into the area around the harbor. Further waves of Greek immigrants from Hydra, Crete and the Peloponnese in the 19th century and from Asia Minor in 1922 brought Piraeus' population to more than 200,000.

The citizens of Piraeus placed a lot of emphasis on industry and commerce. This, combined with the advent of the industrial revolution, saw Piraeus earn an international reputation as an industrial city. An important factor behind all this progress was the presence of port facilities. To cope with increased demands on these facilities, a more structured form was given to port organization. Thus, the Piraeus Port Authority (PPA) was established as a public institution in 1930 by premier

Eleftherios Venizelos.

Piraeus was heavily bombed during World War II and much of the city and port had to be rebuilt all over again. An extensive reconstruction program saw the port reclaim much of its traffic and grow during the 1950s. This effort was helped to a large extent by new legislation in 1950, which provided for a new port organizational structure. The basic elements of this legislation remained in place for the next 48 years.

In the 1960s, 70s and 80s, the port grew steadily. With the dawning of the container age in the early 70s, a gantry crane was purchased and a gradual shift from conventional to container operations evolved. The importance of containers was recognized and a new dedicated container terminal was built at Neon Ikonion, west of Piraeus passenger port.

During the 1990s, traffic grew steadily, especially in the container sector, but also in the passenger department, in which Piraeus clinched one of the top spots worldwide, with about 12 million passengers per year. Much of the investment focused on the container terminal, with a total of 14 gantry cranes in operation.

In spite of these positive developments, it became apparent that change in the institutional structure of the PPA was necessary. In fact, even though the port's institutional model worked well for almost 50 years, it was also clear that this model would be too slow a vehicle for further port development in the future. Thus, new legislation was introduced in 1999, transforming the PPA into a Corporation. The State would initially hold all shares of this corporation, but a partial privatization scheme is envisaged, with 25.5% of the company's stock scheduled to be floated at the Athens Stock Exchange in March 2002.

Even though these developments may have seemed unthinkable a few years



ago, the record also shows that Piraeus entered the club of Mediterranean hub ports. With about 1,200,000 TEU in 2001, more than double the traffic in 1996, Piraeus put itself on the hub map for the first time in its history. It also entered the list of 50 busiest container ports in the world.

The PPA has recently implemented a new computer system – the Port Management Information System (P-MIS), in a way that it will cover not only today's procedures and operations, but will also have room for expansion for future needs of the port. The container terminal software, supplied by Navis, is expected to play a critical role in such a development.

In view of 2004, the year the Olympics will come back to Greece and also the year of coastal shipping deregulation will be in effect, the port of Piraeus will

be asked to accommodate significantly more traffic than it handles today. To that end, extensive infrastructure development is foreseen.

The recent transformation of the PPA into a Corporation could not happen at a better juncture. The move will help the port become more flexible and develop aggressively as it prepares to face the challenges of the new millennium. Facing these challenges successfully will make the port worthy of its history and cultural heritage.

By becoming an IAPH member in 2001 and by hosting the African/European IAPH regional meeting in 2002, the port of Piraeus, already active in European bodies such as ESPO and the Medcruise Association, is eager to further promote its international presence in the years ahead.

Rotterdam: Construction of Multicore Pipeline System to Start

In the first quarter of 2002, a start will be made on the construction of a "multicore" pipeline system in the Rotterdam port area. Tenders for the work are currently being invited by the Rotterdam Municipal Port Management (RMPM). The multicore is a distribution system for the transportation of chemicals and gasses between plants and tank parks within the port. The system will be constructed in phases, in response to market demand, in the entire port area. The first phase covers the Europoort and the Botlek and will be operational in January 2003. The investment by RMPM will exceed 21 million guilders (9.6 million euros) and is in line with the policy to reduce road traffic (the

"modal shift").

The multicore consists of four pipelines with diameters between four and eight inches. They are linked together by blocks to form a sixty-by-sixty centimetre cluster. In order to utilise the limited space in the port area to the full, the distance in between never exceeds twenty-five centimetres. Forty centimetres is the standard in the Rotterdam port area, and beyond it one metre.

Until now, pipelines were constructed and financed by companies for their own use, fairly specific products and known quantities. For the multicore, a state enterprise will invest in public infrastructure, for a variety of products and with a risk-bearing character. Companies can rent capacity very flexibly: for every section of the route and for a couple of months up to periods of ten to fifteen years.

Stockholm: Environmental Buoy 2001 awarded to tireless campaigner

THE Ports of Stockholm's annual environmental prize, the Environmental Buoy, has this year been awarded to Stefan Lemieszewski, who is responsible for environmental issues at Sjöfartsverket (The National Maritime Administration), for his tireless work for the Baltic environment. He has been the prime mover behind the Swedish environmentally-differentiated charging system for shipping, the development of exhaust emission control on vessels, the introduction of the no-special-fee system and the Baltic Strategy. The Environmental Buoy was presented to Stefan Lemieszewski at the annual Maritime Lunch today.

- The Environmental Buoy has this year been awarded to an individual - a real driving force behind the system of environmentally-differentiated shipping charges and exhaust emission control on vessels," said Stella Fare, chairman of the board of the Ports of Stockholm. "On an international level he has been involved in the work of the Helsinki Commission on standardising the handling of waste from vessels (the no-special-fee system).

- I really appreciate receiving this award and I am also speaking on behalf of my family, who are well aware of my commitment to these issues. My experience of the environment in the archipelago and my years at sea have enabled me to contribute to these environmental initiatives in the shipping sector - for the future of our children and ourselves. Receiving the Environmental Buoy gives an extra boost to my strong motivation," said Stefan Lemieszewski.

Before the recipient of the Environmental Buoy was selected, the Ports of Stockholm consulted representatives of Sveriges Redareförening (the Swedish Shipowners' Association), Sjöfartsverket (the National Maritime Administration), Sjöfartsforum (the Maritime Forum) and the Society for Nature Conservation in the county of Stockholm.

The award consists of a buoy made from recycled aluminium and a diploma. The Ports of Stockholm's Environmental Buoy symbolises the Group's aim of contributing to sustainable development in shipping. The Environmental Buoy can be awarded to an individual, an organisation, a company or an authority who through their work has contributed to outstanding environmental improvements in the shipping sector and/or increased the awareness of environmental activities undertaken in the shipping sector. It was awarded for the first time last year and the recipient was Birka Line Abp.

Asia/Oceania

Bintulu: BICT Official Opening

BINTULU International Container Terminal (BICT) was officially opened on January 15, 2002 by Hon. Dato' Seri Dr Ling Liong Sik, Minister of Transport, Malaysia.



Capt. Awangku Malyx Pengiran Mahran, B.Sc(Naut) Master Mariner, PPB, Chief Executive Officer and Managing Director, Bintulu Port Sdn Bhd in his opening address noted:

IN 1996, the idea to develop a dedicated facility for container services was first mooted. It came about as a result of BPSB's desire to provide more and better facilities for its customers, and to tap the ever-growing container market.

The dedicated container terminal was completed in April 1999, and it is equipped with two post-Panamax cranes as well as other ancillary equipment. This terminal was named Bintulu International Container Terminal (BICT). BICT commenced operations in June 1999 and, to date, has accomplished numerous breakthroughs in terms of services and operations.

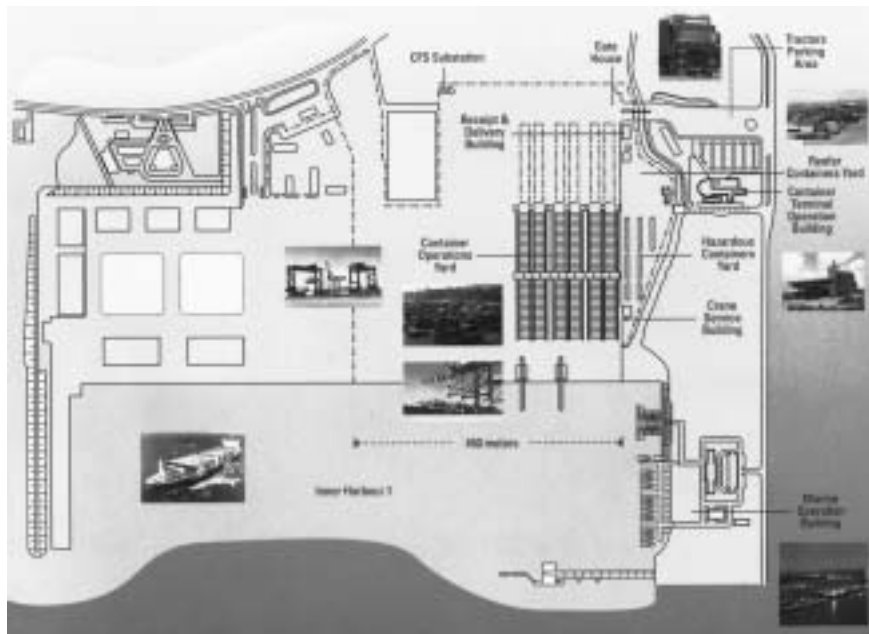
BICT is equipped with the most modern port equipment and other facilities. With a total quay length of 450 metres, BICT is on par with the equipment and facilities available at other world-class ports.

The terminal is designed to handle approxi-

mately 200,000 TEUs annually, and in the year 2000, BICT achieved 47,609 TEUs, an increase of 31 percent over the previous year. BICT's performance for 2001 is expected to be even better, with an increase of 36 percent - more than 65,000 TEUs handled.

With its dedicated facilities and excellent performance, BICT is poised to become an important hub for Borneo and the larger BIMPE-EAGA area, for shippers and the shipping community as a whole. Indeed, it is an honour to be part of the team that will shape the future of BICT in the global shipping arena.

This official opening of Bintulu International Container Terminal is a milestone in the history of Bintulu Port and will be an impetus to development, not just for the port, but for local industries, shippers, forwarders, shipping lines, and the state of Sarawak as a whole.



HKSAR: Marine Department commissions new centres for better services

THE opening of the upgraded Vessel Traffic Centre (VTC) and Maritime Rescue Co-ordination Centre (MRCC), co-locating in one premises, signifies a new era in delivering better port traffic as well as search and rescue services.

The upgraded VTC and MRCC were opened by Hong Kong Port and Maritime Board (PMB) Chairman Sir Gordon Wu on February 1. Co-officiating at the ceremony was the Secretary for Economic Services, Ms. Sandra Lee, and the Director of Marine, Mr. Tsui Shung-yiu.

The two centres, situated side by side on the 5th floor of the Outer Pier of Macau Ferry Terminal in Central, will further boost communication and co-operation between VTC and MRCC in dealing with maritime emergency situations.

Speaking at the opening ceremony, Chairman of the PMB Sir Gordon said that the investment in establishing the new premises for the two centres was worthwhile given the fact that it saved resources as well as strengthened responses to marine emergencies. "This increases the efficiency of the port and the effectiveness in saving lives from accidents at sea," he said. He believed the enhanced services would no doubt contribute to securing Hong Kong's position as a leading shipping centre and logistics hub in the region.

Sir Gordon also praised MRCC's officers for their vigilance and dedication in saving lives.

Also speaking at the ceremony, the Director of Marine, Mr. Tsui Shung-yiu, said: "In addition to the radar and VHF direction finders, the new Vessel Traffic Services system is incorporated with Automatic Identification System receivers and closed-circuit televisions mounted at strategic locations for prompt identification of ships. "Its superb computing power enables simultaneous tracking of 4,000 moving and 1,000 stationary targets as well as displaying of traffic information on an electronic chart.

Apart from saving resources, Mr. Tsui said what was more important in the co-location of VTC and MRCC was that it would create synergy and enhance internal communication in handling marine incidents. "To enhance the operations of MRCC, a new Digital Selective Calling system together with a search and rescue planning software have

been installed in the new centre. Mr. Tsui noted that the opening of the two centres signified a new era in delivering better port traffic and search and rescue services. "As a forward looking department, we welcome advice from members of the shipping industry and the public on areas for further improvement".

Mr. Tsui also thanked colleagues in the Electrical and Mechanical Services Department, Architectural Services Department, Information Technology Services Department, Holland Institute of Traffic Technology B.V. and Pacific Century Cyber Works for their assistance in upgrading the centers.

Indian Ports Association (IPA): IT goods worth \$100 million rot at Indian ports

IT goods worth \$100 million, which include finished goods as well as computer components such as PC's, printers, scanners, motherboards, monitors, chips, cards, etc. from top IT companies stacked up at various Indian ports following a sudden directive from the Office of the Director General of Foreign Trade, Ministry of Commerce, Government of India. The DGFT has asked port authorities to ensure that all goods should affix Maximum Retail Price (MRP) label and also a generic name before getting clearance from the customs.

The notification passed by the Commerce Ministry on November 24, 2000 came into effect from January 2, 2001. It has sent shivers down the hardware market, as the value of goods laying at the ports has already depreciated by 10 percent in the past 10 days (that means a straight loss of \$10 million) and is expected to go further down to 20 percent if the impasse continues for another week. According to the Manufactures Association of Information Technology (MAIT), the prices of PC's and computer components are expected to increase by 20-25 percent if the detention of goods continues for another week.

"The Ministry has asked for putting up the MRP label. The issue is now the supplier, who is located somewhere in Taiwan, Singapore or Malaysia conversant with MRP in India. MRP of the product is decided predominantly on the competitive scenario and hence cannot be affixed until it gets clearance from Indian ports and reaches the warehouse of the vendor," said Vinnie Mehata, Director, MAIT. "Also the law says that you have

to affix a generic name to IT products", adds Mehta

Though the Commerce Ministry has passed the notification, no specific guidelines to date have been issued to the customs departments for implementation. This has resulted in goods pile up on the ports without proper infrastructure for protection. Moreover small space at ports has resulted in goods being piled one above the other which runs a high risk of these valuable hardware getting broken or disfunctional.

"Some of the customs officials are helpful in the way that they allow us to open up the boxes of containers, affix the labels and get the clearance. But since there is not enough space, you cannot open all your goods and put labels. Moreover the ports are the customs bonded area where only CHS custom house agents are authorized to go. They are mostly semi-skilled workers who cannot be trusted to do the crucial job of putting the right label on the right product. We have no other choice left than wait for government directives on the issue," says a leading vendor on condition of anonymity.

"We import goods from countries like Singapore, Hong Kong, Taiwan who follow strict international standards where they don't even allow the product to be touched by hands. These products are opened in a controlled environment whereas here the products are lying in the open environment with all the possibilities of them getting damaged," adds he.

What is immediate concern to the industry is with no clearance happening and supplies drying up in the domestic market, the price of PC's and computer components are beginning to move upwards.

"The price of essential computer components has already gone up by 5 percent in the last one week and is expected to go further up by another 10 percent if the problem goes on for another few days. Although currently most of the distributors have stocks with them but soon when reserves will shoot up," says a dealer at Nehru Place, New Delhi. Nehru Place is one of the biggest trade hubs of PC's, computer peripherals and electronics goods in South Asia.

As the JEM (January, February, and March) quarter is the most crucial sales time of the year for the IT hardware industry, the vendors in order to keep up their sales figures are expected to explore the grey market for their supplies. "With the supply drying up there is a hundred percent chance of grey market fueling up considerably. Already supplies of computer parts have started coming from

Nepal," said Mehta.

Another major concern for the industry is the rate of obsolescence in the IT industry is very fast and the goods will take no time to depreciate by a big margin. "Turnaround time is the biggest issue in the IT industry. IT goods depreciate very fast. The gap of 10 days brings down the value of goods by 10 percent," said Mehta.

Though no one from the Commerce Ministry and the Ministry of Consumer Affairs (MoCA) were available for comments, reliable sources maintain that it will take at least another seven days before the matter gets solved. The directive has been passed by the Commerce Ministry based on the recommendation by MoCA, which in turn was derived from Weights and Measurements Act for protection of consumer rights. The new regulation will be implemented by customs department, which falls under the Ministry of Finance. Apparently, three ministries are involved in the preparation of the directive and since it has been passed under the consumer interested litigation, it would not be easy to get a quick clearance, claim sources.

The genesis of the problem lies in the noise made by the domestic industry against cheap Chinese imports like batteries, stereos, cells, which was eating into the domestic industry's business. Based on their strong opposition against the under-invoiced Chinese imports, the Governments came up with the notification to affix MRP and generic name of the imported goods with the aim of controlling such imports. Unfortunately all imported goods came into the purview leading to almost \$500 million worth products stacked up at Indian ports. The percentage of imports from China is just 3 percent of the overall basket of Indian imports but in the process an entire 97 percent in passing through a tough time.

(EXPRESS COMPUTERS)

India/Korea: Business collaboration

INDIAN and Korean businessmen have identified areas, including ports, shipbuilding, roads, power, oil and gas, telecommunication, and so on, where opportunities exist for collaborations.

This was the outcome of the 17th meeting of the India-Korea Joint Business Council (JBC) organised here by the Federation of Indian Chambers of Commerce and Industry (Ficci).

Both sides also observed that there

was potential to enhance and diversify bilateral trade.

India could supply Korea drugs and pharmaceuticals, chemicals, processed food items, specialised steel, textile machinery, oil products and distillation and software.

Korea, on its part, could supply precision instruments, machinery and machine tools, articles of iron and steel, hardware and organic chemicals.

Mr. Chong Moo Lee, Korean Ambassador to India, said the approximate two-way trade amounted to \$380 billion. Compared to this, the bilateral trade figure between Korea and India was only \$2.3 billion.

This showed that the bilateral trade between the two countries was less than one per cent (0.605 of one per cent) of Korea's total international trade, he pointed out.

Mr. Lee said that last year, of the total Korean imports of \$160 billion, imports from India were worth just \$984 million. This, again, was less than one per cent.

Out of Korea's total exports of \$172 billion last year, exports to India were only \$1.3 billion which again was less than one per cent. Apparently, he said, there was a need to adopt a different approach and explore the untapped sectors in each other's market.

Mr. Hyo Sung Kim, acting Chairman of Korea-India JBC, said that Korean companies had been boosted by India's favourable investment climate such as investor-friendly policies of the Indian government and strategic location to the adjacent countries.

Kitakyushu/PSA: Go Sign for "Hibikinada" Container Terminal Project

ON Thursday, December 27, 2001, at the City Hall of Kitakyushu City, an agreement for the purpose of establishing fundamental particulars for the implementation and conclusion of the "Actual Business Implementation Contract," was signed by Mr. Koichi Sueyoshi, mayor of Kitakyushu City and Mr. Goon Kok-Loon, Vice President, PSA Group, witnessed by Mr. S. Mizouchi, Director-General, Bureau of Ports and Harbours, Kitakyushu City and Mr. Dennis Soh, Senior Regional Manager, PSA.

The methodology for the development of the Hibikinada container terminal (-15 m. x 2, -10m x 2) is unique in Japan's ports as the central government decided to introduce the PFI (private funding ini-



tiative) for the management and operation of terminals. PSA Group was named the first priority negotiating party from among several contenders. The signing

of the fundamental contract will move the project forward to the planned commissioning within the fiscal year of 2003 (spanning to March 2004).

MPA: Director General Mr. Chen Tze Penn elected Chairman of IMO Council

MR. Chen Tze Penn, Director-General of the Maritime and Port Authority of Singapore (MPA) was elected on Friday November 30, 2001 as Chairman of the new IMO Council.



Singapore was re-elected to the Council the previous Friday during the 22nd session of the IMO Assembly. Mr. Chen led the Singapore delegation of senior officials from the Ministry of Foreign Affairs (MFA), Ministry of Transport (MOT), and MPA to the Assembly. Mr. Chen's nomination was proposed by the People's Republic of China and seconded by the United Kingdom and Canada. After 29 Council members spoke in support of Mr. Chen, he was elected by acclamation.

The IMO is a specialised agency of the UN responsible for maritime safety and prevention of marine pollution from ships. Based in London, the IMO has a membership of 160 member-States and two associate members. The principal organs of the IMO are the Assembly, the Council and the five technical committees. The Assembly is held every two years. In between the Assembly sessions, the activities of the IMO are governed by the Council. Election of the Chairman is by the Council members and the tenure of the Chairmanship is

two years.

Mr. Chen's election to the post of Council Chairmanship is a great honour which brings with it a heavy responsibility for Singapore. The IMO is currently undergoing a major organisational review and as Council Chairman, Mr. Chen will carry the responsibility of leading and implementing organisational and financial reforms in the IMO systems and processes over the next two years.

Mr. Chen has had more than 10 years experience in dealing with IMO matters, first in his previous position in the Ministry of Communications and now in his capacity as Director-General of MPA since 1996.

MPA: Review of 2001

Singapore Port Performance

THE Singapore port achieved a new record for shipping tonnage that totalled 960.1 million gross tons (GT). This is 5.5 per cent higher than the 910.2 million GT handled in 2000. With the new benchmark, Singapore looks set to remain the world's busiest port in terms of shipping tonnage.

Container ships were the primary contributor with 337.2 million GT or 35.1 per cent of the total shipping tonnage. Next highest were tankers with 304.3 million GT (31.7 per cent of total shipping tonnage). Bulk carriers contributed 166.4 million GT (17.3 per cent of total tonnage).

In terms of vessel arrivals, the port attracted a total of 146,265 calls in 2001, up 0.6 per cent from 2000.

Bunker Sales

In the area of bunker sales, a total of 20.4 million tonnes of bunkers were sold in 2001. This new achievement surpassed the previous record of 18.9 million tonnes sold in 1999. The 9.1 per cent increase outstripped 1999's bunker sales growth of 4.6 per cent.

The new record bolstered Singapore's top bunkering port status in the world last year. It also reaffirms the Republic's continuing attraction as a major bunkering port.

Container Throughput

For container traffic, the Singapore port handled a total of 15.6 million TEUs (twenty-foot equivalent unit) in 2001, down 8.9 per cent from 2000's 17.1 million TEUs. The total cargo handled for 2001 was 313.3 million tonnes, down 3.8 per cent from 326 million tonnes in 2000.

On the port's performance, Mr Chen Tze Penn, Director-General, Maritime and Port Authority of Singapore (MPA) said, "2001 was a tough year for the Singapore port set against a backdrop of poor economic conditions and regional competition. In spite of the economic downturn, the port did turn in a commendable performance. While Singapore's container and cargo throughput dipped, they were bolstered by our impressive growth in shipping tonnage and bunker sales. To meet the challenges ahead, we will continue to review policies, improve service quality, innovate and invest in infrastructure, human resources and technology so as to maintain our status as a major transshipment hub and international shipping centre."

Sydney: New Overseas Passenger Terminal Completed

SYDNEY's Overseas Passenger Terminal will be re-opened to the public today following a \$22 million renovation which will open up more of Sydney's harbour foreshore to the public.

Minister for Transport, Carl Scully, said the remodelled terminal, which features new restaurants, a licensed hotel, new lifts, air conditioning and outside dining areas, will create a waterfront destination for tourists and the public.

"The newly renovated terminal has enhanced views of the harbour and greater access to the quayside promenade, opening up more of the Harbour foreshore to the people of Sydney and the world.

"Importantly, the cruise ship industry will also benefit with greater access and more modern facilities for the 100,000 cruise ship passengers who travel through Sydney each year".

The \$22 million works include:

- \$6.6 million for three new restaurants, a licensed hotel and cruise ship access;
- \$9 million for design, construction and foundation works;
- \$3 million for new lifts and upgraded escalators;
- \$2 million for air conditioning and services and additional power;
- \$22,000 to restore the significant Arthur Murch Mural.

Welcoming the "Silver Shadow" for its inaugural visit to Sydney, Mr Scully said the cruise ship industry was a valuable contributor to the NSW economy, generating more than \$30 million annually to businesses.

"This year alone international vessels will make 26 calls to Sydney and domestic

vessels will make another 34 - at approximately \$1 million per vessel that is a significant investment."

Mr Scully said the latest renovations include important restoration work to Arthur Murch's historical mural "Foundation of European Settlement," which hangs on the northern end of the Customs Hall.

Arthur Murch is remembered as one of Australia's great artists, the winner of the Archibald prize in 1949 he was also an official World War II artist.

The redevelopment by Sydney Ports is the second major change to the terminal since it was opened. Built in 1960 on reclaimed land in front of the historic Rocks warehouses, the terminal was designed to accommodate the surge in the passenger cruise ship industry worldwide.

The most recent renovations to the terminal commenced in 1999, with the redevelopment of Doyles and Quay restaurants finalised for the Olympics and final works now complete.

Benefits include:

- Increased foreshore access and more sunlight;
- Improved public access to all levels of the building;
- Streamlined providoring and baggage handling for the cruise ship industry;
- Upgrades to staff facilities;
- New terraced eating areas;
- Improved links between Circular Quay and the Rocks;
- More seating in Customs Hall for passengers;
- Renovated public facilities/toilets;
- New public-viewing decks on two upper levels;
- A new ground-level entrance for cruise passengers, central arrivals and baggage handling.

Launch of Tokyo News Service's Website

Tokyo News Service, Ltd. has posted its website "S&TN OnLine" on the Internet. Provided on this homepage for easy reference are liner shipping schedules and related data extracted from Shipping and Trade News and Sea Sprite.

With use of the website initially being offered free of charge, we would like to invite you to sign up to access the latest updates on the homepage by first entering the information requested on the registration page.



URL: <http://www.tokyonews.co.jp/marine>

Information posted: 1. Sailing schedules a. Liner shipping schedules (export/import) to and from Japan b. Liner schedules (export) from Asian countries other than Japan c. Feeder schedules to and from Singapore
2. Ship details 3. Telephone and fax numbers of shipping firms and agents 4. Surcharges 5. News (in preparation)

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