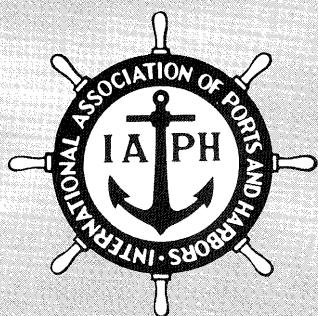


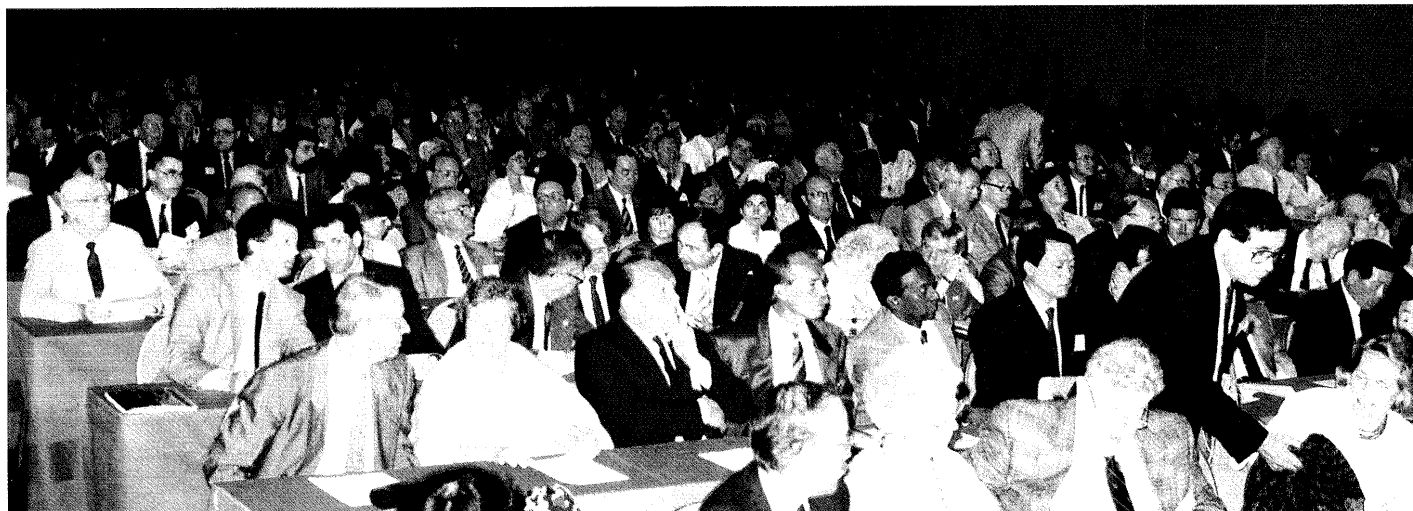
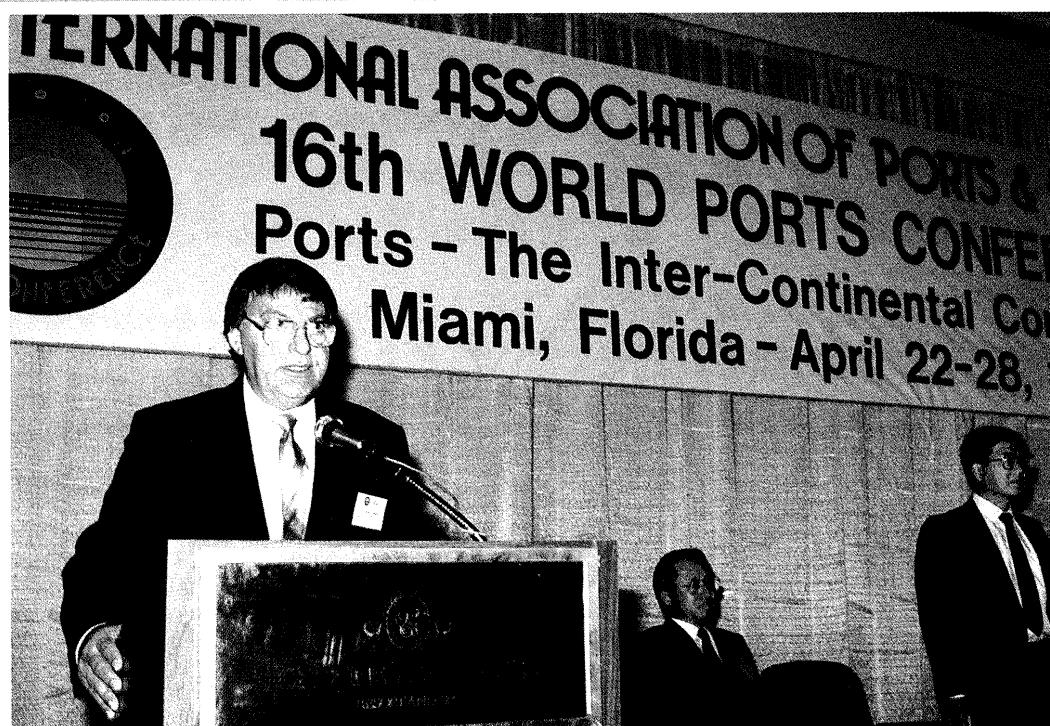
Ports & Harbors

June
1989
Vol. 34 No. 5



The Publisher
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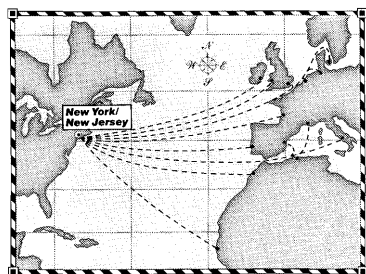
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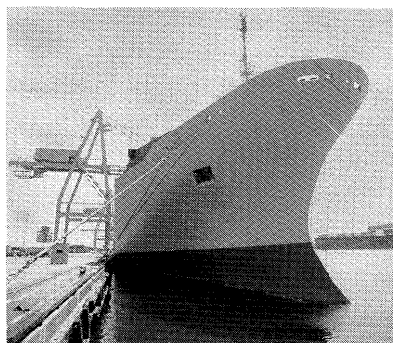
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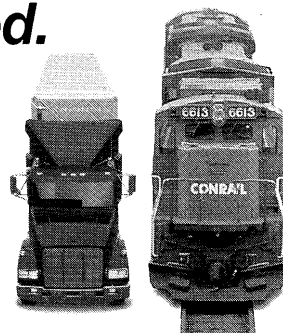


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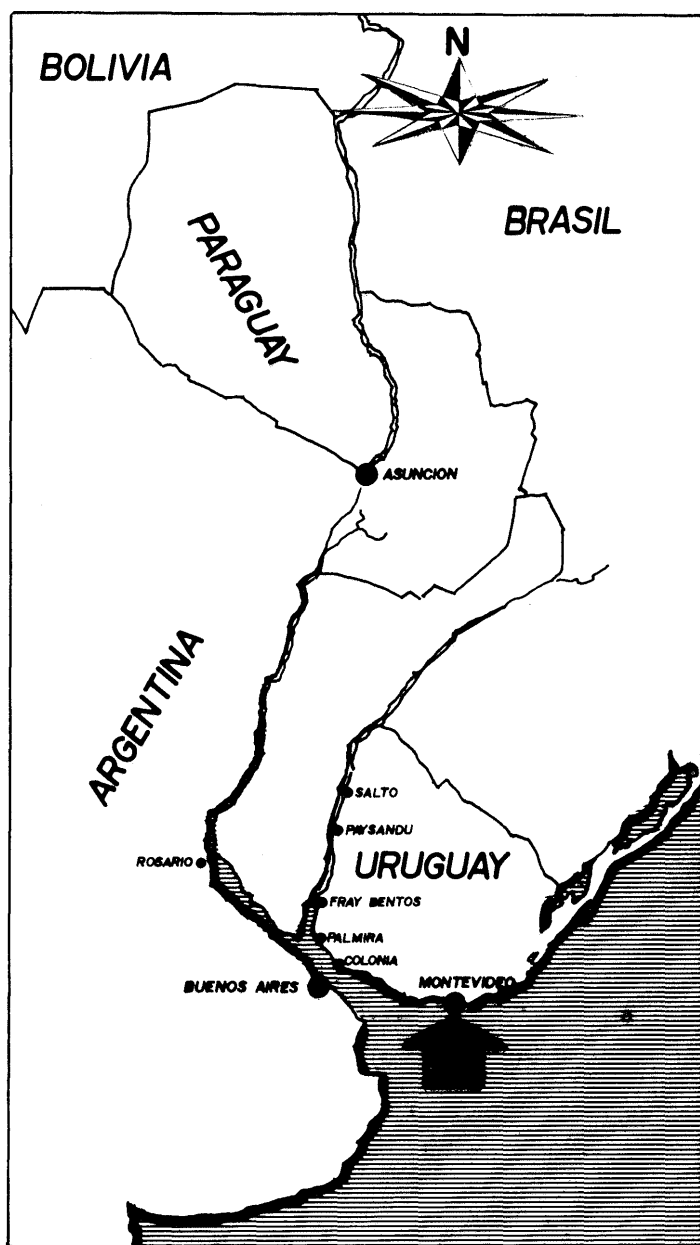
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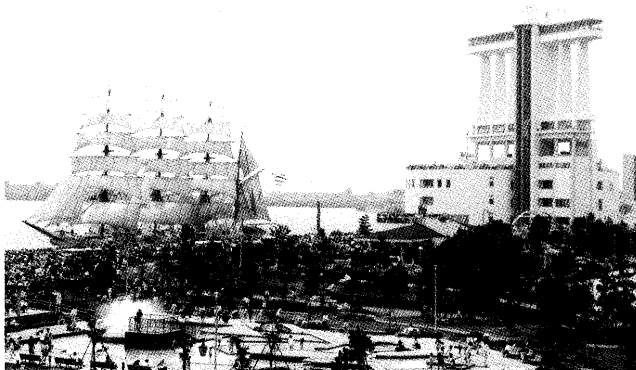
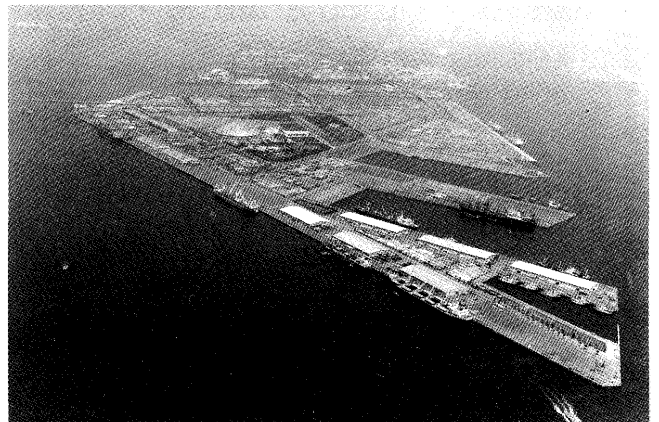
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NEWS

16th World Ports Conference of IAPH "Ports — The Inter-Continental Connection" April 22-28, 1989 at Miami Beach, Florida, U.S.A.

As a service to our members and readers of this journal, particularly those who were unable to attend the Miami Conference, the Tokyo Head Office arranged for Mr. Neil Sinclair, Executive Director of Lloyd's of London Press in New York, to be present at the Conference and interview several key officials. Although the full details of the Conference will not be ready until the July-August combined number, we are pleased to be able to present the interviews conducted by Mr. Sinclair as well as his overview of the Conference as a whole in this issue. — IAPH Head Office

General Overview

By Neil Sinclair
Lloyd's of London Press Inc., New York

Excellent organization, generous hospitality, stimulating discussion, an harmonious atmosphere, congenial surroundings and for the most part brilliant sunshine characterised the 16th biennial conference of the International Association of Ports and Harbors.

Organized and hosted by the Port of Miami and supported by the tireless and ever-flexible IAPH secretariat under secretary general Hiroshi Kusaka and his deputy Rinnosuke Kondoh, the conference convened at the Fontainebleau Hilton Hotel, Miami Beach under the theme "Ports — The Inter-Continental Connection."

Held against a backdrop of rising industrial relations problems at many ports, and with the *Exxon Valdez* accident a fresh reminder of the environmental risks constantly faced



U.S. Senator Bob Graham delivers the keynote speech at the Opening Ceremony

by harbor authorities throughout the world, the conference succeeded in welding together many diverse interests under the goal of port advancement through co-operation.

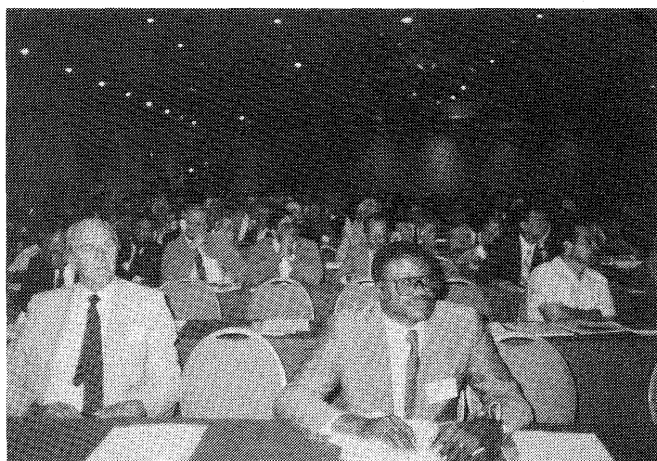
With 500 delegates representing 181 ports and 66 countries, the conference represented one of the largest gatherings of port and harbor officials ever held and, by general acknowledgement, one of the best organized and most enjoyable.

Conference chairman and Port of Miami director Carmen Lunetta and his colleagues succeeded in assembling a conference program which ranged over most of the major issues confronting port and harbor authorities: from technical and economic developments to political and trade overviews.

The tone for a highly productive meeting was set, appropriately enough, by outgoing president Wong Hung Khim whose opening address neatly encapsulated many of the sensitive problems and challenges facing ports today. Wong's appeal for increased efficiency and co-operation was combined with the admonition that ports must take the



K. Dharmalingam, left, the first prize winner in the IAPH essay contest, receives the "Akiyama Prize" at the 1st Plenary Session on April 24 from Toru Akiyama (second from right), the donor of the prize. Also present are C. Bert Kruk (second from left) and President Wong (extreme right) (photo by Kimiko Takeda)



Delegates at Working Sessions (photo by Kimiko Takeda)

initiative to promote and accelerate the use of EDI (electronic data interchange).

Indeed, his assertion that information technology offers vast potential for improved port productivity reflected one of the recurring themes of the conference — communications. With new technological developments rapidly facilitating the electronic exchange of information among ports and their users, it was only to be expected that the working session on communications would be among the most eagerly anticipated.

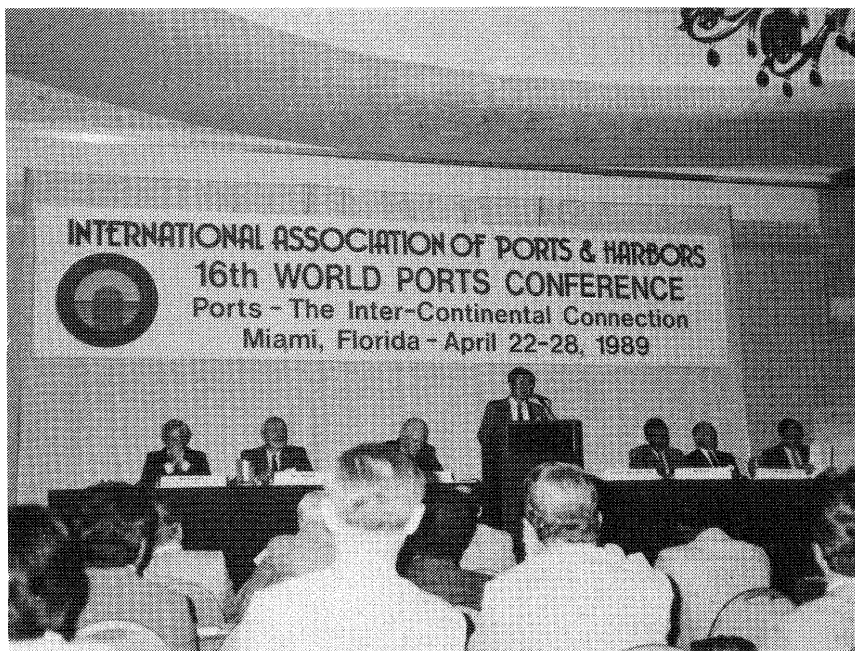
With presentations from a broad spectrum of communications interests it helped illuminate the rocks as well as the smooth, navigable waters on the voyage towards customs and trade facilitation in an electronic age.

Fears that ports in developing countries might get left behind in the communications and technology revolutions were well articulated, both from the speakers' podium and the conference floor. Indeed, Wong's opening address accurately reflected the concerns of many ports faced with

the problem of justifying investments in new technology at a time when initial funding of older technology had not been fully recovered.

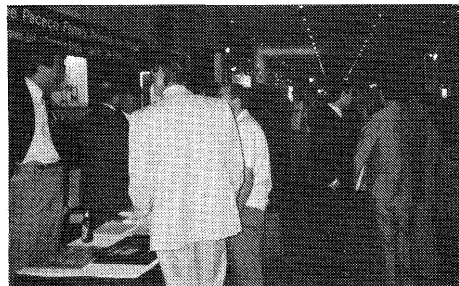
Sessions on the impact on ports of intermodalism, ship design and non-standard size containers gave delegates a further invaluable insight into critical issues facing port authorities and how they might be resolved. They also served to underline the vital work of the IAPH technical committees — frequently described as the fulcrum on which the whole association turns.

The grounding of the tanker *Exxon Valdez* off Alaska and the unfolding ramifications of America's worst oil pollution incident, proved a contemporary spur to the conference's deliberations on the environment. Many delegates described the environment as one of the major preoccupations facing modern port management but it was the speech prepared for Dutch Transport Minister Neelie Smit-Kroes which articulated their concerns. Although she was unable to attend in person because of crucial Dutch



(Left photo) President Wong (at podium) heads the Working Session 2 on the IAPH Technical Committees on April 25. The committee chairmen, from left, are Robert Cooper (Cargo Handling Operations), Jean Smaghe (COPSSEC), Fernand Suykens (Trade Facilitation), Wong Hung Khim (IAPH President), C.B. Kruk (CIPD), Patrick Keenan (CLPPI Vice-Chairman) and Robert Hayes (Public Affairs)

(Below) Pre-Luncheon Cocktail at the Exhibition Area (photos by Kiichi Okubo)



Mike Williams of Tauranga, New Zealand (right), receives a conference registration kit from Pam Blaylok



Dedication of the Port of Miami International Seamen's Center on April 24 (photo by R. Kondoh)

cabinet meetings, her hard-hitting paper on what communities expect from ports underlined the major part which environmental planning and the enforcement of internationally agreed anti-pollution rules must play in future port and harbor operations and development.

Concern at the environmental impact of port operations, maintenance and development helped further illustrate the importance of the IAPH's representation on key international maritime regulatory and advisory bodies such as the International Maritime Organization and UNCTAD.

It also helped serve to redouble the efforts of the association's membership committee to ensure that the IAPH is truly representative of the world's ports. The continuing drive for new recruits was reflected in the attendance, for the first time, of representatives from the port of Venice. However, the overall number of new members only marginally outweighed those who withdrew, reported John Mather of Clyde Port who stepped up from second to first

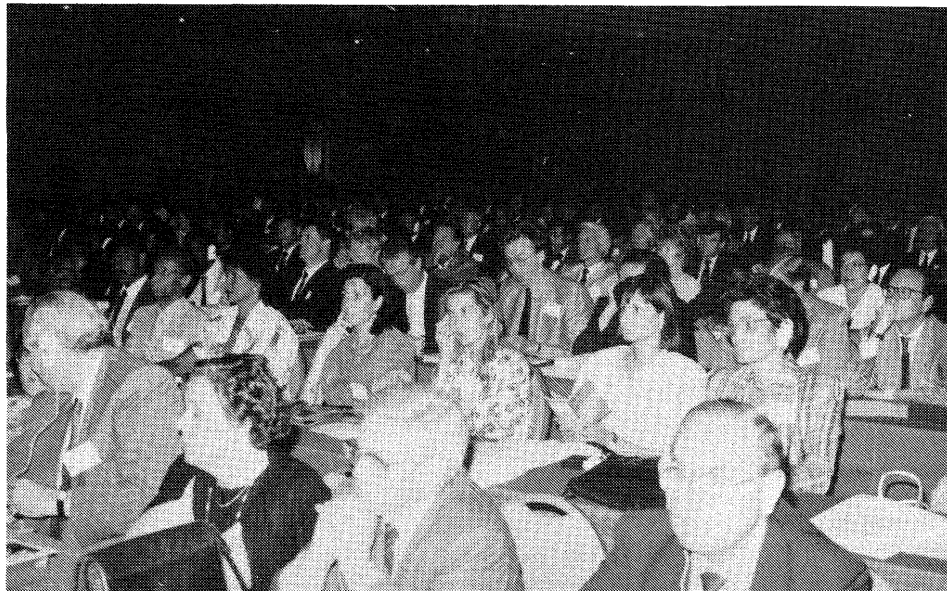
(Continued on Page 19, Col. 2)



On the evening of April 26, on return trip from the Kennedy Space Center, IAPH conference participants enjoyed the visit of Whitehall at Palm Beach, the historic mansion of Henry Flagler, a turn-of-the-century industrialist and pioneer Miami developer

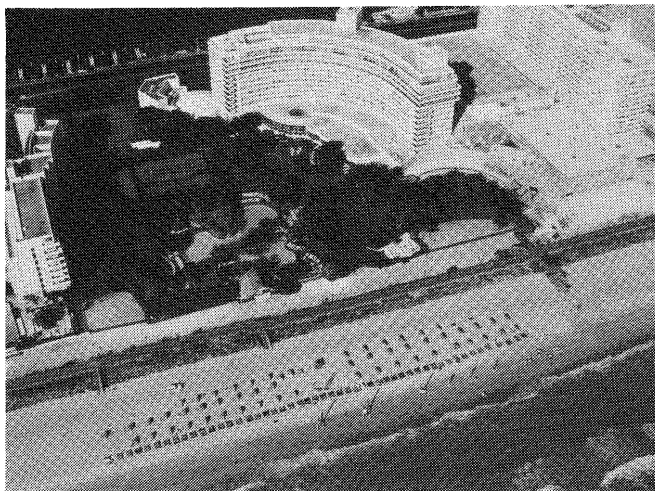
Leaders of World's Ports Analyze Major Maritime Issues

Opening Ceremony attended by 700 participants from 66 countries on April 24



(Below left) The Fontainebleau Hilton Hotel, venue for the IAPH conference

(Below right) The U.S. Coast Guard Color Guard posts colors at the Opening Ceremony



The splendor of the Fontainebleau Hilton Hotel at Miami Beach, Florida, U.S.A., was the setting for the 16th biennial conference of IAPH from 22 to 28 April. The theme of the conference was "Ports — The Inter-Continental Connection". Attending the event were approximately 700 delegates and guests, together with 200 accompanying spouses, from 66 countries.

Opening Session

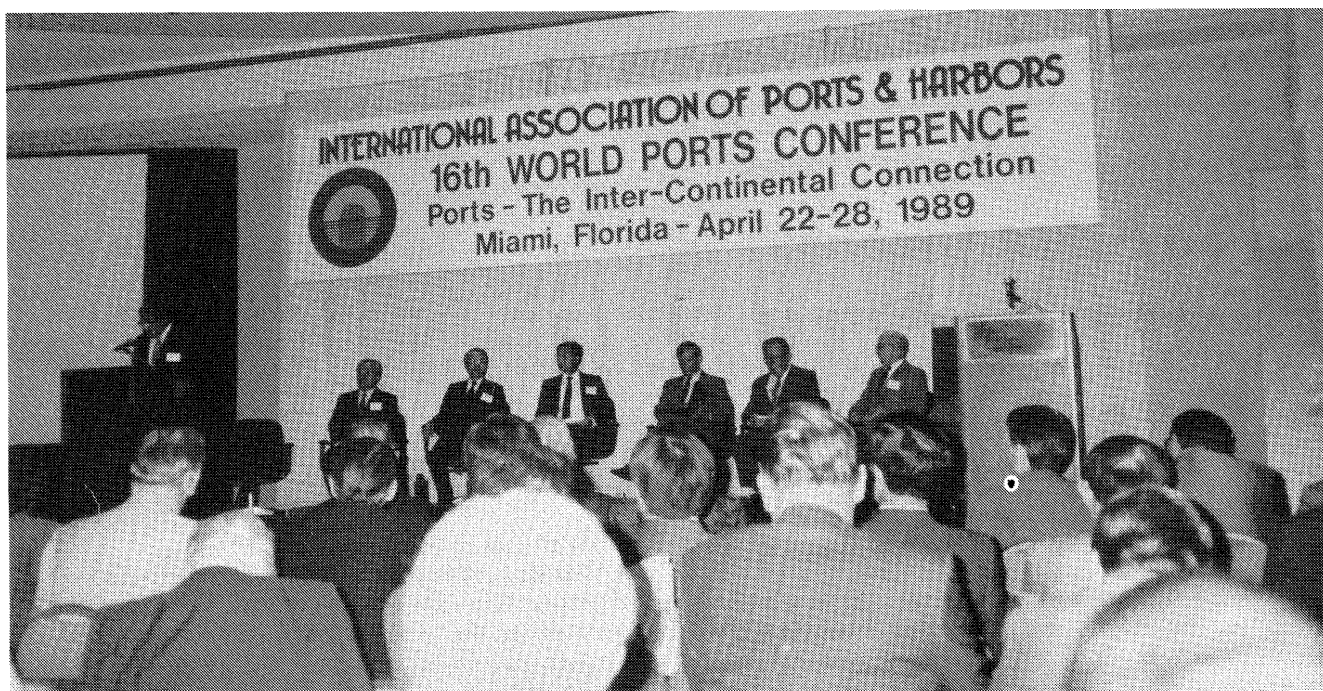
At 8:35, on the morning of Monday, April 24, in the West Ballroom of the Fontainebleau Hilton Hotel, the Miami Senior High School Band began playing as the doors were opened and the delegates and their spouses began taking their seats. A few minutes later the Conference Dignitaries and IAPH Officers, led in by Lori Goodman, the Conference Co-ordinator, walked up in line to the West Ballroom stage.

A few minutes later, Carmen Lunetta, the Director of the Port of Miami and the Chairman of the Conference took

the podium to conduct the official opening ceremony of the 16th Conference of IAPH. On a signal from Mr. Lunetta, following his opening declaration of the 16th IAPH Conference, the U.S. Coast Guard Color Guard from District Seven advanced and posted colors as the band played the United States national anthem.

When the Color Guard retired amid enthusiastic applause, Conference Chairman Lunetta introduced each of the people on the stage and delivered his welcoming address. Then the Honorable Stephen Clark, Mayor of Dade County, offered his words of welcome.

The next speech came from the IAPH President Wong Hung Khim, President and Chief Executive Officer, Singapore Telecoms and the PSA Delegate. First, on behalf of all the participants, President Wong expressed IAPH's appreciation to the hosts for their excellent arrangements. Then, in his address he emphasized the need for upgrading port infrastructures and services to meet the new challenges of globalisation and competition from other ports.



Official Opening Ceremony (photo by Kiichi Okubo): From left, Carmen Lunetta, Conference Chairman (at podium); Hiroshi Kusaka, IAPH Secretary General; Cheung Yeun Sei, IAPH 3rd Vice-President; Wong Hung Khim, IAPH President; the Honorable

Bob Graham, U.S. Senator; the Honorable Stephen Clark, Mayor of Dade County; James McJunkin, IAPH 1st Vice-President (and John Mather, IAPH 2nd Vice-President behind the rostrum)

Poolside Reception for Early Arrivals (photo by Kiichi Okubo)



President Wong elaborated on the issue on competition from other modes of transportation and the implications of oil substitution, saying that the world will have viable substitutes for oil and must plan for the day when ports will handle less oil cargo. He also emphasized that the necessity of further intensifying of the use of existing port areas to ensure the healthy co-existence between port and recreational facilities. Another issue President Wong addressed was that of technological advances. "With EDI," he said, "there will be faster and more effective communication between ports and their users, both vessels and traders, although more capital is necessary to harness the new technologies."

Other topics included were the "Sea-Air Cargo Concept" and "Investment in Human Resources". President Wong concluded by saying that "the years ahead will pose exciting challenges for us. There are good prospects for growth and expansion. However, whether we succeed in fostering the further development of the world's ports depend on how

Delegates at the Exhibition (photo by Kiichi Okubo)



we all rise to the challenges ahead."

To headline the opening session, the Honorable Bob Graham, the United States Senator, delivered the keynote speech. Senator Graham is a native of Miami and was the Governor of the State for two terms before taking up his present position as U.S. Senator. He is, as Mr. Lunetta mentioned in his introductory remarks, is an advocate of free trade. In his speech Senator Graham emphasized the importance of the ongoing U.S. trade ties with the Latin American countries. "We are increasingly interdependent," he said. "The fates of all peoples are increasingly intertwined. We breathe the same air, drink the same water, live under the same threat of nuclear warfare. More than ever in mankind's history, we must learn to live and work together. Our increasingly interconnected postwar economies are proving that familiarity breeds understanding, that trade promotes both strength and peace. The power of free trade is bringing nations across the world together in new economic alliances." (By Kimiko Takeda)

Interviews by Neil Sinclair

Pooling of Resources To Effect Greater Economies of Scale

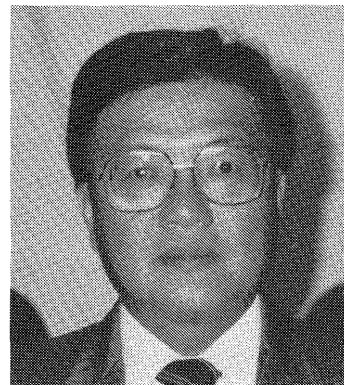
Wong Hung Khim

**President, IAPH 1987-1989
President and Chief Executive Officer
Singapore Telecoms and PSA Delegate**

The inter-continental connection between ports throughout the world was well and truly established in Miami, according to Wong Hung Khim, outgoing president of the International Association of Ports and Harbors.

He said that the biennial conference had once again proved the value to port managers of meeting in pleasant surroundings to debate common issues and resolve common problems.

Wong added that the conference was a splendid opportunity for delegates from ports as far apart as Antwerp and Geelong and Abidjan and Long Beach to distill the



excellent work of the association's committees.

Although he stressed that the conference had succeeded in meeting all its main objectives, he singled out in particular the value of the technical committees in examining and distilling what they perceived to be universal issues affecting ports worldwide.

Wong paid tribute to the "excellent job" carried out by Carmen Lunetta and all the Port of Miami officials in organizing and hosting the 16th biennial conference. He also lavished similar praise on the IAPH secretary general Hiroshi Kusaka and his supporting team.

Now president and chief executive officer of the Telecommunications Authority of Singapore, Wong acknowl-

Greater Emphasis To Be Placed on Relations With Media

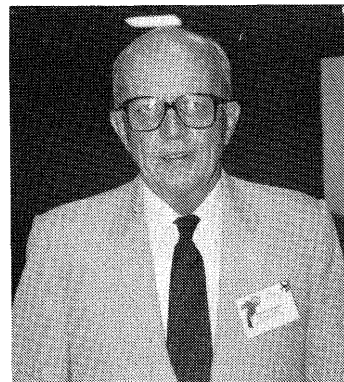
Jim McJunkin

**1st Vice-President, IAPH 1987-1989
President, IAPH 1989-1991
Port of Long Beach Delegate with IAPH**

As one of the most experienced port officials in the association, Jim McJunkin can both look back on a career-long history of expert knowledge and look forward to the application of this invaluable experience as the new International Association of Ports and Harbors president.

Inaugurated at the end of a highly successful conference in which his behind-the-scenes influence was of great support to outgoing president Wong Hung Khim, McJunkin is full of admiration at the work of the association. However, he is insufficiently in awe of its structure and administration not to recognise the need for at least a review of its policies and priorities.

McJunkin, who retired last year as executive director of the port of Long Beach but continues to serve as the port's delegate with IAPH following his post as international marketing adviser illustrated once again how crucial was the work of the association's committees.



"All the committee chairmen are doing an excellent job," he said, "and I would foresee no major changes there."

"If there is any strengthening or expanded role it's more in the public affairs and public relations region," he added.

"I think all of the ports are finding that they need to communicate with their appropriate governments and with the community much more than they have."

McJunkin said the conference had eloquently illustrated both the myriad problems facing ports throughout the world and the need to harness public opinion to help tackle them. He explained that ports needed increased public recognition and support to gain adequate funds. A strengthening of public relations activities was also necessary to ensure that ports are adequately represented in the increasingly tougher competition for waterfront property.

Port activities can also create traffic congestion and, to a degree, pollution, said McJunkin. Coupled with the often unavoidable need to bar members of the public from

edged the debt he owed to both his former and current employers, the Port of Singapore Authority and the Singapore Telecoms, for allowing him to pursue his responsibilities over the last two years as IAPH president.

His position as operations chief of Singapore Telecoms has, however, given him an added perspective from which to view the future of the international ports industry. Wong is a great believer in the need for increased efficiency and co-operation among ports and urged in his opening address the pooling of resources to effect greater economies of scale. He also argued forcibly that ports should consider standardizing specifications wherever possible to facilitate bulk orders. This would help save money and promote global integration of services and electronic networking.

Wong also shared the increasingly widely held view that ports must underline their commitment to environmental protection by "putting their own house in order first".

He added that ports must make sure they are committed to keeping their waters clean and to deter illegal dumping of hazardous materials.

"The existence of a set of rules means nothing unless you enforce them," he said.

As an association, said Wong, the IAPH has a responsibility to liaise with the International Maritime Organisation (IMO), and help ensure that internationally agreed laws are observed.

Wong said that Japan and America can be held up as good examples of countries whose ports have generally paid attention to their environmental responsibilities. However, he added that this has not always been the case for third world ports.

cargo handling areas, this posed a significant public relations problem for ports.

Thus greater emphasis will be placed during his two-year tenure on relations with the media and in promoting the association's objectives and policies in international governmental circles. McJunkin inherits from Wong Hung Khim an organisation which has proved highly responsive to technical challenges but perhaps insufficiently sensitive or alert to the problems posed to port authorities in the corridors of international and national power.

Indeed, McJunkin noted that over the next five years ports throughout the world would face a revolution in communications. He praised the organizers of the 16th biennial conference for their foresight in focusing on electronic data interchange and stressed the importance of the association's role in contributing towards a standardised computer language for message transfer.

Among other missions which McJunkin feels the IAPH should pursue are:

- The need to increase the association's membership, particularly among Spanish speaking nations.
- The continuing need for ports in developed nations to assist those in developing countries.
- The role of the IAPH in international regulatory bodies, particularly on environmental issues.

McJunkin also expressed forceful opinions on the sometimes conflicting responsibilities of port authorities. Ports which had both a marketing and regulatory role sometimes faced a conflict of interest.

"I would rather see that extreme regulatory power in the hands of another body; for example, in the United States it would be the U.S. Coast Guard."

Ports in developing countries have priorities, said Wong. And it's not the environment. He cited shortage of money and the need to secure investment for cargo handling infrastructure as among the main reasons why ports in developing countries had a comparatively poor track record on the environment.

In looking ahead to Spain in 1991, Wong said that among the issues he felt sure would be carried forward from Miami would be co-operation and the combined pursuit of increased efficiency. He would also like to see the next biennial conference examine the prospects for new business opportunities among ports.

"There must be more to it than handling cargoes," he said.

Competition from real estate development was, of course, a crucial element in the paper presented by Erik Stromberg, president of the American Association of Port Authorities. As executive director of the Port of Singapore for some nine years, Wong clearly eluded the American trend towards job insecurity so eloquently outlined by Stromberg. But Wong acknowledged that the pressures so evident on port authority directors in the United States were beginning to be felt by ports and harbors managers throughout the world.

Conflicts of interest between cargo handling and real estate development were likely to rise, particularly in inner city areas where land values were high and waterfront property at a premium. Wong felt such conflicts could be resolved and suggested that Spain in 1991 would make an excellent forum for the examination of new commercial opportunities for ports.

Environment Issue, Property Development Critical for Ports

John Mather

**2nd Vice-President, IAPH 1987-1989
1st Vice-President, IAPH 1989-1991
Managing Director, Clyde Port Authority**

The director of Clyde Port Authority was in no doubt about the single biggest current and future issue facing ports: the environment.

John Mather, who has succeeded Jim McJunkin as first vice-president of the IAPH, explained that dredging and the dumping of dredged spoil at sea posed serious problems for the international port industry.

Although the dumping conventions are not mandatory at the moment, I have no doubt that they may become so, said Mather.

While the severity and complexity of dredged waste disposal problems varied from port to port, he added, there was a common interest served in helping to solve them.

Mather said that the conference would definitely help bring a focus of research necessary to examine how to deal

(Continued on Page 12, Col. 1)



(Continued from Page 11, Col. 2)

with it in the future.

"It is only during the (biennial) conference that you get an interfacing of the different regions," said Mather in underlining the importance of international gatherings to debate shared issues.

"We are all reasonably close in Europe of course but it's only during periods of conference which is every second year that we get a closeness with the American region and other parts of the world.

Clyde Port does not share the toxic waste problem faced

by Rotterdam. Nonetheless, like most forward-looking ports it has come to recognize the impact that its commercial activities can have on the environment.

Mather, who has been succeeded as second vice-president by Cheung Yeun Sei, of the Korea Maritime and Port Administration, also singled out property development as another critical issue for world ports. Clyde Port had come under intense pressure to surrender riverside property for housing development, said Mather, and it was comforting to know that other ports elsewhere in the world were confronting similar problems.

"I am glad to have confirmation that other parts of the world are facing the same problems we have at home of this dichotomy and dilemma created by our local communities on pressurising ports to sacrifice what were formerly port facilities."

He said there had been a great deal of euphoria about riverside development for housing, leisure and recreation. To the extent that it is the main focus in every community and that's putting pressure on us as ports to surrender corridors of our riverside land.

Mather added that it was the responsibility of Clyde Port and that of every other port to keep the degree of land or dock facilities that are required for the traffics that may use it.

3 Trading Blocs To Help Foster Healthy Competition

Carmen Lunetta

**Chairman of the 16th Conference of IAPH
3rd Vice-President, IAPH 1989-1991
Director, Port of Miami**

Carmen Lunetta, director of the Port of Miami and now third vice-president of the International Association of Ports and Harbors, clearly has no difficulty in visualizing trading patterns on a global scale.

In reflecting on the 16th biennial conference he included the European Economic Community, Caribbean, Latin America, Far East and North America in a broad review of trading blocs and their port development.

Smiling and suntanned, as always, Lunetta said the conference practice of first focussing on regional views helped shape more clearly the global picture that later emerged.

An ardent supporter of free trade, Lunetta expressed particular optimism about trading links with Europe after 1992, when members of the EEC are due to complete many of their plans for a single internal market.

"I am very bullish on the EEC and 1992," he said. It's going to be good news."

He said the existence of three very strong trading blocs, the EEC, Far East and North America would help foster healthy competition and should encourage rather than discourage export growth and greater levels of seaborne trade.

Far East investment in developing manufacturing in-



Carmen Lunetta, left, with U.S. Congressman Henry Nowak.

frastructure in the Caribbean and Latin America had increased "tremendously" said Lunetta, spurred by the Caribbean Basin Initiative 2 and the existence of a large pool of cheap labour so close to major American markets.

"We are already starting to see more manufactured products come from South America and the Caribbean," he said.

Cargo throughput at Miami is running about 36% ahead of last year, said Lunetta, and he expected further spectacular growth in the port's trade with its Latin American and Caribbean neighbors.

"Miami," he said, "is going to be like Hong Kong is to the Far East."

The port has a close working relationship with ports in many South American states and was able to further develop these links at the IAPH conference.

Although Lunetta sympathised with the plight of ports in developing countries who struggled to fund investment in new cargo-handling equipment of their customers — the shipping lines. Presentations on the impact on ports of non-standard size containers and increased ship size were,

(Continued on Page 19, Col. 1)

IAPH ANNOUNCEMENTS AND NEWS

New President, Vice-Presidents Unanimously Elected

At the Second Plenary (Closong) Session held in Miami on Friday, April 28, the IAPH members present unanimously elected the new President and Vice-Presidents for the new term as follows.

President: J.H. McJunkin, Port of Long Beach Delegate with IAPH, U.S.A.

1st Vice-President: John Mather, Managing Director, Clyde Port Authority, U.K.

2nd Vice-President: Cheung Yeun Sei, Chairman, Korean Shipping and Port Council, KMPA, Korea

3rd Vice-President: Carmen J. Lunetta, Director, Port of Miami, U.S.A.

Conference Vice-President: Fernando Palao, Director General, General Direction for Coast and Ports, Ministry for Public Works, Spain

Exco Reinforced; Elective Members Increased to 12

As the Association has grown and the scope of activities has expanded, the responsibility of the Executive Committee has correspondingly increased. In order for the Executive Committee to discharge its ever-increasing duties, a bill was passed at the Conference to increase the number of elective members to 12 (4 from each region) from the number of 9 (3 from each region). The Executive Committee is composed of six ex-officio members, namely the President, the four Vice-Presidents, the Immediate Past President, 12 members elected by the Board and 6 members appointed by the President. The membership of the enlarged Executive Committee for the new term is introduced on the following pages.

Committee Chairmen For New Term Named

At the closing session of the Miami Conference on April 28, the new President Mr. McJunkin announced the names of the committee chairmen for the new term. Except the Constitution and By-Laws Committee (chairmanship of which has been changed from McJunkin to Leach), the other committees' chairmen remain unchanged.

Internal Committees:

Finance: C.R. Langslet, Long Beach

Membership: John Mather, Clyde Port

Constitution and By-Laws: R.P. Leach, Houston

Technical Committees:

Cargo Handling Operations (CHO): Robert Cooper, Auckland

Port & Ship Safety, Environment and Construction (COPSSEC):

Jean Smagghe, Le Havre

Ships Sub-Committee: Jean-Michel Moulod, Abidjan

Marine Safety Sub-Committee: J.H.H. van der Schaaf, Rotterdam

Dredging Task Force: Herbert R. Haar, Jr., New Orleans

Port Planning Sub-Committee: Peter M. Fraenkel, London

(formerly called as "Engineering Sub-Committee")

Port Safety and Environment Sub-Committee: P.C. van der Kluit, Rotterdam

(formerly called as Port Safety Sub-Committee)

Trade Facilitation (TF): F.L.H. Suykens, Antwerp

International Port Development (CIPD): C. Bert Kruk, Rotterdam

Legal Protection of Port Interests (CLPPI): Paul Valls, Bordeaux

Public Affairs (PACOM): R.N. Hayes, Dublin

Legal Counselors:

Chairman: P. J. Falvey, New York & New Jersey

At the post-conference meeting of the Board of Directors, the following members have been appointed as Legal Counselors:

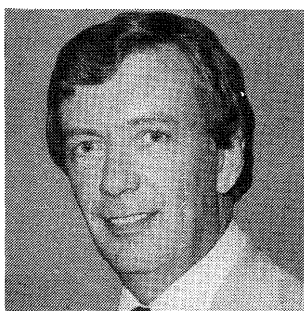
John McCarthy, Tacoma (in replacement of A. Scott Davis of Houston)

Eunice Gitau, Kenya (in replacement of E.T. Waiyaki of Kenya)

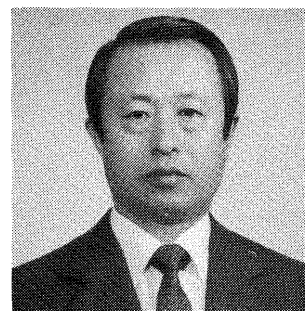
Executive Committee



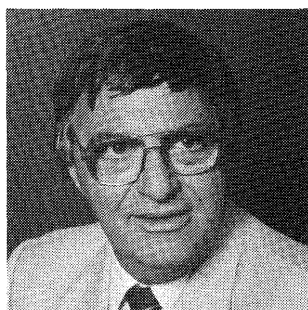
President
James H. McJunkin
Port of Long Beach
U.S.A.



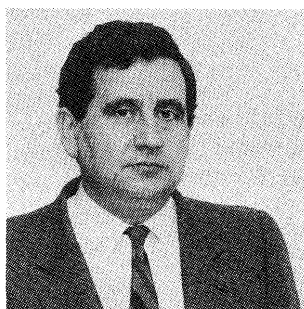
1st Vice-President
John Mather
Clyde Port Authority
U.K.



2nd Vice-President
Cheung Yeun Sei
Korea Maritime & Port Administration
Korea



3rd Vice-President
Carmen J. Lunetta
Port of Miami
U.S.A.



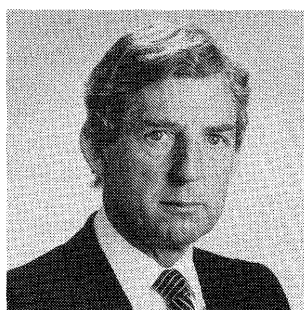
Conference Vice-President
Fernando Palao
General Direction for Coast and Ports
Ministry for Public Works
Spain



Immediate Past President
Wong Hung Khim
Singapore



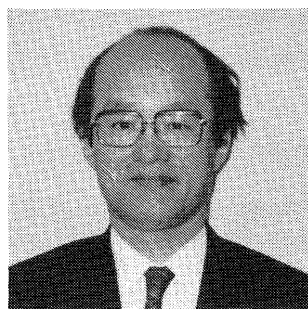
Hashir H. Abdullah (A)
Kelang Port Authority
Malaysia



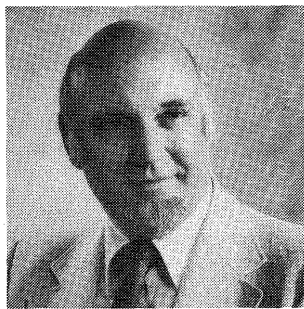
Robert Cooper (A)
Port of Auckland
New Zealand



Yoshiro Haraguchi (E)
Nagoya Port Authority
Japan



Shinya Izumi (E)
Ports and Harbours Bureau
Ministry of Transport
Japan



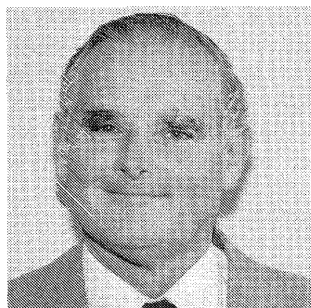
Alexander Krygsman (E)
Stockton Port District
U.S.A.



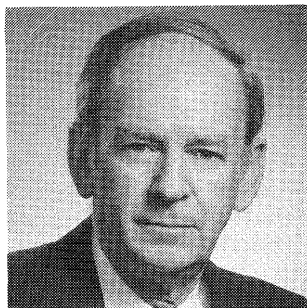
Richard P. Leach (A)
Port of Houston
U.S.A.

Members (1989 - 1991)

Note: (A) Appointed by the President
(E) Elected by the Board



J. Leech (E)
Department of Harbours and Marine
Australia



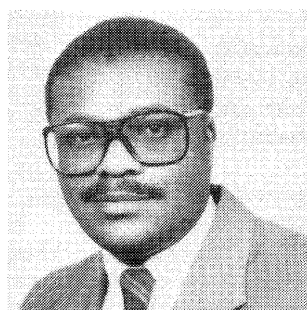
F.J. MacNaughton (A)
Port of Vancouver
Canada



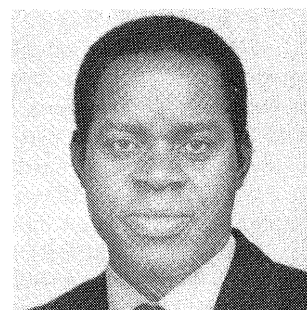
H. Molenaar (E)
Port of Rotterdam
The Netherlands



D.N. Morrison (E)
Transport Canada
Canada



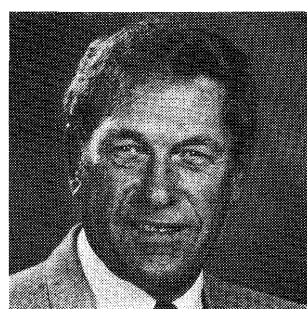
J.M. Moulod (A)
Port of Abidjan
Côte d'Ivoire



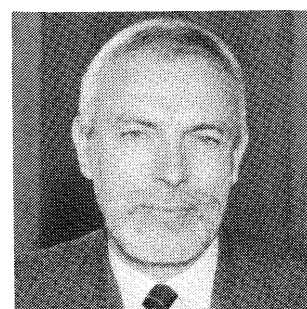
Philip O. Okundi (A)
Kenya Ports Authority
Kenya



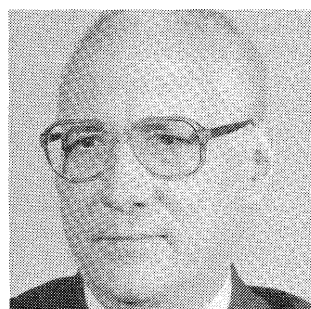
Erik Schäfer (E)
Port of Copenhagen
Denmark



N.G. Samuels (E)
Port of Geelong
Australia



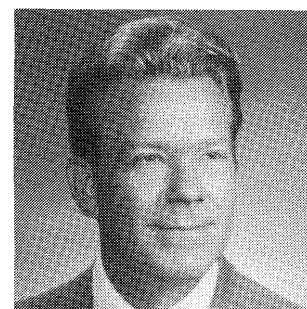
Jean Smaghe (E)
Port of Le Havre
France



Fernand L.H. Suykens (E)
Port of Antwerp
Belgium



Dominic J. Taddeo (E)
Port of Montreal
Canada



W. Don Welch (E)
South Carolina State Ports Authority
U.S.A.

IAPH Submits Resolution on Terminal Operators Liability to UNCITRAL

At the instruction of Mr. Patrick J. Falvey, Chairman of the IAPH Legal Counselors, Secretary General Kusaka (on May 9, 1989) officially submitted the following Resolution of the Miami Conference to the chief of the Secretariat of the United Nations Commission for International Trade Law (UNCITRAL) in Vienna.

RESOLUTION CONCERNING A PROPOSED CONVENTION TO LIMIT LIABILITY OF TERMINAL OPERATORS

WHEREAS the Committee on Legal Protection of Port Interests has studied a Proposed Convention on Liability of Operators of Transport Terminals which will be placed before the United Nations Commission for International Trade Law at its 1989 meeting; and

WHEREAS, the Board of Directors has approved the Committee's Report on that Proposed Convention;

NOW, THEREFORE, BE IT RESOLVED by the INTERNATIONAL ASSOCIATION OF PORTS AND HARBORS, at its Second Plenary Meeting held during the Sixteenth Conference on the 28th day of April, 1989, that IAPH hereby expresses its support of the principle of clarifying and limiting the liability of operators of transport terminals for loss or damage to goods subject to the reservation that it wishes UNCITRAL to consider carefully the proposed concept of the operator being made responsible for intentional damage or delay to goods by the servants or agents of the operator and subject to the further reservation that the monetary limits should be set at reasonable and insurable levels.

Letter from the UNCITRAL to IAPH (via facsimile dated May 11, 1989)

Dear Mr. Kusaka,

Thank you for your facsimile letter of 9 May containing comments of the International Association of Ports and Harbors (IAPH) on the draft Convention on the Liability of Operators of Transport Terminals in International Trade.

We are making every effort to make the text of your comments available to the delegates in all the languages of the United Nations at the beginning of the twenty-second session of the United Nations Commission on International Trade Laws (UNCITRAL).

Yours sincerely

(signed)

Gerold Hermann
Office-in-Charge
International Trade Law Branch
Office of Legal Affairs

IPD Fund: Contribution Report — US\$30,000 still needed

The contributions from members to the Special Port Development Technical Assistance Fund ("the Special Fund") as of May 10, 1989 are listed in the box below. The amount received in contributions and sums pledged in the past one year totals US\$39,688, leaving the amount of US\$30,312 yet to be raised. At the Miami Conference, the CIPD Chairman Kruk renewed his appeal to all IAPH delegates there for the continued support towards achieving the targeted amount of US\$70,000.

Contributions to the Special Fund (As of May 10, 1989)

Contributors Paid:	Amount (US\$)
Associated British Ports, UK	3,000
South Carolina State Ports Authority, USA	1,000
Cyprus Ports Authority, Cyprus	700
Japan Port & Harbor Association, Japan	450
Toyo Construction Co., Ltd., Japan	234
Toa Corporation, Japan	500
Port Alberni Harbour Commission, Canada	200
Korea Dredging Corporation, Korea	300
Port Authority of New York & New Jersey, USA	1,000
Vancouver Port Corporation, Canada	1,000
Klang Port Authority, Malaysia	200
Saeki Kensetsu Kogyo Co., Ltd., Japan	250
Penta-Ocean Construction Co., Ltd., Japan	1,000
All French Ports by UPACCIM*	1,560
Shimizu Construction Co., Ltd., Japan	390
Taisei Corporation, Japan	390
Japanese Shipowners' Association, Japan	390
Port of Redwood City, USA	100
Puerto Autonomo de Barcelona, Spain	991
Port Authority of Thailand	100
Port Rashid Authority, UAE	500
Japan Cargo Handling Mechanization Association	390
Obayashi Corporation, Japan	400
Port of Copenhagen Authority, Denmark	1,000
Clyde Port Authority, UK	1,000
Public Port Corporation II, Indonesia	150
Toyama Prefecture, Japan	420
Georgia Ports Authority, USA	1,000
Port of Oakland, USA	350
Kuantan Port Authority, Malaysia	200
Port of Seattle, USA	1,000
Kajima Corporation, Japan	420
Port of Reykjavik, Iceland	500
Canada Ports Corporation, Canada	250
Nigerian Ports Authority, Nigeria	250
Port of Montreal, Canada	1,000
Ports Public Authority, Kuwait	1,000
Tanzania Harbours Authority	200
Junta del Puerto de Gijon, Spain	500
Sharjah Ports Authority, U.A.E.	500
Port of Yokohama, Japan	4,950
Port of Long Beach, USA	1,000
Mauritius Marine Authority	200
Chiba Prefecture, Japan	403
Dr. Frederik K. DeVos, Canada	100
Tokyo Metropolitan Government, Japan	3,941
IAPH members in the Netherlands**	3,209
Capt. Robert W. Innes, Canada	250

Autorite Portuaire Nationale (APN), Haiti	100
Total	US\$ 38,938
Pledged:	
Hiroshima Prefecture, Japan	US \$750

* Union of Autonomous Ports & Industrial & Maritime Chamber of Commerce

** Directorate-General of Shipping & Maritime Affairs, Port Management of Rotterdam, Port of Vlissingen, Port of Delfzijl/Eemshaven, Port Management of Amsterdam

Bursary Recipients

Mr. C.B. Kruk, Chairman of the Committee on International Port Development (CIPD), has approved bursaries for the following individuals:

Mr. Augustine Adrian Yapp, Sabah Ports Authority, Malaysia, to participate in a training course at the IHE, Delft, Netherlands

Mr. Vakatora, Port Authority of Fiji, to participate in the Port Management and Operations course at the Port of Singapore Authority Training Center, from 5 — to 16 June 1989

Visitors to Head Office

April 11, 1989 — Mr. Doug Sanberg, Alderman of Richmond Municipal Council. Mr. Mel Goodwin, Chairman, Richmond Sister City Twinning Committee, Mr. J. Carlins, Dy Administrator, Strategic Planning Corporation, Mrs. Irene Frith, Chairman, North Fraser Harbour Commission, Mr. Mel Frith, Superintendent on Equipment, Richmond Municipal Public Works Yard, Mr. R. Breckner, President, Innovac Technology Inc., Mrs. W. Breckner

April 11, 1989 — Mr. Ronald L. Stone, Executive Director, San Francisco Port Commission

Reports by the Committee on Legal Protection of Port Interests (CLPPI)

THE HNS DRAFT CONVENTION

Having failed to be accepted by the Diplomatic Conference in May 1984, this subject was re-examined at the 58th, 59th & 60th Sessions of the IMO Legal Committee and is also on the agenda for the 61st Session.

A number of major points still remain to be settled, so it is likely to be on the agenda for a number of sessions still to come.

IAPH's established policy in this respect has been to work for a convention which:

- includes an extended range of hazardous and noxious products, as well as an extended range of risks (pollution, toxicity, fire or explosion on board, etc), within its scope;
- goes as far as possible in respect of small packages;
- enables the person liable for damage to be easily identified;
- establishes that liability shall be objective and covered by mandatory insurance; and
- sets the limitations of liability at very high levels.

The trend at IMO, given the number of serious and costly accidents that have occurred in recent years involving HN Substances in barrels or containers, would seem to be to work towards a convention which includes packaged goods.

It is true that a convention whose scope is limited to bulk transportation of goods, in the hold or tanks of the vessels, would technically mean that:-

- a limited number of commodities, normally carried in large loads would be involved;
- this would assist in the identification of the owner, the shipper and the consignee of the goods; and
- it would help with the introduction of measures for obligatory insurance for the limitation of liability and for compensation of victims, along the lines of those introduced in 1969 and 1971 for damage caused by oil pollution.

However:

- this would only address the easiest part to be dealt with,

the compensation of damage caused by the transport of HN Substance;

- the most dangerous chemical substances (without mentioning nuclear wastes, which are dealt with elsewhere in other international conventions), are carried in barrels or drums;
- cargo lots of 20 to 30 m³ may be transported inside containers, or on road vehicles, whereas
- explosives are generally carried in cases.

Recent maritime disasters have focussed the attention of governments on the inherent dangers of transporting certain given products in packages. Mention may be made of the CASSON disaster in December 1987, off the coast of Spain.

She was carrying general cargo among which were approximately 2,000 t of hazardous and noxious substances in barrels. Caught in a storm she ran aground on the rocks, which caused a series of damage to her hull, which was holed in several places as well as damaging the barrels she was carrying, the contents of which, when mixed with seawater became inflammable and exploded, giving off toxic fumes which drifted towards the shore. The crew which abandoned her lost 33 men.

The neighbouring population was evacuated as a precaution. Then came the difficult and costly job of having a salvage company assist the ship by off-loading the remaining intact cargo as quickly as possible and then finally the task of removing the wreck.

Spain has been left with considerable financial costs from the simple unfortunate passage of a ship off her coast, which was carrying a cargo loaded in a Northwestern European port and bound for the Far East.

Mention can also be made of the case of "Zanoobia", which was carrying 2,000 t of toxic products packed in 11,000 drums (some of which were split and rusted), and which drifted around the Mediterranean for several months looking for a port which would accept her.

The introduction of packaged goods into the scope of

the convention considerable complicates the task in hand, involving:

- the extension of the scope to the transport of dangerous goods on board general cargo vessels;

- the declaration and identification of the cargo lots, their owners and their consignees; and
- the distribution of the burden of obligatory insurance, of liability and the limitations of the latter.

CONTAINERS AND CONTAINERSHIPS

The Legal and Financial Implications for Ports

From the technical point of view, the present evolution in the characteristics of containers and containerships comes within the scope of COPSEC and the Committee on Cargo Handling Operations.

The results are having major repercussions, both commercially and financially. CLPPI would draw attention to them, without pretense at evaluating them.

1. The Distribution of Traffic between Ports and the Evolution in Ships

It is probable that major ports will make it a point of honour to follow these developments, in order to meet the needs of their users, and that they will invest the required funds to build up their infrastructure and provide appropriate crantage.

In this way, the entry into service of new containerships with larger and larger capacities would suggest their operation outside conferences, with a reduced number of base ports from where feeder services will ensure the distribution to other ports. The rotations of medium-sized containerships, which currently call directly at numerous ports of call, could consequently become rare. This would imply a certain re-organization on a world scale of the maritime and port economy.

2. The Characteristics of Containers

In addition, it is all ports who will find themselves affected by the evolution in the characteristics of containers. It would seem that future norms are tending towards:

- lengths being extended to 48 feet (14.63m), eventually even to 49 feet (14.70);
- widths being extended to 8 feet 6 inches (2.59m); and
- heights being extended to 9 feet 6 inches (2.90m).

This trend would condemn to obsolescence numerous quayside cranes as well as an array of on-shore container handling and storage equipment, with which numerous ports the world over — and especially those in the developing countries — felt that they should be equipped.

It will also cause many problems for inland transport networks (road, rail and eventually even inland waterways).

Does IAPH have an opinion to express, from the commercial and financial points of view:

- concerning this question, which could divide the interests of ports and even of countries; and
- regarding the situation where the organizations who fix norms (such as ISO) limit themselves to following an evolution which they are unable to control?

Shipowners, Ship Charterers, Operators and the Ports

It is essential that port authorities be precisely informed of the identity of their customers. Unfortunately, this is not always the case, either as far as the identity of vessels or of their operators is concerned.

An awareness of these needs has been made apparent by various areas of work at both UNCTAD and IMO, but it seems likely that the introduction of EDI (see CLPPI's Paper on the Legal Aspects of EDI) may help resolve some of the problems involved.

1. The Identity of Ships

1.1 The Necessity of Accurate and Easy Identification

Port Authorities require detailed accurate information relating to the identity of ships that are to call at their facilities:

- from the technical point of view, for the choice of quay and equipment to meet the needs of the call;
- from the financial point of view, to establish those dues and taxes which are based on the ship's characteristics;
- for drafting ships arrival announcements and for ensuring

they do not lead to confusion; and

- for the prevention of fraud or even piracy, on the true characteristics of the ship if, during previous calls, a ship's identification has been disguised.

1.2 Debates currently being held at the United Nations on Registration

As far as the United Nations Organization is concerned, this question involves:

- UNCTAD, which was recently responsible for drafting the International Convention of 7th February 1986 on the Registration of Ships.

This Convention includes provisions relating to ships' registration on the register of the State whose flags they fly. In fact, various difficulties are, in practice, encountered during changes in ownership, flag, or the name of a ship.

The provision of permanent access for any person who may be interested and appropriate references for the research and identification of a ship are questions of primordial

importance, especially for mortgage claims.

It is to be hoped that solutions to these practical problems will be found rapidly.

1.3 Ship Coding

IMO is involved, as far as encoding the name of the Ship is concerned, as well as for the drafting of messages concerning her and, if necessary, for the installation on shore and on board of all technical equipment required.

There are numerous international associations with consultative status at IMO and UNCTAD who are interested in this matter including, of course, IAPH and more particularly, within IAPH — COPSEC.

There are, however, both financial and legal aspects involved as well as technical solutions to be found and thus, to a lesser degree, perhaps, CLPPI needs to monitor the progress being made in this area.

2. Identification of Operators and their Representatives

2.1 Identification of Owners and Operators

The identification of the operators, in the first instance, raises the question of the identification of the owners of the ship, as mentioned above.

However, in addition to this, there are commercial ties which may exist:

- between the ship owner, transporter and the charterer operator; and
- between the operator and the ship's agent in the port of call.

The first question closely concerns all holders of claims, whether or not they have maritime liens attached and whether they are mortgages or not, and amongst these holders Ports are to be found.

Charter agreements can be of various types (time charters, voyage charters, including crews, or bare bottom.....). The current deliberations during the joint IMO/UNCTAD Sessions devoted to the revision of the Conventions on Maritime Liens and Mortgages are aimed, amongst other things, at clarifying certain of these points.

The difficulties encountered by shipowners have repercussions on the activities of ships' agents in ports:

Previously, ships' agents enjoyed the confidence of everybody within the port. Their word was sufficient assurance that all debts incurred by the ship during her call,

Carmen Lunetta Interview

(Continued from Page 12, Col. 2)

of course, key elements of the conference program drawn up by Lunetta and his Port of Miami colleagues.

Miami has already invested heavily in terminal facilities to cater for the next generation of cruise ships and is assessing what needs to be done to improve rail-freight and other intermodal links from the port to markets within and outside Florida. Lunetta has long harbored the vision of a north-south intermodal corridor to speed the flow of road and rail freight between major Atlantic/mid-west/deep south markets and Miami.

The 16th biennial conference can only have helped promote Miami's ambitions as, indeed, it assisted many other ports to chart more accurately their future progress.

As Lunetta said at the end of the conference: "We opened with high hopes and expectations.

"We close with those hopes and expectations realized."

and even those incurred in an incident or accident, would be settled rapidly by them on the ships' departure.

These days a ship's agent is no longer certain that he has the backing of the ship's operators when he takes the initiative, or that he will be re-imbursed by them for the expenses he has incurred or disbursed on the ship's behalf.

Thus ships' agents have been forced to reduce their role to that of a simple messenger, thereby engaging neither their liability nor their personal revenue.

In these circumstances, the only way in which claim holders (among which can be found port authorities) have of ensuring settlement of the costs incurred during a ship's call and that have remained unpaid, is to prevent the ship from sailing by arresting her in port.

In some cases, ships' agents have been known to abandon their job of representing the operators when a ship's call has been extended for various reasons (technical, legal, social, financial, commercial.....). Those holding claims against the ship and the port authority then find themselves with no local contact and are obliged to take up the difficult task of finding and contacting the shipowners in far distant places.

This difficult situation calls for attention and, if possible, remedies to be found. At national level? International (IMO, UNCTAD.....)? Public or private? Official statutes of codes of practice?

Ports and IAPH could, in the future, be called upon to submit their observations on this subject of IMO or UNCTAD, if the present situation of ships' agents in ports continues to deteriorate.

3. Conclusions

The issues developed above involve questions of vital importance which are currently in full evolution, both within the international agencies of the United Nations as well as the within the trades concerned and their appropriate international associations.

General Overview

(Continued from Page 7, Col. 1)

vice-president following Jim McJunkin's inauguration as new IAPH president.

Both new and old members were equally impressed with some quite astonishing trade growth predictions presented by ports in the Far East. The expansion plans of South Korea and Hong Kong — two of the four new economic tigers of the Far East — plus the overviews of Japanese and Malaysian ports — provided further proof of the rising importance of the Pacific rim to world trade. Delegates also heard how intra-Asian and intra-Far East trade is making up a growing proportion of overall Pacific rim port business.

But while the port of Miami was almost universally praised for its conference organization — and generally congratulated on the open session format rather than smaller, parallel meetings — delegates and their spouses also enjoyed a quite remarkable social program. Visits to the Port of Miami's extensive cruise shipping terminal, an evening "cruise to nowhere" courtesy of SeaEscape, an all-day trip to the Kennedy Space Center and a barbeque at the Seaquarium on Key Biscayne south of Miami Beach were among the highlights.

Carmen Lunetta described the 15th biennial conference in Seoul as a "hard act to follow." However, the Port of Miami has set a standard which the ports of Spain as hosts of the 1991 conference will find equally difficult to emulate.

International Maritime Information

WORLD PORT NEWS

Training for the Port And Shipping Industry

Dr. Terrence Coldwell, Director of the Maritime Studies Graduate Studies Programme (Humberside College), reviews the current needs of the port and shipping for vocational training.

During the late 1970s UNCTAD's Shipping Division commissioned a report on behalf of the Group 77 developing countries to examine their management training requirements in ports and shipping. The report estimated that only about 10 percent of managers in port had received some sort of formal training about their industry. There are, therefore, large numbers of individuals from the port and shipping industries in developing countries who have never attended specialist educational or training programmes.

Almost all economic activities rely on the efficient movement of goods by sea. Delays of goods and ships are costly; for example, it has been estimated that port congestion is responsible for the addition of as much as £3,500 million to developing countries' freight costs each year. This estimate does not take into account loss of markets, the cost of capital tied up, the deterioration of goods due to delay, bad handling and storage, and pilferage, or the delay suffered by national development projects owing to the late delivery of materials.

In response to these, Humberside College offers a portfolio of specialist vocational educational programmes aimed directly at the port and shipping industry. The aim is to provide for both the immediate training needs of developing countries and facilitate a more realistic long-term specialist educational programme. The emphasis is to provide task- or problem-orientated short courses for senior/middle managers in the port and shipping industry.

Emphasis here will be given to the provision of the one-year Graduate Studies Programme but a few words

about the Maritime Studies task- or problem-orientated short courses would not be amiss.

Both Humberside College and Placon Ltd., the consultancy arm of the Port of London Authority, had been independently receiving enquiries from port authorities about specialist short courses. With this in mind Humberside College and Placon Ltd. have combined resources to offer a specialist 10-week course in Port Management starting January every year. The course is aimed at middle/senior managers and offers three independent modules which can be done separately or together, depending upon the needs of the individual. The three modules are Port Operations, Port Strategic Management and Port Decision Making which includes a computerised port management game.

It is Humberside College's view that to achieve the basic management purpose of organisational efficiency and effectiveness within a port or shipping company it is important that functional managers perform their task well. With this in mind, Humberside College offers a one-year Graduate Studies Programme for junior/middle managers which leads to the award of Master of Science in Port Management or Shipping Management.

Entry to the Graduate Studies Programme is flexible and caters for most managers in posts; experience and qualifications are both taken into account. Depending upon the individual's progress, a course participant may be awarded either a Post experience Diploma, Post graduate Diploma or a Master of Science. The philosophy of the course is to create and provide a learning environment which is sufficiently flexible to meet the demands and needs of individuals.

The Graduate Studies Programme includes two common modules: management decision making and strategic management. Here, managers from both the port and shipping industry can mix together and discuss common

issues and problems whilst broadening and deepening their knowledge and analytical skills in management. Participants then split into their specialist areas — PORT MANAGEMENT and SHIPPING MANAGEMENT to undertake two core modules in operations management and economics and policy. Participants can choose one further module from a selection of courses to meet their particular needs. Designed into the Graduate Studies Programme are field trips to port and shipping complexes to underpin the taught courses as well as to familiarise participants with technologies. A feature of the Programme is a six-week case study session where participants are faced with realistic issues and problems in the port or shipping industry.

It is clear that the Graduate Studies Programme is welcomed by the port and shipping industry, particularly in developing countries. The on-going dialogue with the maritime industry and the advice it has given are reflected in the aims and objectives, structure and curriculum of the course. The maritime industry has indicated that a successful candidate leaving the Graduate Studies Programme in Port Management or Shipping Management is a "new animal" and much welcomed.

Master of Science In Port Management

Course Dates: Programme starts September each year.

Entry Requirements: There are various modes of entry so contact Humberside College for details.

Port Operations And Management

SHORT COURSES

Over the years the main emphasis of port management training has been directed towards coping with the change from a labour-intensive to a capital-intensive industry due to technological changes in shipping and the introduction of new methods of cargo

handling — most port authorities have now overcome these problems.

Of more contemporary concern is the change in emphasis towards private investment in ports, with clearly defined financial objectives and the need to address strategic policy and its implementation.

This course therefore develops techniques and approaches relevant to the stages of strategic analysis, strategic implementation in ports. Such models and approaches are likely to be common to both public and private sector ports and to a certain extent supersede the highly prescriptive and narrowly focused methods and principles of cost benefit analysis.

Other areas that the course considers are day-to-day operational issues such as maintenance, engineering and modern port technologies. Opportunities will arise where common problems can be debated at length with a view of identifying possible practical and economic solutions.

COURSE PARTICIPANTS

The course is aimed at senior port managers and government officers involved with port operations, planning and development who cannot leave their positions for a long period of time but feel they need to receive specialist port management training.

Language: The course will be conducted in English.

COURSE STRUCTURE

The course consists of three "one month" modules which reflect the contemporary issues facing port authorities worldwide. The modules are based on the view that modern port organisations are becoming increasingly more complex and that they are operating within a changing environment. The skills and understanding of port managers, and government officials, if they are to function effectively, must therefore be correspondingly developed.

The three modules can be taken together as one course or the individual modules can be taken separately: whatever package suits your requirements, you choose.

All three modules contain both the theoretical and practical approaches to each section with time spent in both lecture and operational settings.

Module 1: Port Strategic Management — Policy and Planning (3 weeks)

The gap between theoretical management literature and practical guidance on its application to ports is wide. This keynote module addresses strategic policy and introduces techniques and approaches of strategic analysis, choice and implementation in ports.

Module 2: Port Operations (3 weeks)

The module on the operational issues of day-to-day port management. Functions such as maintenance, engineering and modern port technologies are put into perspective by senior port managers and provides a forum for discussion of common issues.

Module 3: Port Management Decision Making (4 weeks)

The module consists of keynote lectures in port economics, finance pricing

and marketing and is fully underpinned by appropriate visits to port complexes where participants can discuss issues with other operational port managers. The module culminates with a computer-assisted port management simulation where participants will have the opportunity to "manage" a port for several years.

COURSE DATES

The course starts January every year. The modules can be done alone or together to form a 10-week programme.

For further details contact:

Head of School

Port Management Programmes

Humberside College of Higher Education

Nuns Corner

Grimsby

DN34 5BQ

Telephone: (0472) 74140

Telex: 592717 HUMCOL G

IMO Marine Environment Protection Committee

27th session

(Agenda item 15 document)

IMO resolution A.388 (X) — Recommendation concerning tonnage measurement of segregated ballast oil tankers and port dues

Submitted by the International Association of Independent Tanker Owners (INTERTANKO) and Oil Companies International Marine Forum (OCIMF)

INTERTANKO and OCIMF would again draw the Committee's attention to the Assembly Resolution A.388 (X) which regrettably, is still not recognised by port authorities in the assessment of port dues covering segregated ballast tankers.

This Resolution calls upon Administrations to deduct segregated ballast spaces (SBT) from Gross Registered Tonnage (GRT) in the assessment of port dues to avoid penalising new tankers or upgraded existing vessels which comply with Reg. 13 of the MARPOL 1973/78 Convention. The Resolution recognises that port authorities should avoid discriminating against SBT vessels, bearing in mind that their cargo and earning capacity are lower than tankers of similar sizes

not constructed or modified for SBT when regarding the proportion of investment and running costs derivable from compliance with Reg. 13 only.

Compliance with an international convention to protect the environment must not be discouraging by having indirect negative effects on running costs and competition. Unfortunately, port dues are normally based on a vessel's gross tonnage which is considerably increased relative to the cargo carrying capacity when a tanker is arranged with SBT. It is extremely discouraging when port authorities failing to meet their obligations of the MARPOL Convention are benefitting from SBT tankers by higher port dues.

For two years, the Port of Rotterdam has practiced an SBT-deducted gross tonnage for the assessment of port dues. This scheme was abolished on 1st January, 1989 for different reasons whereof one was that the port management felt more and more uncomfortable being the only port recognising IMO Resolution A.388 (X). As an example, recent information on excessive port dues for an SBT tanker of 350,000 dwt shows a financial penalty in the amount of US\$40,000 for a single visit.

Further, it must be expected that the unfairness created on SBT tonnage will cause distorted competition with non-SBT tonnage for many years to

come because of the stagnation in newbuilding of tonnage during the last decade.

The Committee is requested to exert influence for an amendment of the formulation in the Annex of Res. A.388 (X) for the recommended remarks in the tonnage certificate to cover also vessels below 70,000 dwt. i.e. all references should be made to Reg. 13 of MARPOL 73/78 Annex I.

The Committee is again also requested to remind IMO Members of such an above mentioned amended Resolution A.388 (X) and to urge Member States to promptly instruct their port authorities to adopt the resolution and to inform certifying bodies of the proper formula for conversion of SBT volume to deductible tonnage and of the proper noting in the tonnage certificate. Ports not assessing the dues based on gross tonnage should work out principles with the intention of IMO Resolution A.388 (X) in mind.

This and any other action taken to ensure the port dues for segregated ballast tankers reflect the intention of the organisation will be welcomed by the industry.

INTERTANKO Appeals to IMO for provision of Reception Facilities

(Quoted from IMO document: MEPC 27/5/4)

INTERTANKO has, since 2 October 1984, continuously monitored and registered the remarkably low activity, in the efforts to comply with regulation 12 of Annex I of the MARPOL 73/78 Convention, among Member States, Governments and port authorities.

INTERTANKO's Members have no possibilities to fine or influence authorities to penalize ports which neglect their obligations while stringent inspections of vessels are being exercised in ports with alertness via established and organized means.

Again, and with reference to the new joint study by IMO/INTERTANKO on "Recycling of Oily Waste in the Marine Industry" and the "MEPC 27/INF.2 (agenda item 5) of 16 January 1989", INTERTANKO requests the Committee to induce Member States to take proper action to improve the very unfortunate situation. The MEPC

is requested to make the content of the above-mentioned study available to delegates concerned for their perusal and consideration of the present problems and the technological possibilities available for solving such problems.

Arguments from authorities that the engagement of tanker tonnage arranged with segregated ballast tanks is eliminating the need for shore reception facilities is not correct. Waste is frequently produced from the cargo area even on SBT tankers, i.e. when cleaning tanks for shifting grades, tank inspections, repairs, etc.

Transportation Costs, Profitability 1980/2000

Rapid post-Panamax container ship fleet growth is forecast over the near term in a new report from CSR Consultants — "Container Transportation Costs and Profitability 1980/2000." Over 85 new buildings with slot capacities in excess of 3,000 TEUs are expected to enter service in the 1990s — including a further 34 vessels in the 4,000 TEUs plus size ranges. Ranging to a maximum size of around 6,000 TEUs, the report suggests that over 50 of these larger units will have been deployed by end-2000. Operators search for further scale economies and lower slot costs together with anticipated bunker price increases in the early/mid 1990s will underpin much of the forecast rapid development expected.

In a wide-ranging appraisal of prospective container trade growth and associated shipping and port/terminal developments in the 1990s, the report stresses that the number of post-Panamax sized vessels ultimately deployed will depend on the balance of future development between RTW and end-to-end services on a relatively small number of arterial routes. While there is little in the way of an economic edge on underlying costs going with either service option at present, primarily because similar sizes of vessel have been constructed and deployed by carriers, the report notes that this is likely to change, with the balance of advantage swinging decisively in favour of end-to-end operators. With an extended range of available scale economies to hand, the study argues that presently

disadvantaged end-to-end operators are unlikely to ignore the potential advantages following on from the forward deployment of far larger units than their RTW competitors.

Prospective future developments in underlying container ship capital, operating and voyage costs will also tend to benefit the traditional, higher-cost, end-to-end operators according to the report—reflecting the "emergence of an increasingly level container shipping ball-park". Existing flag generated operating cost differentials are expected to decline dramatically in the near-term and underlying container vessel costs across a range of registries will tend to converge as a result. Accompanying changes in the container shipping competitive environment are anticipated, most notably progressive erosion of the advantages presently enjoyed by existing low cost pools of capacity—much of which have been deployed by independent operators.

With forward inflationary pressures expected to ease and operators' cost containment strategies meeting with some success, the report expects fully built-up container ship costs to remain relatively stable, in real terms, over much of the coming decade. The importance of scale economies as a primary determinant of competitiveness within the market will increase correspondingly, concurrent with continuing marked improvements in average port turnaround times, which have already served to further extend the range of available container ship scale economies.

Turning to the container port/terminal interface, the report suggests that load centering, box transshipment traffic and long haul intermodal movements inland will increase steadily throughout the 1990s. The deployment of increasing numbers of large container carrying vessels will considerably enlarge the range of economic options available inland and further rationalisation and concentration of box traffic flows at larger volume ports serving larger volume inland transportation corridors will eventualise as a result. The survey states that "there are obvious limitations to the scope and scale of such development although in the context of overall system economics, the attainment of further scale economies will inevitably generate some degree of rationalisation."

The competitive environment for container ports/terminals will continue to sharpen with continuing container systems development according to the report. At the same time, the pressures for accompanying container port/terminal upgrade investment — in the shape of new, high capacity fourth generation container gantry cranes, the requisite yard handling and storage facilities, improved onward transportation links, etc. — will increase dramatically. The report comments that “investment requirements are clearly set to expand quite markedly in the near-term, against a backdrop of considerable and continuing uncertainty” and notes that “only a small number of front rank container ports and terminals worldwide possess the volume throughput bases and superior inland linkages necessary to justify the sizable requisite investment.” The survey adds that “even here, the decision as to whether or not to commit significant amounts of investment...is not likely to be embarked on lightly, given the prospects for a further concentration of container traffic flows in the near term and an attendant increase in the level of inter-port competition over much of the intervening period.”

With certain reservations, the report is optimistic with regard to forward box traffic growth prospects. Container throughput volumes at world ports are forecast to increase from a level of 64.1 million TEUs in 1987 to 73.4 million TEUs in 1990 (+15%) and 110.6 million TEUs in 2000 (+73%). The reports suggests that accompanying investment requirements in the container port/terminal sector will increase steadily as a result, rising from an estimated US\$11.1 billion in the 1980s to \$12.1 billion in the 1990s (+9%). All in all, over \$73 billion will need to be invested by the container industry in the 1990s — a 30% increase on the estimated \$56.3 billion committed in the 1980s according to the report. Continuing global container traffic growth and associated hardware requirements will underpin much of the anticipated forward investment (\$43 billion) although an increasing proportion (\$30 billion) will be funded by “replacement” demand as aged and/or obsolescent hardware — ships, boxes and port/terminal handling equipment alike — is removed from service.

New Publications

Containerisation International Yearbook

Readjustment and reinforcement of trading patterns, strains on conferences and consortia, moves by liner operators into total distribution services and by forwarders into ocean carriage — what are the prospects for 1989 and beyond?

In her introduction to the newly-published 1989 edition of *Containerisation International Yearbook*, editor-in-chief Jane Boyes predicts that events in the U.S. trades will continue to be critical, although noting that some analysts expect that the effect of the U.S. economy in driving expansion of world container trade will moderate. “Much of the rise in U.S. exports attributable to the weaker dollar has already taken place,” she says.

The slowing in U.S. imports and subsequent rate erosion prompted 13 carriers to form a cooperative Trans-Pacific Discussion Agreement with the object of providing a more stable environment in eastbound trades. Their talk of reducing overall capacity by around 10% may come to fruition this year. The traditional role of freight conferences too is expected to become less appropriate in the future with the spread of “value-added” services and closer ties between shippers and carriers.

The theme of “an industry in transition” runs through a series of informative commentary articles by Containerisation International’s magazine staff which introduce the 1989 Yearbook.

Burlington Northern Railroad’s decision to switch from domestic trailers on flatcars to double-stack 48ft containers is heralded in one of these commentaries as a “watershed event” in the return of the container as prime mover in the U.S. domestic market. The article concludes “Like a persistent dinosaur, piggyback is finally set to fade away.”

In a commentary entitled “1988: the year of the reefer” annual production of refrigerated containers is reported to be at record levels. The present world

total of nearly 250,000 TEUs in integral reefer equipment is expected to increase at an annual rate of 10%-15% a year, and the reefer is now established as the second most popular container type with purchasers. By the end of 1988, the container leasing sector had attained its greatest stability for many years, according to another of the Yearbook’s introductory chapters. Almost 30% of the total fleet available for lease had changed hands in the preceding 18 months and a period of “tidying up” is now in progress.

Container port throughputs totalled over 65.8 million TEUs worldwide in 1987 and Hong Kong overtook Rotterdam to top the World Container Port Traffic League with 3.5 million TEUs. “Easing bottlenecks in terminals with large volume throughputs will be one of the major challenges of terminal operations in the early 1990s” according to a feature entitled “Integrated terminal handling systems in prospect.” Dramatic improvements in ship/shore handling rates, brought about by refinements such as dual-trolley and semi-automatic control systems, are beginning to show up the limitations of current terminal back-up systems. However, the new Rotterdam terminal to be used by Sea-Land Service from 1993 is likely to involve automated remote-controlled guided vehicles carrying containers to automated yard gantries in the stacking area.

The remarkable growth in South East Asian container traffic in the late 1980s is expected to continue at least into the 1990s. A brief commentary indicates this as having been brought about largely by a strong north/south shift in Asian industrial activity. The likely upshot is an increase in the trend towards direct services and more dedicated relay services as these so-called Newly Industrialised Countries continue to develop.

Containerisation International Yearbook’s annual survey of containership fleet capacity records a slower growth rate for 1988. The additional 173 vessels added only 5.3% or 145,360 TEUs, and the definitive containership register now lists 4,455 vessels totalling 2,868,598 TEUs. Another 157,060 TEUs is due to come on stream in 1989, but this 5.5% increase is expected to be offset by increased scrappage. Over the period 1987/88, nearly 60,000 TEUs

of containership capacity was withdrawn for breaking.

CI's unique Register of Container Carrying Vessels is only one of a wide range of reference sections making up the bulk of the 750-page Yearbook, which covers around 5,000 organisations involved in the intermodal industry. The Register itself gives name, deadweight and 14 other relevant details for each vessel — ship type, total and reefer capacity, service speed and flag, number of crew, year and yard of build, type and design of main engines, shipowner, operator, service name and route.

Other reference sections cover the world's containership operators (detailing vessels, ports of call, land- and minibridge services and container fleets operated); ship managers and brokers; and CTOs, road, rail, intermodal air-cargo operators. The tabulated Equipment Guide includes full listings of container and semi-trailer manufacturers, handling and stowing equipment fabricators and a guide to computer software for the container industry. The hardware services aspect is covered in reference sections on container leasing, repair, damage surveys, box tracing and secondhand units, along with a guide to marine insurance.

For further information, contact Mark Lambert, Editor (tel: 01-439 5213).

Containerisation International Yearbook 1989

National Magazine Co., Ltd., National Magazine House, 72 Broadwick Street, London W1V 2BP.

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Prices (by airmail outside the UK): UK £108, Europe £128, elsewhere £152.

The Americas

Harbour Park...Open for Business: Thunder Bay

It's what every developer dreams of—great location, low land development costs, marine, rail and road access, and competitive financing.

Harbour Park, the latest development of the Thunder Bay Harbour Commission is designed for companies seeking flexibility.

Located in the hub of the port, Harbour Park is a 45-hectare (112-acre) development that sits at the head of the Great Lakes Seaway System. It has been designated for industrial development in the Master Port Plan and in the Official Plan of the City of Thunder Bay.

Harbour Park has been very carefully planned and will integrate prime commercial and industrial space. The Park is fully serviced with sanitary sewers, water mains, gas and electricity. Minimum lot size is .4 hectares (1 acre).

The Harbour Expressway, which connects to the Trans Canada Highway, will be extended directly to Harbour Park in 1989. Both CN and CP Rail access the development sites which are adjacent to Keefer Terminal, a Commission-owned transportation facility. Keefer offers Harbour Park tenants 750 m of marine berthing, rail and truck accommodations, inside heated and cold storage and excellent outdoor storage.

A Progressive City

The City itself is industrious, progressive and picturesque. It has all the

amenities of a large metropolis, while maintaining the warm and relaxed atmosphere of a small town.

Its population of 112,000 people come from varied ethnic backgrounds and their customs and foods can be enjoyed throughout the city. Thunder Bay residents enjoy four full seasons. Year-round recreational facilities are in abundance, from the many golf courses, racquet sport courts, and indoor and outdoor swimming pools, to alpine ski resorts and groomed nordic trails. Recreational boating and sailing are common sites in Thunder Bay's harbour. The city has numerous shopping malls, major hotels, first-class educational facilities including Lakehead University, and Confederation College, and a new 1,500-seat auditorium for performing artists. Just a few hours drive from the city is an outdoorsman's paradise where some of Canada's best hunting and fishing can be enjoyed.

Park Development Underway

The marketing plan for Harbour Park is just coming on stream, and interest is already keen.

Canfarge Cement Ltd. is the Park's first tenant. The facility is a bulk storage plant for water shipments of inbound aggregates that are used in the company's cement production.

Another tenant is ICG Ltd., a liquid gas company which supplies its trucks with propane, from its Harbour Park location, for distribution throughout the district.

Also located in Harbour Park is the Port Authority office building. Numerous other companies are presently in negotiations.

For the entrepreneur, who is in the market to joint-venture a project, or is in search of serviced land to lease,

AT THE HEAD OF THE SEAWAY

A WORLD-CLASS PORT IN THE MIDDLE OF
NORTH AMERICA. SKILLED LABOUR, GREAT FACILITIES.

Thunder Bay Harbour Commission, P.O. Box 2266, Thunder Bay, Ontario P7B 5E8
Phone (807) 345-6400 Telex: 073-4347 Fax (807) 345-9058



PORT OF
THUNDER BAY
Ontario, Canada

or is looking for constructed facilities for long-term lease or lease/purchase, Harbour Park is a place worth considering. (*Transport of Thunder Bay*)

Canada Railways Respond with New Container Services

The competitive demands of the west coast container trade have prompted Canada's two trans-continental railways to each initiate a new container transport service from the Port of Vancouver.

The first regularly scheduled double-stack service within Canada was introduced by CN Rail in early February. The weekly service between the Port of Vancouver and Toronto will employ 12 sets of "five pack" cars, enabling CN to double-stack up to sixty 40-foot containers in either direction, each week.

CN inaugurated the service using leased cars, which the railway will monitor closely while designing its own. CN plans to have specially built cars, suited specifically to Canadian conditions, on the Vancouver-Toronto service by late '89.

In the meantime, the talk over in the CP Rail yard is of "longer", rather than "higher". CP is introducing the "spine car" to serve import/export container traffic across the country. An industry first, the "spine car" is a five platform set linked by articulated connectors.

CP claims the spine car offers a smoother ride than the traditional flatcar, with the ability to carry two fully-loaded 20's, or one fully-loaded 40' or 48' container per platform.

(*Port News*)

Prince Rupert Port To Create Habitat

The Prince Rupert Port Corporation, Ports Canada, will create roughly 5,000 sq. metres of marine habitat to compensate for about 2,500 sq. metres that will be lost during the construction of the Fairview expansion.

The project will involve the dredging and in-filling of a small bay at Digby Island near Phillips Point followed by transplanting of eelgrass and other marine plants.

Mr. Greg Caw, Habitat Management

biologist with the Department of Fisheries and Oceans in Prince Rupert, says this is the first time there has been an attempt to transplant eelgrass on B.C.'s north coast as compensation for habitat lost to development.

"I think this is a terrific component of the port expansion," says Mr. Caw. "The Port is attempting to meet DFO's policy of 'no net loss.' This should prove to be a good example of proper corporate conduct."

Mr. Caw says that eelgrass habitat forms a vital part of the marine ecosystem.

He says the new area will be twice the size of the habitat being destroyed because it is likely that part of the transplant effort will fail.

"It's been done on the south coast with varying degrees of success. We've learned a lot which should prove beneficial here."

Creating optimum growing conditions requires the correct soil and proper water depths. The donor stock of eelgrass will come from other areas of the harbour where it is plentiful.

(*Currents*)

Port of Vancouver Economic Powerhouse

The Port of Vancouver is both a generator and facilitator of economic activity; locally, throughout British Columbia, and across Canada. It is simultaneously an employer, capital investor, taxpayer, commercial work centre, and economic hub for the nation's import/export trade and transportation sectors. In many respects, Canada's largest port is an economic powerhouse.

These are the conclusions of a study commissioned by the Vancouver Port

Corporation to identify the size and scope of the economic impact of the Port of Vancouver. In conducting the study the Vancouver consulting firm of Coopers and Lybrand interviewed more than 150 port-related companies and organizations, and employed sophisticated economic models to analyze the data.

Jobs and Dollars

According to the study, the Port generated \$766 million in direct expenditures during 1987. Accounting for almost one-half the total is a regional payroll of \$355 million, resulting from the 8,920 jobs directly dependent on port activities.

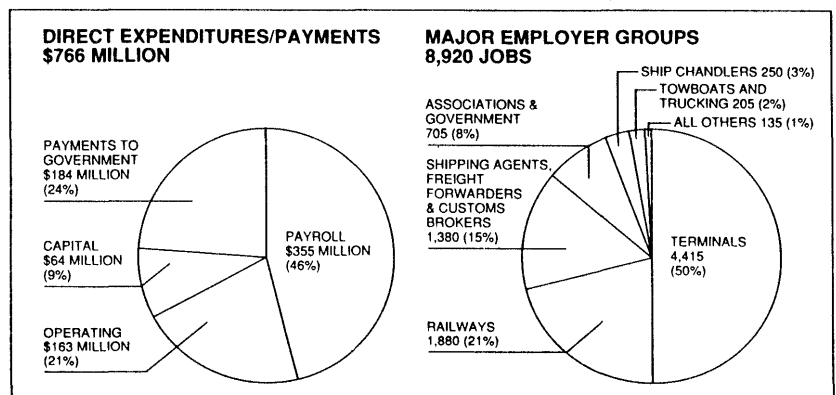
As a "facilitator" of industry not directly related to the movement of cargo, the Port also makes a significant economic contribution. This description includes such sectors as shipbuilding and repair, fishing and fish processing, bunkering, air service, marinas and yacht charters. These industries and others account for 2,500 direct jobs with an annual payroll of \$72 million.

Indirect Impact

The study also suggests that the impact of the Port of Vancouver can be felt right across the country. Direct and indirect employment generated by the Port — locally and nationally — is set at 18,875 man years. The resulting labour income totals \$895 million. Spending by Port businesses and employees accounts for \$442 million worth of industrial production. Canadian content of Port-generated industrial production amounts to \$215 million.

Cargo Value

The 64 million tonnes of import/export cargo handled by the



Port in 1987 is estimated to be worth \$24.2 billion. And while exports outweighed imports by a large margin, the two carried close to the same value — due in large part to the high value of containerized imports. Foreign exports were worth \$10.8 billion, while foreign imports carried a price tag of \$10.1 billion. Total domestic cargo is valued at \$3.3 billion.

Trade as Bellweather

The dynamics of trade and transportation that drive this economic clout are important in sectors far beyond the immediate participants. Governments and industrial planners in setting economic development priorities; educators considering tomorrow's skill requirements; all will include the implications inherent in Canada's ability to trade — and to move this trade through the nation's largest port into the next century. *(Port News)*

Vancouver Sets Another Passenger Record

The 1988 Vancouver-Alaska cruise season produced a new cruise passenger record for the Port of Vancouver — the sixth new record in as many years. The Port's two cruise terminals handled 324,261 revenue passengers — a gain of 10,380 over the 1987 season. A dozen international cruise lines operated 19 ships on the Alaska cruise during 1988. Total sailings from Vancouver reached 209.

Of the regular callers, all but one line — Sitmar — “home ported” their ships in Vancouver this season. Sitmar — citing excellent services and favourable positioning — had already selected Vancouver as home port for one of its ships in '89 when the Sitmar-Princess merger was announced.

Vancouver Port Corporation Manager of Marketing, Mr. Kevin Little, credits strong local team work for the growth of the Vancouver-Alaska cruise industry. “The lines have tended to focus on the Alaska scenery and ship-board luxuries in marketing this cruise,” said Mr. Little. “We think that Vancouver as the southern terminus is an enormous draw — and we're working hard to convince the lines to market Vancouver and B.C. as part of the vacation package.”

The 1989 Vancouver-Alaska cruise

season is tentatively scheduled to open Sunday, May 14th, with the arrival of the “Regent Sun”. Of the 19 ships calling Vancouver in '89, five will be visiting the Port for the first time.

(Port News)

Vancouver: Transport of Dangerous Goods Study

Burrard Inlet has the “highest abilities” in responding to an emergency involving dangerous goods. This was among the findings of a recent study examining the transportation of dangerous goods in the Vancouver region.

Cited as having “highly skilled and well-equipped response teams” with “the ability to take corrective action in the case of a dangerous goods incident,” a variety of Port users are named in the report, including Dow Chemical, Canadian Occidental Petroleum, the Canadian Chemical Producers Association, and B.C. Petroleum Association.

A joint initiative of the federal and provincial governments, and the Greater Vancouver Regional District, the “Vancouver Area Transport of Dangerous Goods Study” heard from over 150 participants, including representatives of the VPC. Input was received via four separate working groups — Rail, Marine, Road and Emergency Response.

The Study concludes that the transportation of dangerous goods in the Lower Mainland is generally safe, although there is room for improvement in some procedures. A key recommendation is for the creation of a Tri-Level Advisory Council to maintain ongoing liaison between Study participants, and provide a vehicle for communication with the public at large.

Other recommendations call for:

- better radio communications;
- faster distribution of dangerous goods permit information;
- improved training standards, with the possibility of specialized emergency response training courses being offered at facilities such as the Pacific Marine Training Institute;
- the establishment of a computer chemical data base to quickly provide the information needed in responding to an emergency, and to reduce the degree of danger to people and the environment.

Approximately 6% of total port

1989 — Watershed Year For Container Shipping Industry, Houston Port

By Leo J. Donovan

Vice President

Booz-Allen & Hamilton, Inc.

As we enter a new year, it is useful to reflect on the developments and changes in the international intermodal transportation sector. Change will occur at three different levels or segments of the industry including:

- The fundamental relationship between the supply of and demand for intermodal shipping and port facility capacity

- The institutional manner in which the industry manages its affairs and, specifically, the conference system

- The manner in which carriers, ports and customers communicate with one another

In this article for the Port of Houston Magazine, I will present how we see 1989 unfolding in each of these three areas and their impact on carriers, shippers and ports. At the end of the article I will conclude with the implications that these and other issues may have on the Port of Houston next year and in the early 1990s.

Unending Supply/Demand Dilemma

As executives in the ocean container industry reflect upon 1988, there is little to be pleased about and, more importantly, their 1989 crystal ball suggests, for the optimistic, a moderately positive yet hazy view of the next year and, for the more pessimistic, a darker and cloudier 1989.

On the brighter side, there were substantial increases in outbound movements from the United States to Europe and Asia. These increases caused a corresponding increase in rates in that direction and more even equipment utilization in trades dominated by imports throughout the 1980s. Further, the number and scale of carrier service restructuring and rationaliza-

tonnage is categorized as dangerous cargo. Gasoline accounts for the largest share (40%), followed by sodium hydroxide (16%), crude oil (13%), and methanol (8%). *(Port News)*

tion suggests that 1988 was the first year that the ocean carrier sector truly availed itself of the liberalizations characteristic of the 1984 Shipping Act.

These pluses were offset by a series of debilitating events and actions that, when taken together, overshadow the good news and lead one to conclude that 1988 was a year the industry could have just as well done without.

High on the "bad" list was the dramatic decline in imports of high-valued goods from Asia and the softening of such shipments from Europe. This situation exacerbated the imbalance that has existed between dollar denominated revenue and foreign denominated costs for all but the American carriers since 1987.

Compounding this unhealthy situation was the addition of high-quality independent carrier service and/or the defection of several major carriers from the ocean conference system governing (or not governing) the trade between the United States and Europe and the Far East.

With this as background, I may feel compelled to advise our ocean carrier clients to either defer 1989 or take the year off. Assuming neither is possible, it is essential to determine how 1989 will be similar to or different from last year.

One thing is certain. We can expect the ocean carrier supply/demand situation to get worse before it gets better. On the demand side, most forecasters project a modest annual growth rate between 3 and 5 percent during 1989 and 1990. I personally feel it will be higher, perhaps 8 to 10 percent in loaded TEUs between the United States and our major trading partners. But even at the high growth rate, it will be insufficient to absorb the growth in capacity that can be expected during 1989 and 1990. **Exhibit 1** suggests that the supply of large containerships over 2,000 TEUs will grow by 57 percent between January 1989 and January

1990, or about 25 percent each year.

Of course this growth in large ships could be tempered somewhat by a decline in smaller container vessels. Such a replacement has not occurred during the early history of containerization as the older and smaller container ships are simply redeployed on other routes.

Should the excess capacity situation continue to worsen as I have suggested here, then the tenuous situation affecting ocean conferences could deteriorate even further. To either meet or overcome this challenge, the conferences will need to adapt—and this is the issue that I believe will dominate container shipping in 1989. Assuming I am right, it is important to consider some of the implications of such change.

The Conference System — 1989

It is curious that 1989 is the year selected by the Congress that enacted the Shipping Act of 1984 to review the impact of this legislation. Government, shippers, carriers and ports will all have their opportunity to provide their input on this important but difficult-to-evaluate legislation.

I believe that the conference system, as we have come to know it in the United States since 1916, has failed to achieve its stated purpose. Such failure has been underscored since the enactment of the 1984 act.

In our European trade, conference carriers represent less than 50 percent of the market share westbound. While it is higher in other directions and other trades, the system has been unsuccessful in promoting stability and reliability in service levels and prices in the United States trades.

It seems that the higher the stakes are, the more prone are conference members to undermine the system that was created to protect their investment. To a degree, this lack of "discipline" has contributed to our country's modest role as a world trader.

We should witness in 1989 either a restructuring or, at the very least, a modernization of our conference system. To do otherwise or less may result in total chaos in our import and export trades. The actions in late 1988 by ANERA to restrict capacity and by the European conferences to modernize are harbingers of such efforts.

Reassessment and restructuring of our conferences should dominate the

thinking of executives in the industry during 1989. The executives I refer to are not limited to carrier executives but include shippers and port executives as well.

While I have focused here on the need for change within the conference system and the changes that have occurred in ocean common carriage since the 1984 act, the implication of such change on ports should not be underemphasized or underestimated.

As we approach the completion of the five-year review of the 1984 act, I have been surprised by the port industry's preoccupation with preserving its anti-trust immunity. Certainly the changes that have occurred and will continue to occur and their impact on ports have been and will be more pervasive than whatever could fall out of ports retaining, or not retaining, their own anti-trust immunity.

The Age of Paperless Paper

Next year should also bring the maturation of some of our more progressive carriers' programs to develop total electronic systems for both internal and external communications. Transactions such as rate quotes, bookings, manifest transfer and customs clearance will all be accomplished electronically.

These developments will be driven by attempts to differentiate the projects offered by carriers and ports and to enhance overall customer service levels. While it will be too soon to expect a total paperless environment by 1990, there should be more investment in systems and software development and breakthroughs in EDI and telecommunication systems in 1989 than in any single prior year.

What of the Gulf Coast and Houston?

The development of the east-west container trade and intermodality has not been kind to the Gulf Coast and the Port of Houston. The movement of what was once tributary cargo to the Port of Houston toward more distant South Atlantic and southern California ports has been inevitable since Seatrain's minibridge started in 1972.

While it is not logical to expect these trends to change in 1989 it should not be surprising if a north-south bridge begins to emerge in 1989. If and when

EXHIBIT 1

Growth in The World Container Fleet of Ships
More than 2,000 TEU Capacity

DATE	NUMBER OF SHIPS	CUMMULATIVE CAPACITY	CHANGE INDEX (JAN 1988 = 100)
JANUARY 1988	213	547,630	100
JULY 1988	237	626,250	114
JANUARY 1989	262	707,400	129
JULY 1989	267	775,000	142
JANUARY 1990	315	860,410	157

this happens, and I submit it is only a matter of when, the Port of Houston is well positioned to benefit from such emerging phenomenon. One needs only to look at history to foretell the emergence of intermodality in the Gulf Coast.

I have presented three exhibits that develop the relationship between the development of liner trades in different world geographies and container-port development in the United States. The period presented in each of these exhibits is the period between the mid-1950s and the mid-1980s.

Exhibit 2 underscores the growth in European liner trades during the early

EXHIBIT 2

History of the Transatlantic Liner and Container Trades

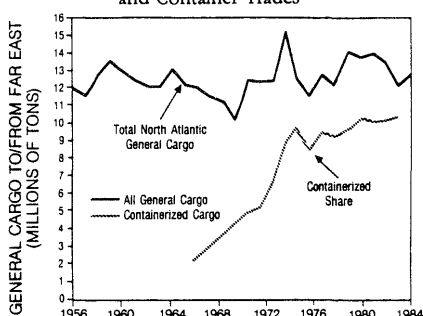


EXHIBIT 3

History of Transpacific Liner and Container Trades

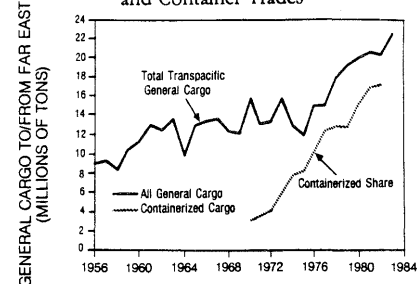
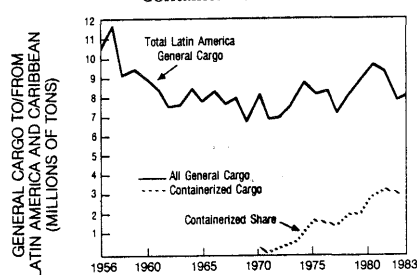


EXHIBIT 4

History of Latin America Liner Container Trades



1970s. It was this growth that served as the catalyst for container-port development in the U.S. Atlantic Coast and the growth in container volumes in the late 1960s and early 1970s.

Similarly, **Exhibit 3** presents data for the transpacific and shows that growth in these trades underwrote container-port development on the U.S. West Coast during the 1970s and early 1980s.

Finally, **Exhibit 4** shows the comparable information for our Latin trades and highlights the lethargy in Gulf Coast container-port development.

Logic suggests that this trade will develop next and act as the catalyst for the development of Gulf Coast intermodality during the 1990s. If I am right, the Port of Houston should flourish but perhaps not until after 1989.

(Port of Houston)

Effects of Houston Channel Improvements

In terms of personal income and retail sales, the Houston area has as much to lose by not making improvements to the Houston Ship Channel as it stand to gain if the plan is approved or implemented, according to a recently completed study.

The Rice Center, a Houston research institution that specializes in community-related analyses, performed the independent study analyzing the economic effects of widening and deepening the Houston Ship Channel. Rice Center researchers prepared five scenarios for the study and applied a regional econometric model to each. As reference points they used Port of Houston tonnage figures for 1979, the highest recorded, and totals for 1983, the lowest in recent years. Projections were extended through the year 2020.

Three of the scenarios are highlighted in a summary report published by Rice Center.

- A baseline case — no improvements are made; total Galveston Bay tonnage is constrained to the 1979 level and status quo is maintained;
- A worst case — no improvements are made; the competitive position of Galveston Bay waterways erodes and tonnage falls to the 1983 low;
- A "most achievable" case — im-

provements are made and completed by the year 2000; Galveston Bay's share of tonnage shipped through the major Gulf Coast ports increases by 4 percent by 2020. The study showed the 4 percent increase to be a reasonable expectation if the improvements to the channel are begun by the mid-1990s.

Port of Houston Very Competitive in 1988

The Port of Houston enjoyed the renewed prosperity that characterized the U.S. maritime industry in 1988. The signs of economic well-being were evident at Port of Houston Authority facilities, where tonnage for the year jumped by 9 percent.

PHA tonnage for the year totaled 16.6 million tons, compared to 15.2 million tons for the previous year. Total Port of Houston tonnage — representing the port's public and private facilities — rose 12 percent, to 94.2 million tons in 1988 from 84.2 million tons for 1987, according to the Port Authority's voluntary reporting system.

U.S. Army Corps of Engineers figures, which will be released later this year, traditionally run higher than PHA's voluntary numbers. The 1987 final Corps of Engineers figure for the Port of Houston is 112 million tons, while the estimate for 1988 has been set at 118 million tons.

General cargo at PHA facilities continued a steady growth trend, rising 12 percent for a total of 7.9 million tons. Container traffic was up 9 percent for a total of 530,000 TEUs. Another significant increase was in import steel, up 44 percent for a total of 2.4 million tons.

At the port's private and public facilities, bulk movements were up 12 percent for a total of 85.6 million tons. The largest bulk increases were industrial chemicals, up 24 percent to 21.6 million tons; grain, up 19 percent to 5.9 million tons; and petroleum products, up 14 percent to 39 million tons. General cargo throughout rose 11 percent, for a total of 8.5 million tons. Total vessel arrivals for the port's public and private facilities reached 4,750 at year's end.

COSMOS Facilitates JAXPORT Operation

Computer programming consultants told Jacksonville Port Authority (JAXPORT) board members that the Authority's new fully integrated computer system is one of the top three programs in the port industry.

The program, which has been titled "computerized On-line Service for Marine Operational System" (COSMOS), essentially will make doing business at the Port of Jacksonville quicker, easier and more economical for customers.

Moreover, because most cargo can now be released by the U.S. Customs Service almost instantly, JAXPORT can better use its marine terminals to handle greater cargo volumes.

"This is one of the best and most sophisticated programs in the entire port industry," said JAXPORT Managing Director Paul D. deMariano.

COSMOS has many applications, but primarily it will help JAXPORT and its customers work more quickly and closely with the U.S. Customs Service.

Shipping manifests received by JAXPORT from the agent of an ocean carrier, or the carrier itself, can now be filed electronically with Customs, which can then tie those manifests to broker entries for the calculation of duties and taxes. Such assessments will soon be made and paid electronically, allowing cargo to be released by Customs even before it reaches port.

In addition to its Customs applications, COSMOS, when fully operational, will electronically handle 95 percent of JAXPORT's billing fees for dockage, wharfage, terminal use, handling and storage leases, as well as utility fees and air terminal landing charges at Jacksonville International Airport. It also facilitates statistical and financial reporting, including payroll and invoicing, and it allows the use of personal computers to handle other specialized areas.

"Some ports have systems that were developed with some of these functions, but COSMOS is unique because it is a fully integrated system, which, in effect, has been custom-designed to meet JAXPORT's particular needs and projections," said Ms. Cathy Neuman, senior manager of Price Waterhouse's

Management Consultant Services Group, which designed the system.

"COSMOS will allow the port to handle increased levels of shipping, tonnage, and business, providing a competitive advantage over ports with less sophisticated systems," she said.

"Unlike other ports that plunged blindly into electronic data exchange in the fervor of the moment, and now have systems that are at best marginal, JAXPORT took more time, spent less money and came up with a system that is superior and better serves its customers," Mr. deMariano said.

MPA Reorganizes Marketing Department

The department responsible for spearheading marketing and sales operations of the Maryland Port Administration has been reorganized under the leadership of new director Bruce E. Cashon, who joined the MPA in October. Mr. Cashon has announced a number of changes, including the promotions of several current MPA employees.

"The MPA's sales and marketing department plays a crucial part in our efforts to keep port customers happy, increase the flow of cargo to the port, and assure that we compete effectively with other ports," said Mr. Richard H. Trainor, Chairman of the Maryland Port Commission. "These changes will strengthen our ability to accomplish these goals."

"The purpose of the reorganization is to make MPA's marketing and sales efforts more responsive to our customers' needs. I've established several focal points of management responsibility to help us better serve present Port customers and attract new business to the Port," Mr. Cashon said.

General Cargo Record Topped at New Orleans

General cargo moving through the Port of New Orleans topped a 13-year-old record when it reached 8.2 million tons in 1988, according to U.S. Department of Commerce and PERS statistics compiled by Port marketing analysts.

General cargo includes those commodities that are shipped in bags,

barrels, crates or as neobul. Because general cargo requires more long-shoremen to do the work, it is regarded as the most valuable kind of cargo from a community viewpoint.

The record was topped as the Port led the nation in steel and coffee imports and held the No.2 spot in forest products.

"Steel, coffee and forest products are central to our target marketing initiatives," says Mr. Mark R. Reynolds, director of marketing and sales. "Working closely with the local maritime community, we concentrated an extraordinary amount of sales resources in this area in a variety of joint marketing efforts. This is a real team victory."

Steel imports soared over 2 million metric tons by the end of September, according to U.S. Department of Commerce statistical data. That put the port in the No. 1 position nationally, with a 15 percent share of the U.S. market. The steel is for U.S. manufacturers and Midwestern Japanese automobile plants.

Coffee imports through the Port hit 153,159 metric tons at the end of the third quarter, ranking the Port No. 1 in the nation. While an increasing amount of green coffee is containerized, the containers are routinely unloaded quickly by workers in local warehouses specializing in coffee.

Forest product imports accounted for 117,774 metric tons in the third quarter. The Port ranks first in the Gulf with more than 70 percent of the market and second nationally with a market share of more than 11 percent.

An expanding U.S. economy has helped fuel the jump in general cargo imports.

(Port of New Orleans RECORD)

NY & NJ: New High In Air Cargo Volume

Overseas and domestic air cargo volume at the three major airports operated by The Port Authority of New York and New Jersey soared from a record 1.56 million tons in 1987 to a new record of 1.8 million tons last year—an increase of 245,000 tons, or 15.7 percent. The total air cargo was valued at some \$90 billion, also a new record high.

Port Authority Chairman Philip D.

Kaltenbacher, who made the announcement, said: "The growth in volume and value of air freight at John F. Kennedy International, Newark International and LaGuardia Airport was a bright spot for the Port Authority and the region in 1988.

"This growth is particularly important because of the significant impact the air cargo industry has on the economy of the New York-New Jersey metropolitan area," the Chairman said.

John F. Kennedy International, the nation's leading air cargo gateway, saw its volume climb ten percent, to 1.3 million tons, while Newark International climbed a dramatic 38.2 percent, to 450,000 tons.

Of the JFK total, domestic cargo represented 315,000 tons, an increase of 14.5 percent over 1987, while overseas cargo climbed to 986,000 tons, up 8.6 percent over the prior year.

At Newark International, domestic cargo climbed by 33.4 percent, to a new high of 414,000 tons, while overseas cargo growth paced the region by increasing 138 percent to nearly 36,000 tons. Overall, Newark Airport had the fastest growth rate of the three airports as well as the largest absolute increase in tonnage from 1987 to 1988.

LaGuardia's air cargo volume rose from 54,000 tons to 56,500 tons, or 4.4 percent.

Overall, the region's total air freight was up 23 percent for domestic cargo and nearly 11 percent for overseas shipments. The growth in overseas cargo shipments was led by exports to Asia/Pacific Rim countries, up 27 percent, and Europe, up 21 percent.

Reflecting the shift in U.S. trade patterns in 1988, total exports grew by more than 20 percent, while imports rose by 1 percent.

In terms of value, overseas cargo totaled some \$62 billion in 1988, up from \$51 billion in 1987. Of the \$62 billion, exports totaled \$32 billion and imports were valued at \$30 billion, the first time since 1982 that the value of exports exceeded imports. The value of domestic air cargo in 1988 was \$28 billion.

A 1985 Port Authority study found that the air cargo industry in the region generated \$5.3 billion in economic activity, roughly 95,000 jobs, \$2 billion in wages and salaries, \$1 billion in business income and \$200 million in

regional taxes. Its contribution to the gross regional product, analogous to the gross national product, was \$3.5 billion.

Chairman Kaltenbacher said, "With the dramatic growth in air cargo activity since 1985, the Port Authority believes the industry's contribution to the gross regional product is now substantially greater than our 1985 estimate.

"To maintain our region's status as the world's leading center of air cargo activity, the Port Authority is responding with an aggressive facility expansion program for all three major airports."

South Brooklyn Terminal Improvements Agreed on

The Port Authority of New York and New Jersey authorized an agreement with the State of New York and the City of New York for improvements to the South Brooklyn Marine Terminal, it was announced by Chairman Philip D. Kaltenbacher.

"At the request of the Governor of New York, \$1,678,067 will be provided by the Port Authority for improvements to port facilities on the Brooklyn waterfront made by the City of New York," said Chairman Kaltenbacher following the bistate agency's monthly Board meeting. "It is part of the Port Authority funds allocated to regional development projects in the State of New York based on the Governors' Agreement of 1983."

The City of New York has undertaken a program to improve certain port facilities in Brooklyn, with the State of New York providing up to \$20 million for the program.

Chairman Kaltenbacher noted that this initial flow of funds is the first step of a program of marine terminal capital improvements in Brooklyn using funds authorized originally in the 1983 New York State transportation bond issue. Allocation of these funds for the Brooklyn waterfront was a singular achievement by Brooklyn legislators, led by Assemblywoman Eileen Dugan.

"Assemblywoman Dugan is to be commended for her outstanding contributions and untiring efforts over the years to gain support and funding for the Brooklyn waterfront improvement program," stated Chairman Kalten-

bacher.

New York City has completed a number of projects at the South Brooklyn Marine Terminal, including the refurbishing of dockside warehouse facilities, at a cost of some \$3.3 million. New York State funding has been requested for half of these costs.

New York State, in turn, requested that Port Authority funds allocated to regional development projects in New York be used for the State's share. The action by the Board provides for that funding.

Exclusive of this action, the Port Authority Board of Commissioners has authorized expenditure of \$100,271,000 of the \$112,500,000 made available for projects in New York under the 1983 Governors' Agreement. After this authorization \$10,550,933 will remain available for projects within the State.

West Coast Leader In Iron Scrap Exports

WORLDPORT LA, the West Coast leader in container throughput and cruise passenger traffic, also handled more steel and iron scrap exports last year than any other port in the region.

Exports of scrap metal last year to countries such as Japan, India and South Korea totaled 1,091,050 tons, giving the Port a 55% market share of the nearly two million tons that was handled by all West Coast ports combined.

Oakland 1st Port-of-call Intermodal Base: Study

In November 1987 the Oakland Port Commission approved a consulting agreement with Vickerman-Zachary-Miller for an analysis of the interface capability needed to ensure the most cost-efficient handling of large container-ships and double-stack trains.

The study was also to recognize the need to provide high levels of service to container traffic moving between marine facilities and the highway/freeway system.

Working with VZM was a team of staff members headed by Mr. Cliff King, Project Manager, and Mr. William Hubbard, Intermodal Consultant to the Port. A Policy Council chaired by then-Deputy Executive Director

James J. O'Brien and Chief Engineer Charles Roberts was responsible for overall supervision.

"Oakland is a natural first port-of-call intermodal base," concluded the study in its 14-page Executive Summary. That conclusion was supported by the following findings:

1. Large increases in intermodal cargo are predicted for the Pacific Rim.
2. Future intermodal success will be most effectively enhanced by optimizing service to the estimated 200 million population base of the U.S. in general, while maintaining a high level of service to the local population base.
3. The anticipated increased interchange of Pacific Rim cargo with the U.S. mainland is triggering a technological revolution, including "Beyond-Panamax" container ships and double-stacked intermodal trains that are committed to cargo transfers at U.S. West Coast load centers rather than through the Panama Canal.
4. Of the three U.S. West Coast load centers (the Pacific Northwest Area, the San Francisco Bay Area and the Los Angeles/Long Beach Area), Oakland is more centrally located relative to the U.S. mainland.
5. Oakland has rail service by three major lines: SP, UP and ATSF.
6. By shipping routes, Oakland is 16 to 18 hours closer to Asia than the Ports of Los Angeles and Long Beach.
7. Cargo can be shipped to Oakland and shuttled on an express "sprint train" system to L.A. faster than shipping via water service to L.A. Cargo can also be trucked to L.A. for next-morning customer delivery following ship arrival at Oakland.
8. The larger population base in the Los Angeles/Long Beach area will always support a large amount of domestic cargo, but Oakland is less encumbered by transportation "gridlock" and air quality problems.
9. Although the Pacific Northwest ports are 14 to 16 hours closer to Asia, Oakland is at the center of a much larger population base (10 million) than that of the Pacific Northwest ports. Therefore, Oakland can support a significant domestic/backhaul market and allow more balanced, efficient east-west movements.
10. The ample areas of existing Oakland rail facilities and their proximity to marine terminals are well suited

for development of time efficient and cost efficient intermodal transfer. This situation would be further enhanced by development of the recommended scheme.

In summary, Oakland provides an ideal balance of proximity to both the Pacific Rim and the U.S. hinterland, a large population base to support potential domestic markets and a blend of shorter shipping times and high efficient, large capacity ITF operations.

Clean Bill of Health for Port Dredged Materials

An ingenious plan to use sediments dredged from the Port of Oakland Inner Harbor Channel to strengthen Northern California's River Delta levees will have no significant adverse impact on local water quality, according to extensive tests by the consulting firm of Harding Lawson Associates (HLA), of Marin County.

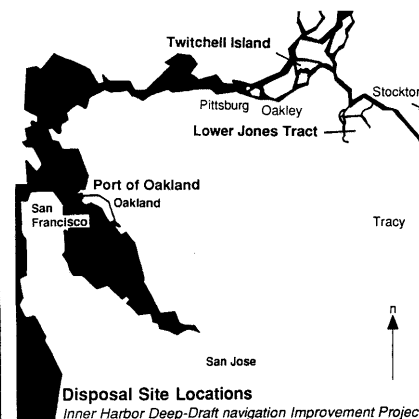
HLA reported the finding after conducting analyses of 440,000 cubic yards of sediments slated for removal from the Oakland Inner Harbor.

State-of-the-art testing protocols were developed by HLA in conjunction with the Central Valley Regional Water Quality Control Board.

The Port of Oakland is currently embarked on Phase I of a major channel deepening project that will enable the Port to efficiently accommodate the newest deep-draft supercontainerships. Thousands of jobs in the Bay Area hinge on the Port's ability to remain competitive, vital and safe for vessel navigation.

Disposal of the dredged materials encountered delays, however, until Port officials last August proposed recycling the sediments to repair and reinforce the earthen embankments that permit millions of acres of productive farmland to be reclaimed from the Sacramento and San Joaquin rivers. The Levees also assure a continued supply of fresh drinking water for many Northern California communities on the easterly reaches of San Francisco Bay while making the delivery of fresh water to Southern California also a reality.

The solution was hailed as a "win-win" situation by Bay Area and Central Valley business, environmental and agricultural groups, community leaders and elected officials — provided, of



course, that the dredged materials proved to be environmentally safe.

Tests of the sediments, Delta soil and Delta water now provide reassurance that such is the case, HLA reports. State and Federal Environmental Protection Agency drinking water standards based on maximum contaminant levels and EPA ambient water criteria to protect freshwater aquatic life were all met, according to the analysts.

The findings have been incorporated into a supplemental Environmental Impact Report released on February 3, 1989 and scheduled for a public hearing in Stockton, California, on March 1. State Water Resource agency officials estimate that millions of cubic yards of construction materials will be required to upgrade Delta levees threatened by rising sea levels and winter rains over the next few years. Recycled sediments from the Port of Oakland could provide a major share of this construction material.

"We're on the brink of an innovative and environmentally sound solution to the dredging disposal issue," declares Mr. Douglas J. Higgins, president of the Oakland Board of Port Commissioners. "At significant potential extra costs to the Port of Oakland, benefits will flow to the citizens of the Delta, the Port, the Bay Area and the entire state of California."

Lower Columbia Ports Request Channel Study

The commissions of the seven ports on the lower Columbia River (Astoria, Kalama, Longview, Portland, St. Helens, Vancouver, and Woodland) have passed resolutions requesting the United States Army Corps of Engineers

begin a formal study process of deepening the lower Columbia channel from its current 40 feet to a possible depth of 45 feet.

The ports will be working with the Oregon and Washington congressional delegations to procure authorization and an appropriation for the Corps' study, which would be the first step in a process that may take eight or more years to complete.

The initial study will take 9-12 months to complete and cost approximately \$600,000 in federal funds.

The lower Columbia ports commissioned a study by Ogden Beeman and Associates which recommended that the channel should be deepened to 45 feet and widened from its present 600 feet to 700 feet in order to accommodate the deeper draft vessels that are being designed and built.

The study estimated the cost of such an improvement project at \$52 million, with the cost to be shared 75 percent by the federal government and 25 percent by local interests. (*Soundings*)

Seattle Begins Work On New Rail Facility

The Port of Seattle broke ground on March 1 at Terminal 18 for the construction of a new on-dock rail facility. The \$3.5-million on-dock intermodal railyard will provide both Burlington Northern and Union Pacific railroads with direct access to cargo being off-loaded from ships, eliminating the need for transporting containers by trucks to nearby railyards.

"Seattle will outshine more than 95% of the California ports with the opening of our on-dock rail facility," says Port of Seattle Commission President Patricia Davis, "since only a couple of ports in that area have this capability." "We believe that on-dock rail will be of great benefit to our customers because of the speed and efficiency with which containers can be transferred between the terminals and rail facilities," she added.

The on-dock intermodal railyard will be capable of accommodating 28 doublestack 40- or 45-foot container cars at a time. Since each car consists of five articulated platforms, the new facility will be able to handle a total of 280 containers at a time.

The on-dock rail facility will be completed by August 1989, and will serve any of the dozen steamship lines which use Terminal 18, operated by Stevedoring Services of America. Terminal 18 ocean carrier customers will have the option of using the on-dock intermodal rail facility and/or either one of two near-dock intermodal railyards — representing more choices available at or near a port anywhere on the West Coast.

Charleston's ORION Interfaced With AMS

The Port of Charleston is now the most automated port in the United States. On March 6, 1989, when the Port's already successful ORION system officially interfaced with the U.S. Customs Service's "Automated Manifest System" (AMS), the void between local and national authorities was closed.

"ORION has been an excellent local system and has been an effective tool for our customers to expedite and control the movement of cargo," said Mr. Tom Wilcox, manager of information services at the South Carolina State Ports Authority. "But as Customs places more and more reliance on their own national automation efforts, a local system built on local criteria is no longer sufficient."

The ORION system, developed at the State Ports Authority and introduced in 1982, was the first system in the world to provide users with the means to file manifests electronically. The system expanded to meet the demands of users and now includes ship's arrival notification, inquiries about cargo, filing and status of liens, holds, and releases, submission of entries to Customs, move orders, and electronic mail capability. ORION is a secure system provided free of charge to users by the Port and is designed to accommodate future expansion and enhancements.

Participation in ORION among shipping lines, agents, brokers, forwarders, and U.S. Customs is one hundred percent. ORION is an interactive on-line system. Manifest data input is provided free of charge by the Ports Authority, a service that has been expanded to include transmission to

AMS.

"ORION has always accommodated everything the U.S. Customs Service has needed," said Mr. Ty Bowers, chief inspector with U.S. Customs. "Every program U.S. Customs uses locally was developed in the ORION system." The Customs office in Charleston has targeted June 1989 for achieving a 90 percent local participation rate in AMS.

The container revolution in the information industry generated the impetus for a system of electronic data filing. As container design and handling became more refined and more types of cargo were reconfigured to meet the requirements of containers, the speed with which containerized cargo could be handled increased. To ensure this expeditious movement, a comparably efficient system of cargo information and document filing was necessary.

Previously, filing of documents was a hectic process involving multiple forms and person-to-person messenger service. A physical handling over of documents from customs house broker to U.S. Customs representatives was necessary to initiate the process of releasing cargo. It was not uncommon for cargo to wait in port for five days before being released.

ORION revolutionized the process. Electronic filing permits cargo to be cleared five days before reaching the Port of Charleston. Everyone benefits—perishables arrive in better condition, managers can time production schedules with greater precision, the transfer of documents between brokers, agents, and government authorities is simplified with less opportunity for loss. In an average scenario, the Port of Charleston saves its customers ten days in delays.

And now AMS elevates the concept to the national level. Traditionally, the rapid flow of cargo has not been an area of concern for U.S. Customs. With national economics evolving to the global scale, however, the United States as a market place must remain competitive in all aspects of international commerce. Standardization by AMS will be a key factor in the timely movement of goods and materials into the country.

The ORION-AMS interface might never have taken place if it were not for the unique spirit of cooperation along the Charleston waterfront. Bu-

sinesses that might otherwise be out to serve their own interests have banded together to ensure full implementation.

Ms. Sharon Fitzgerald is the customer service manager for OOCL (USA), Inc. and chairman of the Charleston Steamship Council. Ms. Fitzgerald noted that the Council had acted as a catalyst in promoting AMS along the waterfront. The Council was formed to address the needs and concerns of Port-related activities.

Pointing to the Ports Authority's initiative in creating an electronic data system, Mr. Bonnie Ackerman, vice chairman of the Steamship Council and documentation manager for Sea-Land, Inc. said, "The Ports Authority was willing to do what the little guys couldn't do." The development of ORION was a response by the Ports Authority to the needs of the shipping community.

The Port of Charleston pioneered electronic information transfer at the port level. U.S. Customs has applied the principles on the national scale. Automation is a reality. For agents and brokers to survive on the local level, for the United States to compete globally, the mandate is to automate.

The South Carolina State Ports Authority leads the nation in innovation. From neutral chassis pools to computerized information services, the Port of Charleston is proud to play a role in keeping America at the forefront of the global maritime community.

US Citrus Products via Charleston to Asia

The Far East has an appetite for grapefruit and Charleston delivers. An important link between the Florida grower and the Oriental breakfast table, the Port of Charleston handled over 56,000 tons of citrus fruits destined for the Orient and Europe in 1988.

The Far East is a major market for citrus products and the State of Florida produces half of the world's supply. The Indian River region—a major growing area—sends 65-70% of its produce to the Orient. In real terms, Japan took delivery of 11 million cases of grapefruit in 1988, Taiwan received one million cases, and Korea took 150,000 cases, most of which left the United States by way of Charleston.

With so much fruit being imported to its country, the Japanese Ministry

of Agriculture, Forestry, and Fisheries sets rigorous standards to prevent the accidental importation of pests, most notably the Caribbean fruit fly (*Anastrepha suspensa*). Previously, fruit imported from Florida came from strictly designated geographical areas approved by the Japanese government as being virtually free of infestation. On April 15, 1989, however, that system will be abolished. Replacing it will be the "cold treatment" process.

Cold Treatment, a relatively new procedure, has already advanced from breakbulk to containerization and will be the only means for exporting citrus fruits to the Japanese market.

"All fruit in Florida could go to Japan, provided it went cold storage," said Mr. George LaFave, officer-in-charge, Animal and Plant Health Inspection Service Charleston, the United States Department of Agriculture office responsible for inspecting animals and plants.

Cold Treatment places the inspected fruit into sealed containers where it undergoes a pre-determined cooling schedule to kill any pests or larvae. It is then returned to a higher stabilized temperature to prevent cold damage. The entire process is supervised and regulated by the USDA.

The container-dedicated Wando Terminal means a time-efficient loading procedure allowing regularly scheduled departures for containerized fruit. This fact, in itself, is of importance to the growers and handlers of a product which is both time and temperature sensitive. A dependable departure date and regularly scheduled calls at major ports in Japan, Taiwan, Korea, and Singapore ensures that the produce will arrive in the best possible condition.

The Port of Charleston, along with every element of the citrus export industry, is at the threshold of a revolution in shipping. With cold treatment radically increasing the volume of product suitable for export, and *containerized* cold treatment facilitating the movement of that product, the time has become ripe for expanding the Japanese market and that of the rest of the world.

The Port of Charleston stands ready to meet the challenge. Dedicated to containerized cargo, the three container terminals at Charleston will continue to serve as the starting point on the grapefruit-golden route to the Orient.

'88 Tacoma: Containers, Total Tonnage Growth

Record growth in total tonnage, and a new high in container traffic are just two of the highlights of the Port of Tacoma's performance during 1988. Statistics released by the Port show a 50% increase in total tonnage handled in 1988 — 15,239,161 short tons.

The Port, which is currently the sixth largest port in North America and the 20th largest port in the world, also achieved a 12% increase in its container traffic, a total of 782,000 TEUs.

Commenting on the Port's performance in 1988, Port of Tacoma Commission President Jack Fabulich said, "These figures reflect the impressive growth we're experiencing in Tacoma. They also point out that we remain a very diversified Port in terms of the cargoes we handle."

A major contributor to the tonnage increase was the amount of grain which the Port handled, which increased 120% to 5.4 million tons. Breakbulk cargo increased 51% to 450,000 tons, while log exports were up 44% to 1.2 million tons. In addition to importing 168,977 vehicles in 1988, the Port also exported 2,414 American-made vehicles to various Pacific Rim countries.

The Port's two ondock intermodal rail yards continue to be a strong selling point for the Port, and helped attract "K" Line to Tacoma in July of 1988. The intermodal yards have also proved to be a key factor in the success of other shipping lines calling in Tacoma, such as Maersk, Sea-Land, and Star Shipping.

The Port continues to expand its container handling facilities, and Terminal 3, a \$30 million new container terminal is scheduled to open later this spring.

Land for industrial development was also a major focus of the Port's marketing efforts in 1988. According to Mr. Fabulich, "The Port of Tacoma made major strides towards developing our rich land base in 1988. By reaching a land claims settlement with the Pu-yallup Indian Tribe, improving our Frederickson Industrial Park, and by expanding our Foreign Trade Zone, we're paving the way for future growth in 1989."

The Port invested over \$2.3 million to make road, sewer, and water im-

provements to Frederickson, an industrial development site located 13 miles south of the Port. Over 300 acres of land, zoned for heavy industrial use,

1992 in Europe: What Are the Changes?

The elimination of what are commonly known as "non-tariff trade barriers" within the EC will mean that businesses will be able to trade with what is in effect a single European country. Indeed, some believe that when 1992 is fully implemented, the EC will be as economically integrated as the 50 United States, only without a centralized federal tax system and a common currency.

The following is a laundry list of changes 1992 has promised should be meaningful to U.S. businesses:

PRODUCT TESTING, STANDARDS AND CERTIFICATION: The creation of a single set of safety and product construction standards for motor vehicles, toys, construction equipment and products, medical supplies and equipment, cosmetics food products, household appliances, and telecommunications equipment, to name a few.

PRODUCT PACKING, LABELING AND PROCESSING: The standardization of rules for disclosure of food and beverage ingredients and regulations relating to what labels may, or must, be placed on food products.

GOVERNMENT PROCUREMENT: The coordination and harmonization of procedures for the award of public works and supply contracts, and the implementation of new EC-wide laws for regulation of services, utilities and transport.

BUSINESS LAWS: The creation of a centralized mechanism for registering and protecting trademarks, copyrights and computer programs, as well as the coordination of company laws, accounting standards and regulations regarding the assessment and collection of value-added and excise taxes.

TRANSPORTATION OF GOODS: The introduction of the "Single Administrative Document" for use at all EC Member State borders and the elimination of differing customs presentation changes and customs formalities. *(Port News)*

is available for sale or lease there.

The Port also gained a major new industrial development client. Mitsubishi Electric Sales, America, Inc. is leasing a \$3.2 million, 106,000-square-foot warehouse at the Port Commerce Center for use as a major import-distribution center. Other major electronics firms using Tacoma as the base for import-distribution centers include NEC and Panasonic. The Port is now working to attract additional maritime-related industries to the Port Commerce Center, which has over 100 acres of land available for development.

Along with additional industrial development, the Port expects to see continued cargo growth, handling an estimated 875,000 TEUs during 1989.

Tacoma Opens Public Observation Tower

Tall cranes and huge ships maneuver cargoes daily through the Port of Tacoma, yet all this thrilling activity is seldom seen. Now everyone can have a ringside seat.

So the public could learn more about the workings of the waterfront, the Port of Tacoma recently undertook a major construction project to build a public observation tower. The tower officially opened on November 21 with a dedication ceremony, an occasion which also marked the 70th anniversary of the creation of the Port of Tacoma, established by an overwhelming five-to-one vote of the citizens of Pierce County on November 5, 1918.

Port Commissioner Jack Fabulich said the Port Commission authorized the observation tower to thank the citizens of Pierce County for their continued support over the past 70 years.

"Voters have repeatedly passed bond measures that have allowed the Port of Tacoma to maintain its position as one of the leading harbors on the West Coast," he said.

The three-story open-sided tower was built next to the Port Administration Building and matches its facade of white stucco. Both structures are at One Sitcum Plaza, at the head of the Sitcum Waterway where Sea-Land Service's terminals and the Port of Tacoma's Terminal 7 and Husky Terminal are located. *(Pacific Gateway)*

Africa/Europe

Port of Antwerp in 1988: Overall Improvements

Shipping and Goods Traffic

1988 was an absolute topper for Antwerp, with both shipping and goods traffic breaking all records. Total gross tonnage came to 135,339,541 GRT (up 4% on 1987) and the actual number of ships calling at Antwerp rose as well. Indeed by the end of 1988 no fewer than 16,403 ships had called in our Port, up 2.3% on the 1987 figure of 16,046.

Goods movements also showed significant improvements. Total goods handled came to 96,906,590 tonnes. Compared to 1987's figure of 91,101,015 tonnes, this is a rise of 6.4%. General cargo rose 8.4% from 39.5 to 42.8 million tonnes while bulk cargo grew 4.9% from 51.6 to 54.1 million tonnes.

The rise in general cargo is chiefly due to the growth in the handled quantities of paper and wood pulp (up 22.3%), iron and steel (up 13.7%), fruit (up 5.4%), grains (up 46.4%) and cattle feeds (up 19.3%). Against these, however, must be placed falls in nonferrous metals (down by 9.8%) and bagged fertilizers (down 19.9%).

Turning to bulk goods, 1988 saw a 7.6% decline in oil traffic, which was compensated by a 20.8% increase in ores, a 23.4% rise in coal, and rises of 6.7% and 43.6% in grains and cattlefeeds respectively.

Total ro-ro traffic leaped by 23.1% in 1988, while container traffic came to 1,469,949 TEUs (a rise of 2.2%), corresponding to an overall tonnage of 14.7 million tonnes (up 8.6%).

Finally we can report that overall maritime traffic passing through Antwerp in 1988 could be divided into 57,832,265 tonnes of landed good (up 9.1%) and 39,074,325 tonnes of shipped goods (up 2.7%).

Maritime Accessibility

The negotiations with the Netherlands on the further implementation of the 50'-48'-43' dredging programme for the Scheldt moved not an inch closer

towards a solution in 1988. Despite this impasse we are able to look back on a number of positive developments relating to maritime accessibility during the year.

These included the ceremonial laying of the foundation stone for the Scheldt Radar Chain, which should be operational by 1991. The chain will comprise 5 manned and 14 unmanned stations, and will cover the entire lower Scheldt from the North Sea to Antwerp.

As for access to the Left Bank dock complex, since March of last year the maximum permitted draught at high tide has been 11.20 m and 12 m at spring tides, for a maximum length of 260 m and a maximum breadth of 36 m. This means that Panamax ships can now use the Left Bank via the Kallo Lock.

Other highlights include the introduction of a new system of marine radio communications for both sea-going ships and inland navigation. The new system makes a number of channels free for direct contacts with the dockmaster for the assignment of a berth and with the bridges and locks in the docks.

The Port Authority also responded to the increase in shipping, with the modernization and renewal of its fleet of tugs. After being fully refitted and modernized five tugs were taken back into service. Another development was the contracting out of a second docks tug with a pulling force of 30 tonnes.

Finally we can report the first ship of more than 300 m to call at Antwerp. This record-breaking ship was the Liberian-registered bulk carrier "Locust". With a total length of exactly 302.01 m, the 160,242-ton "Locust" discharged 90,000 tonnes of Brazilian iron ore at the ABT-Stocatra terminal in the Delwaide Dock.

Hamburg: Upward Trend Again in 1988

The Port of Hamburg is still one of the world's most important seaports. Last year, a total of 58.74 million tons of seaborne cargo was handled, 3.6% up on 1987 (56.73 million tons). There was an 11.7% growth in the volume of container traffic to 1.62 million TEUs (from 1.45 million TEUs in 1987). This moves the Port of Hamburg into tenth place in the world container port league. It was able to defend its second place



Port of Hamburg

among the ports of Europe, a position first achieved in 1987.

Mr. Helmut F.H. Hansen from the Port of Hamburg Marketing and Public Relations board of management rated the extremely favourable 1988 figures as a clear indication of the effectivity and significance of Germany's largest seaport: "The enormous public sector and port operators' investment programme is safeguarding the Port's long-term competitiveness and building the foundations for a secure and successful future — even beyond the next decade." He emphasized, however, that the prices obtained had not been satisfactory as a result of the severe competition in the Antwerp-Hamburg range. From the point of view of safeguarding the future of the North German ports, he pointed out, a further liberalization of pre-carriage conditions was vital to ensure that the same situation prevails in competition with the West ports.

Of the total cargo-handling volume of 58.74 million tons, 34.35 million tons were bulk cargo and 24.39 million tons general and bagged cargoes.

Last year, the bulk cargo sector was up 3.7% on 1987 although the volume of suction cargo handled fell by 23.7%, a result of structural changes. The fact that the overall trend was upwards was due to an increase of 3.1% in grab cargo to 11.77 million tons and in liquid cargo of 16.8% to 17.38 million tons. The reasons for this favourable development were twofold: first, the upswing in the steel industry with its positive

impact on imports of iron ore; and secondly, the restart of refinery operations in Hamburg at the end of 1987.

In the general and bagged cargo sector the Port of Hamburg recorded a plus of 3.3% in 1988. The total of 24.39 million tons was made up of 16.05 million tons of containerized cargoes (up 11.9%) and 8.34 million tons of conventional freight (down 10.1%). Thus, the containerization rate rose by 5.1 percentage points to reach 65.8%.

Port of Copenhagen PLAN 2000

The Port of Copenhagen's contribution to the 1982 National Ports Plan states that its aim is to concentrate actual port operations in two sections of the Port — The North Harbour (Nordhavnen) and The East Harbour (Østhavnen) — while emphasising the importance of improving road links to these two sections.

The advisability of concentrating activities in these two areas is also made clear in the 1985 Copenhagen Municipal Draft Plan, although on this occasion without any proposal to improve access by road.

In its statement on the Municipal Draft Plan, the Port of Copenhagen has accordingly pointed out that a period of 30 years will be required to phase out the older sections of the Port, while

adding a firm proposal for improvements of the road network serving the North and East Harbours.

The Port of Copenhagen has drawn up two overall plans — Plan 1 and Plan 2 — for the entire Port.

During the next 10 - 30 years steps will be taken to transfer current Port activities from the older sections — The Inner Harbour (Inderhavnen) and The South Harbour (Sydhavnen) — to The North and East Harbours, if road access to these latter two sections is improved in accordance with the Port's demands. If some of today's users wish to retain their present sites (obviously it is hardly likely that H.C. Ørsted Power Station will be moved), it will be possible to accommodate them, as cargo can be freighted under closed bridges on barges.

The allocation of areas on the plans must be considered in relation to a range of activities conducted in the Port area — some of them classifiable as essential port operations, others as the various activities found in the border area linking the city of Copenhagen to its port.

The aim of the Port activities outlined here is to make it possible to concentrate port operations in the two sections already referred to — The North and East Harbours. If the Port is to remain competitive in the longer term, this concentration is mandatory.

The proposals related to other port activities in the *border area* are intended to create facilities for firms engaged in port-related business, while at the same time creating an environmentally acceptable boundary between port and city.

(Port of Copenhagen: Year 2000 — the reliable full-service port)

Dublin Port Launches 5-Yr. Development Plan

Dublin Port recently launched its "Five-Year Development Plan leading to 1993 and beyond." It incorporates major proposals for the enhancement, refurbishment and development of the Port to cater for the projected expansion of our international trade.

The key proposals in the plan are:

- 15-tonne crane at Alexandra Quay to handle increased imports of animal feed for the national pig herd.

- New gantry-crane at South Bank Quay to handle the increased container traffic with the Continent. The terminal at South Bank is currently operating at capacity.

- Construction of a container terminal with two cranes at a cost of £3.0 million at the North Quay Extension. This will cater for a new cross channel freight service.

- Provision of a modern passenger terminal building with high class dining, shopping and communications facilities catering for B + I and Sealink tourists.

- Reclamation of 21 hectares, as already announced, to provide container terminal space and berthage, east of the Sealink terminal.

- Amenity landscaping development both along the North shoreline and internally to enhance Dublin Bay and Port environmentally.

- Provide new tugs to service larger vessels.

At a press conference to announce the plan, Mr. John Stafford, T.D., Chairman, Dublin Port, said that the Board would apply to the European Regional Development Funds for grants for the work. Capital will also be provided from Port revenue surpluses, supplemented where necessary by contributions from Port users, and by commercial borrowings.

"The extensive development which the Port has undertaken during the last 20 years has been funded from its own resources — involving an investment of £80 million at 1987 prices. The present proposals are costed at £32.69 million at today's money values," he added.

The new development will facilitate the upgrading of the Port as the Irish interface with the Central Corridor, linking up with Euroroute 22 via the UK motorway network.

The level of unitised trade in the Central Corridor is expected to increase from its present level of 165,000 units to 250,000 units by 1993 and double to 360,000 units by the year 2000, provided that the extra facilities are available.

"If they are not provided much of this trade may use the Northern Corridor thus increasing the Republic's dependence on Northern Ireland for access to its key markets," Mr. Robert Hayes, chief executive of Dublin Port

said.

Pointing to the importance of the Port within the economy, Mr. Hayes said that in 1986 trade through the Port generated 174,321 jobs contributing £1.2 billion in household income.

"Within the Port accounting for practically half of all external trade through Irish seaports, there is a critical need to upgrade its facilities to cater for the increased size of vessels and containerisation," Mr. Hayes said.

(Port Times)

Dublin: Landscaped Shoreline Proposed

The Development Plan includes proposals which would create an attractive, landscaped shoreline and a finalised border to the northern perimeter of the Port of Dublin. After meeting with Port representatives who explained the proposals, local residents welcomed them despite some media reports to the contrary.

The architects, Brady Shipman Martin, are proposing that the Port invests £400,000 in landscaping over a 10-year period and the proposals have been adopted by the Board.

The proposals include planting 7.45 hectares with a range of trees and shrubs including maple, willow, ash, pine, poplar and holm oaks which will partly screen the Port's existing industrial vista from view.

In developing the proposals, they point out that the existing soil conditions are poor along the Port's north shoreline, which also appears rigidly geometric because of the right angle setbacks where debris gathers.

To overcome these problems, the architects propose relieving the edged profile by a landfill, which will gently vary both the horizontal line and the vertical section. This landfill will provide the bunds, or sloping earth mounds, behind which the first and second lines of defence will be developed to plant and protect shrubs and trees against wind and salt spray.

In the longer term the landscaping will create dense wooded tracts with species of high tolerance to maritime conditions on exposed edges and less tolerant species forming the main structure planting in more sheltered zones.

(Port Times)

Characteristically Mediterranean: Venice

The port of Venice is a natural harbour, situated inside a lagoon whose constantly calm waters ensure that all operations and maneuvers in port can be carried out in complete safety.

Within the lagoon there is a network of 96 km of maritime canals. The major ship canal, from port entrance Lido to Marghera (1st Zone) is 18 km long, and between 10 and 11 m deep below mean sea level; while the canal linking port entrance Malamocco to Marghera (1st Zone) is 21 km long, with a depth varying between 12 m and 14.5 m below mean sea level. The port has a water surface area of approximately 360 hectares and a dry land surface area of more than 1,800 hectares.

Vessels drawing up to 11 m can accede to port from port entrance Lido, up to 14.5 m from port entrance Malamocco.

Moorage is available for passenger and cargo vessels, with depths varying between 8 m and 12.5 m below mean sea level, both in the historical centre of Venice, and at Marghera.

Two moorings with a depth of 14.5 m below mean sea level are also available for large tankers in the port of St. Leonardo.

The port of Venice may, in all respects (siting, hydraulic, nautical), be considered as characteristically Mediterranean.

It offers excellent landing facilities and, above all, no navigational difficulties within the lagoon.

The port proper is composed of two parts, the "Marittima" zone, and the commercial and industrial zone "Marghera" (which also comprises the oil terminal). The two zones are linked by the Canal Vittorio Emanuele, 4 km long, surface width 80 m, width at bottom of channel 45 m, depth 11 m below mean sea level.

"La Marittima" is used to refer to the old port, which dates from the period 1880-1915, on the western edge of the old city, near the railway station, built according to the needs of the age; it comprises two quays, which enclose the basin bearing the same name; the Canale della Scomenzera; and the quay alongside the Canale della Giudecca, from Santa Marta to San Basilio, which is now the customs free zone. La

Marittima covers an area of some 53 acres, including 3,848 metres of fully operative wharfage, complete with warehouse facilities and road and rail connections.

Other moorings, for passenger vessels, are available within the historical centre at Riva dei 7 Martiri and Riva di San Biagio, comprising 360.63 m and 96.35 m of wharfage respectively, and depth of 11 m below mean sea level; and in the San Marco Basin.

The commercial and industrial zone of Marghera, dating from the 1920s and still being developed, is connected to the Marittima by the Canale Vittorio Emanuele and to the open sea by the littoral Canale Malamocco-Marghera. It extends inland towards Mestre, and offers easy access and plenty of room for expansion; while its siting, at a considerable distance from the historical centre, respects the exceptional artistic, architectural, and natural context of the old city and its estuary. The zone comprises some 1,500 hectares

serving the industries and commercial interests of the port, a complex of over 20 km of canals, 5 maneuvering basins, 2 commercial basins, and numerous other basins and wharfs, with 4,673 m of quayside and 50 mooring points, all fully equipped.

Port Organization

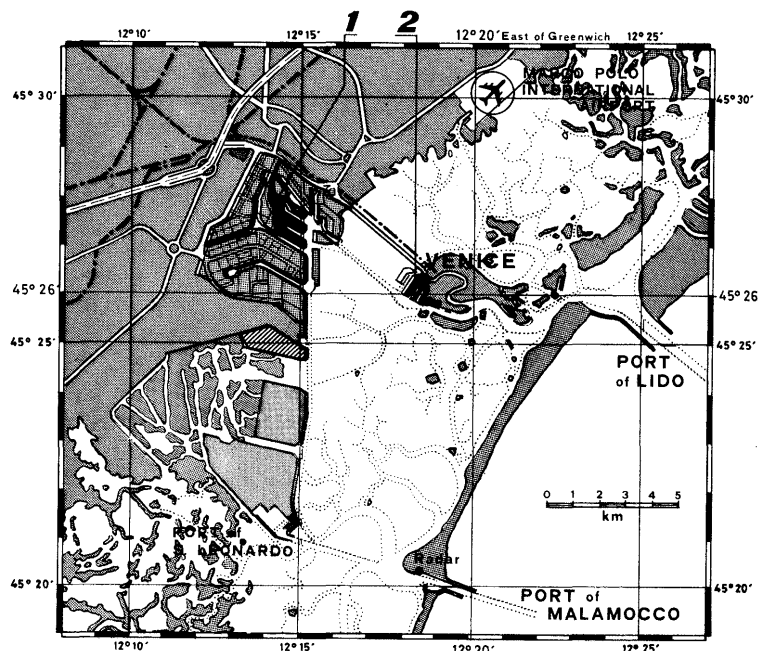
The organization of the port of Venice depends on a number of public and private bodies.

Overall co-ordination of the various functions and services of the port, including its direct commercial control, is the responsibility of the *Provveditorato al Porto* (Port Authority).

The state is represented directly by the *Direzione Marittima* (Coastal Command), Customs, the *Guardia di Finanza* (Coast Guard), the Police, the *Genio Civile OO.MM.* (Civil Engineers-Maritime), and other bodies.

The industrial port comes under the authority of the *Consorzio*,

PORT OF VENICE



GEOGRAPHICAL POSITION:

12° 20' LONGITUDE EAST
45° 26' LATITUDE NORTH

SHIP CANALS (from -10,00 m to -14,50 m m.s.l.)

TOTAL PORT AREA

DEVELOPMENT AREA

PORT AREA DIVISION:

PORT ENTRANCES:

PORT OF LIDO (-11,00 m m.s.l.)
PORT OF MALAMOCCHO (-14,50 m m.s.l.)

Km 42

ha 2,195

ha 158

PETROL - INDUSTRIAL - COMMERCIAL OF MARITTIMA AND MARGHERA

Obbligatorio (Harbour Trust), responsible for decisions pertaining to the projected enlargement of the port and industrial zone of Marghera.

Other administrators include the Chamber of Commerce, Industry, Craft and Agriculture, the *Comune* (local borough council), and the provincial and regional authorities. Unloading and loading of goods in the commercial sector is organised by the *Compagnia Lavoratori Portuali* (Docker's Organization).

Special co-operatives handle services such as mooring and pilotage, while private companies are responsible for others, such as towage—some operating under license and others on a free market basis.

Docking and naval repair services are provided by various dockyards and workshops.

Ship supplies, bunkering, water supplies, etc., are provided by various authorized private companies.

A port users' association is formed by various categories of business operators, including shipping agencies and forwarding agents: altogether there are about 200 such agencies, employing over a thousand staff.

Organizations such as the state owned agency for the Industrial zone of Port Marghera (*Ente della Zona Industriale di Porto Marghera*) bring together the port users and the various industrial companies of Porto Marghera.

Organizational frameworks can be divided into three categories: public administration, services, and port users.

Port Authority: This is the public body which comes under the auspices of the Ministry of the Merchant Navy. It is responsible for:

- a) the management of loading, unloading, trans-shipment, storage, and transport of cargo;
- b) the management of the customs free area;
- c) joint management of the port railway network;
- d) management of dry land and water surface area, and all buildings within the port zones;
- e) maintenance of existing works and machinery, and construction of all new buildings and other installations;
- f) planning for development of maritime traffic;
- g) co-ordination of the various ser-

vices connected with the day-to-day running of the port.

The *Provveditorato* supervises operations carried out by shed foremen and cargo controllers.

Coastal Command and Harbour Master's Office: The Venice *Direzione Marittima*, which comes under the authority of the Ministry of the Merchant Navy, and the Ministry of Defense, exercises control over an area stretching from Cesenatico to the mouth of the Tagliamento. The *Capitaneria di Porto* which, in turn, is responsible for the coastal delegations of Iesolo, Caorle, and the separate sections of Marghera and Bibione, is subject to the authority of the *Direzione marittima*.

The *Direttore marittima* (Mercantile Marine Superintendent) is the Port commander.

The *Capitaneria di Porto* (Harbour Master's Office) exercises administrative control in respect of navigation and shipping, and is also responsible for policing the port.

It also has the responsibility of exercising strict control of all services operating under license, and of fixing and updating fees by issuing the appropriate decrees.

(*Il Porto di Venezia* 1986)

Dramatic Rise in Port of London Trade

Preliminary trade results for the Port of London show an increase of some 5.4 million tonnes for 1988 over the previous year. The confirmed port total figure could reach 50 million tonnes for the first time since 1977.

The main contributor to the growth in trade was the recovery of crude oil traffic which rose by some 2 million tonnes. Coal and aggregates also made gains of over 1 million tonnes which easily offset reductions in some other traffics. River traffic at 42.7 million tonnes was the highest ever recorded.

The confirmed Port of London tonnage figure for 1987 was 43.8 million tonnes.

Sir Keith Hails Abolition Of Dock Labour Scheme

The following statement is made by the Chairman of Associated British Ports, Sir Keith Stuart, following the

announcement of the Government's decision to abolish the National Dock Labour Scheme.

"Associated British Ports has strongly supported the campaign for the abolition of the Dock Labour Scheme, and we are very pleased that the Government has announced its intention to bring the Scheme to an end.

"The Dock Labour Scheme has frustrated the development of the Scheme ports, and has led to the transfer of trade to continental ports such as Rotterdam. It has also put the Scheme ports at a serious disadvantage compared with non-scheme ports such as Felixstowe.

"ABP does not intend to introduce a casual labour system, but the abolition of the monopoly right of Registered Dock Workers to handle cargo will enable new working arrangements to be negotiated, to the benefit of the ports, our customers and our employees."

ABP Holding's Pre-tax Profits Up by 22%

Associated British Ports Holdings PLC has announced a £46.5 million pre-tax profit for the year ended 31st December 1988 — a 22% increase on the previous year's profit of £38.1 million.

Profits from the Company's port operations amounted to £23.1 million after severance costs of £5.0 million (1987: £6.0 million). Property activities contributed £23.0 million. Earnings per share increased by 22% from 29.6p to 36.1p.

A revaluation of land at the ports at December 1988 has shown a surplus of £189 million over book value, and a valuation of investment properties has shown a surplus of £43 million. The valuations exclude any development potential on port operational land and also exclude Grosvenor Square Properties' land and buildings.

The Directors are recommending a final dividend of 6.5p per share which, together with the interim dividend of 3.5p per share declared on 15th September 1988, makes a total of 10.0p net per share in respect of 1988, an increase of 33.3% on the 1987 dividend of 7.5p per share.

In his statement on the results, the Chairman, Sir Keith Stuart, comments: "I am pleased to report another

highly successful year for the Company, with further growth in profits from both port services and property activities."

The Group's ports benefited from an overall increase in business and handled a record 96 million tonnes of cargo. (1987: 90 million).

On prospects for 1989, Sir Keith comments:

"The Company's property business is expanding and continues to offer excellent prospects. Rental income is growing but our larger development projects will not come to fruition until 1990 and beyond. Results from our property activities in 1989 are therefore likely to be broadly similar to 1988.

"The port services business has made a strong start in 1989, with encouraging prospects for the year as a whole."

PRELIMINARY ANNOUNCEMENT

Associated British Ports Holdings PLC and Subsidiaries

Results for the Year ended 31st December 1988

	1988	1987
	£m	£m
Turnover	211.8	196.7
Profit before interest and taxation	46.4	39.0
Interest receivable (payable) — net	0.1	(0.9)
Profit on ordinary activities before taxation	46.5	38.1
Taxation	(14.8)	(12.3)
Profit on ordinary activities after taxation	31.7	25.8
Minority interests	(0.1)	—
Profit attributable to shareholders	31.6	25.8
Dividends	(8.8)	(6.6)
Retained profit transferred to reserves	22.8	19.2
Earnings per share	36.1p	29.6p

Analysis by activity	Turnover		Profit before interest and taxation	
	1988	1987	1988	1987
	£m	£m	£m	£m
Port Services	158.0	158.1	23.1	19.3
Property	53.1	37.8	23.0	19.3
Other	0.7	0.8	0.3	0.4
	211.8	196.7	46.4	39.0

Turnover and costs in the second half of 1988 excluded Southampton Container Terminals Limited which became an associated company with

Asia/Oceania

Cairns Port Outlook Strong

The future of the Port of Cairns is looking good according to Mr. Phillip Morton, the Chief Executive of the John Burke Group. An overall increase in all areas of business during 1988 saw a maximum of twelve ships per week departing Cairns during peak times, a figure he says is certain to increase in the coming year.

Increased activity in the port can be attributed to a number of factors including the excellent communications which have been established between the Department of Harbours and Marine, Cairns Port Authority, stevedoring and major shipping companies. New attitudes between management and unions and the growth of local export markets are also reflective of the vitality of the port of Cairns.

Cairns is an attractive port for overseas users with a reputation for reliability. Stoppages are virtually unknown and Cairns often continues working when others have ceased. Cost competitiveness within the port is a direct result of these factors, and local ship repair companies are amongst the growing number of businesses attracting work from both overseas and other Queensland ports. (Port Update)

MSB Opens \$6 Million Workshops in Newcastle

The Maritime Services Board of New South Wales has opened a \$6 million mechanical and electrical maintenance workshop complex in the Port of Newcastle.

MSB Chairman Mr. Roly Hoy said the 5,500-square-metre building represented a major investment in maintenance facilities for the port which was the largest in eastern Australia.

It also took the MSB investment in improvements to the port to more than

effect from 1st July 1988 following the sale of shareholdings to P & OCL and Ben Line. Turnover of £20 million was included in the Group's turnover for the year 1987.

\$150 million during the past ten years.

"This new building gives our staff a brighter, safer, more efficient place to work and releases the former port-related site for a more suitable use," Mr. Hoy said.

"It is a clear demonstration of our commitment to the future expansion of the port and the people who work in it."

Nearly 25 percent of the MSB's staff in Newcastle are involved in mechanical or electrical maintenance work.

The new complex, set in landscaped grounds, had been designed to blend with neighbouring buildings.

Potential sources of noise had been sited away from residential areas and ample off-street parking provided for employees and visitors.

Almost the entire complex was under one roof, allowing improved communications, greater productivity in bad weather and improved supervision.

Each workshop area made effective use of natural and artificial light and was linked to overhead crane, compressed air and security systems.

"This fine building should provide a sound base for our tradesmen to continue providing this essential service to this most important port well into the 21st century," Mr. Hoy said.

New Equipment for Ports of Auckland

Ports of Auckland has embarked on a major programme for the acquisition of additional mobile cargo-handling plant for all areas of the port.

Key elements in this programme are:—

- Acquisition of four Hyco reach stackers for use in the conventional port.
- Acquisition of two Kalmar 32-tonne heavy hoists.
- Acquisition of a Simon Constructor cherry picker for use within Plant Services.
- Arrival of the first six of the eight Valmet straddle carriers, likely to be commissioned at the Fergusson Container Terminal during April.
- Introduction of a programme to consider replacement portainer cranes at Fergusson Container Terminal.

The programme is part of the company's commitment to provide

modern efficient cargo-handling plant for its clients, and reflects an on-going concern at ensuring the port is well equipped for the future.

"With the major investment in the port business, we must ensure that equipment is available when needed. We have made this commitment for the future of the port and confidently expect it to bring more business," said Mr. Robert Cooper, Chief Executive.

"Our staff have already demonstrated their ability and willingness to give good performance and productivity, and this new equipment will lead to further improvements.

"Some recent performances at the container terminal have seen rates of 30 plus containers per hour being sustained throughout the ship's call. This is well up with the major players in the world.

"Similarly, on Bledisloe we have achieved record throughput with the Samba crane, and at Onehunga, we have also set a productivity record during the last month," he said.

The new equipment represents an investment of some \$12 million by the port company.

Philippine Ports Authority in Profile

Objective

The Philippine Ports Authority (PPA) was created through Presidential Decree No. 857 on 23 December 1975 to implement the State policy for an integrated program for the planning, development, financing, operation and maintenance of ports or port districts nationwide.

Functions

Specifically, PPA is tasked to ensure a well-coordinated, streamlined and improved planning, development, financing, construction, maintenance and operation of ports and its facilities; a smooth flow of waterborne commerce passing through the country's ports; the promotion of regional development through industrial and commercial dispersal in the different regions of the country; the furtherance of interisland seaborne commerce and foreign trade;

a broader concept of port administration involving total port district development and its hinterland and tributary areas; the proper collection and accounting of all income and revenue due the Authority; and, the realization of a reasonable return on assets employed.

Organization

The recent reorganization of the Authority heralds the shift towards a more service-oriented organization, one responsive to the needs of the port clientele.

The new structure decentralizes frontline services, pinpoints accountabilities and ensures a streamlined organization.

At the policy formulation level is the Authority's Board of Directors chaired by the Secretary of the Department of Transportation and Communications. Vice-chairman is the PPA General Manager.

At the implementation level, the General Manager, the highest official of the Authority, is assisted by three Assistant General Managers for Operations, Engineering, and Finance, Legal, Administration and Management.

Central Office departments are supervised by the Assistant General Managers and deliver support services to the field or line units.

Frontline services are delivered by field units called Port District Office and Port Management Office under the supervision of the Assistant General Manager for Operations.

The district office supervises the management office which in turn manages the port terminals.

Philippine Ports

There are over 38 ports of entry, 15 sub-ports of entry, 225 municipal ports, 240 private ports and 24 other national ports in the Authority's port system spread over the 7,107 islands of the Philippine archipelago.

The eight major ports of the Philippines are: Cagayan de Oro, Cebu, Davao, General Santos, Iloilo, Manila, Polloc and Zamboanga.

These ports have been expanded and modernized to meet international standards, their facilities and services beckoning to the wise businessman with investment and expansion plans.

PORTNET Operations: Port of Singapore

By Chung Suat Lay

Cargo Systems Department

Electronic pre-operations processing by the Port of Singapore Authority's [PSA] PORTNET system enables documents to be cleared at the press of a button. This means that prior to a port user's actual operation of collecting his container from Tanjong Pagar Terminal, his documents would have been cleared in advance during the pre-operation stage via PORTNET. In the January 89 issue of PSA News, we focussed on "PORTNET: Cargo Operations." This issue focuses on container Operations.

Container operations under PORTNET have the following objectives:

- Generating paperless information flow;
- Using pre-operations processing for faster turnaround of delivery and receipt of containers; and
- Sharing on-line container information with port users.

Benefits of PORTNET

PORTNET means paperless documentation — no hard-copy Delivery Orders, Shipping Notes and Equipment Interchange Receipts to be raised. There is no need to pass such documents from one party to another, or to wait for documents to be processed. Shipping lines/agents also enjoy a shorter closing time of 16 hours to submit their import status.

With pre-operations processing, hauliers are able to enjoy faster turnaround at the IN and OUT gates.

PORTNET provides 24-hour access to information pertaining to vessel calls, berthing, containers, cargo, permits and status. Parties who can reap such benefits are shipping lines/agents, traders, freight forwarders, traders and hauliers.

Submission of import status, export shipment details and application of transshipment, re-export and re-shipment electronically have been implemented since January 1989. PSA will implement the full system in October 1989. PORTNET improves productivity by saving time and costs for all parties involved in container and cargo handling operations. (PSA News)

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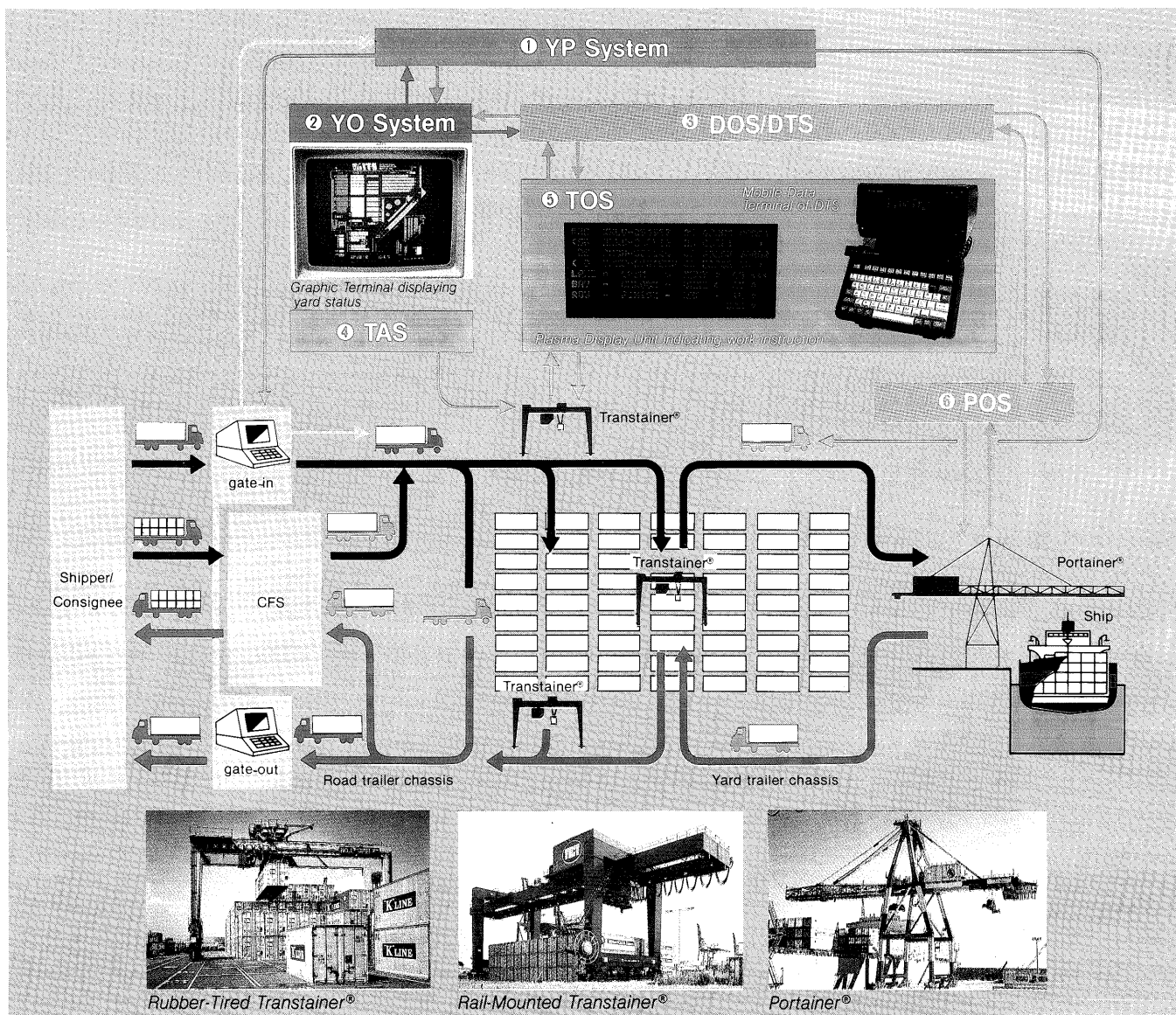


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MITSUI Automated Container Terminal System



- ① YP System: Yard Plan Computer System
- ② YO System: Yard Operation Computer System
- ③ DOS: Data Transmission & Oral Communication System (Inductive radio)
DTS: Data Transmission System (Radio)
- ④ TAS: Transtainer® Automatic Steering System
- ⑤ TOS: Transtainer® Operation Supervising System
- ⑥ POS: Portainer® Operation Supervising System

MES MITSUI ENGINEERING & SHIPBUILDING CO., LTD.

Head Office: 6-4, Tsukiji 5-chome, Chuoku, Tokyo, 104 Japan Telex: J22924, J22821
Material Handling Machinery Division Tel. (03) 544-3650

MSR Mitsui Zosen Systems Research Inc.

6-4, Tsukiji 5-chome, Chuo-ku, Tokyo, 104 Japan Telex: J22924, J22821 Engineering Division Tel. (03) 544-3800