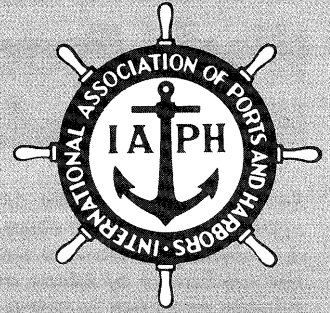


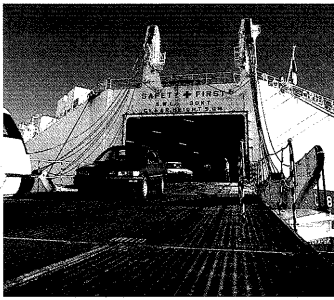
Ports & Harbors

March 1991

Vol.36 No. **2**



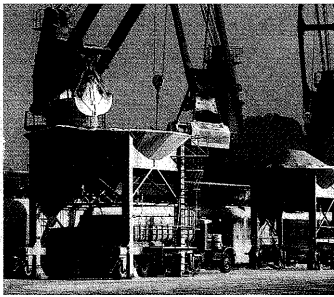
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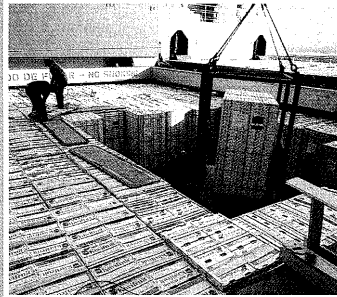
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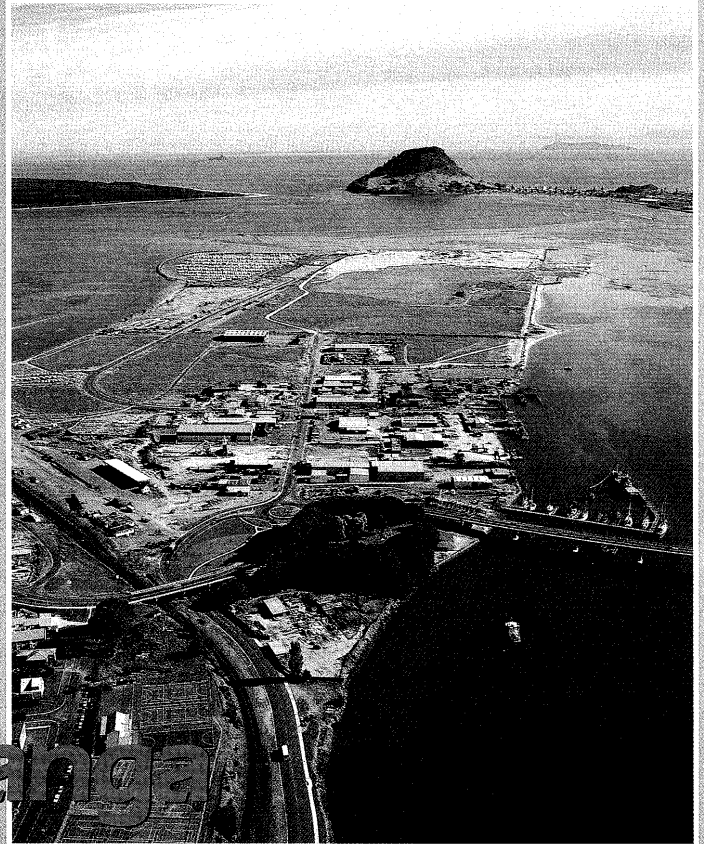
Cattle



Chemicals



Kiwi Fruits



Aerial View: North

Port of Tauranga New Zealand



Aerial Views: South



Logs & Containers

Invitation to The International Association of Ports and Harbors (IAPH)

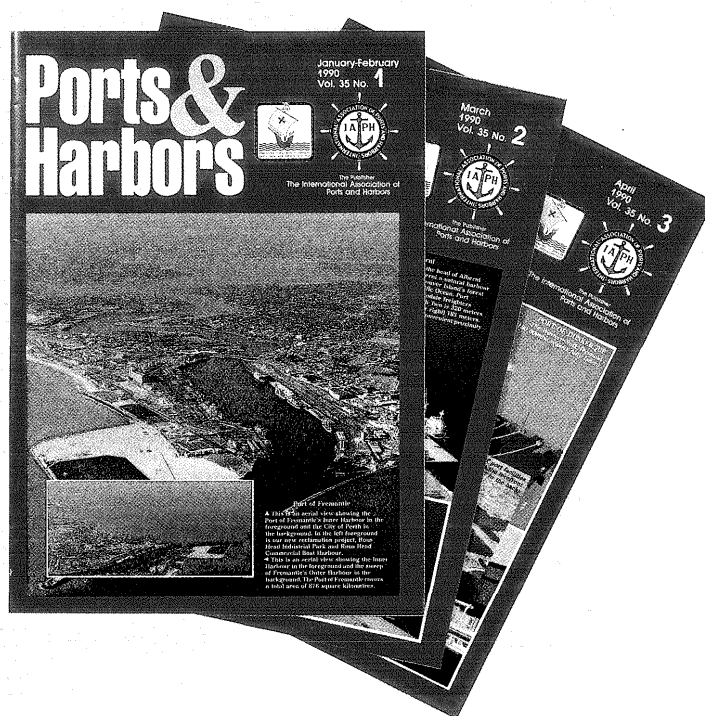
World Peace Through World Trade World Trade Through World Ports



IAPH is a worldwide Association of port authorities with members representing more than 80 countries throughout the world. IAPH occupies a unique position in world commerce. IAPH members are committed to the exchange of ideas and technical knowledge on issues of concern to people working in ports and related industries through their participation in the committee activities or numerous international forums. IAPH aims at the enhancement of the overall efficiency of port management and the protection of port interests.

"Ports and Harbors"

The official journal of IAPH, "Ports & Harbors" provides a forum for ports to exchange ideas, opinions and information. Published ten times a year as a magazine by ports, about ports and for ports, "Ports & Harbors" includes inside reports before they become news to the rest of the world. This insiders' magazine is indispensable for port officials who make decisions that affect their industry. If your business requires you to talk to the people building and guiding activity at today's ports, you should be advertising in this journal.



The 17th World Ports Conference 4-10 May 1991 in Spain



The next World Ports Conference of IAPH, under the theme "The Challenges of Ports", is scheduled for the first week of May, 1991, with Spain's Public Works Ministry acting as the host. This will take place on a large, well-equipped cruise ship. By the end of the conference week,

participants will have debated many of the key issues facing ports in the 1990s and at the same time have experienced some of the most attractive islands in the Mediterranean plus the largest industrial harbors, Barcelona and Valencia.

IAPH welcomes all who are interested to join this "Ports Summit" Conference in May, 1991.

For further information about the Conference, membership, publications and the work of IAPH, please contact:

IAPH Head Office
Hiroshi Kusaka, Secretary General
Kotohira Kalkan Building
1-2-8, Toranomon, Minato-ku,
Tokyo 105, Japan
Tel: 81-3-3591-4261
Fax: 81-3-3580-0364
Telex: 2222516 IAPH J
Cable: IAPH CENTRAL, Tokyo

IAPH Representative Office for Europe

A.J. Smith
c/o British Ports Federation
Victoria House, Vernon Place,
London WC1B 4LL, U.K.
Tel: 44-1-242-1200
Fax: 44-1-405-1069
Telex: 295741 +

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Secretary General:
Hiroshi Kusaka
Head Office:
Kotohira-Kaikan Bldg., 2-8, Toranomon
1-chome, Minato-ku, Tokyo 105, Japan
Tel: TOKYO (3591) 4261
Cable: "IAPHCENTRAL TOKYO"
Telex: 2222516 IAPH J
Fax: 03-3580-0364

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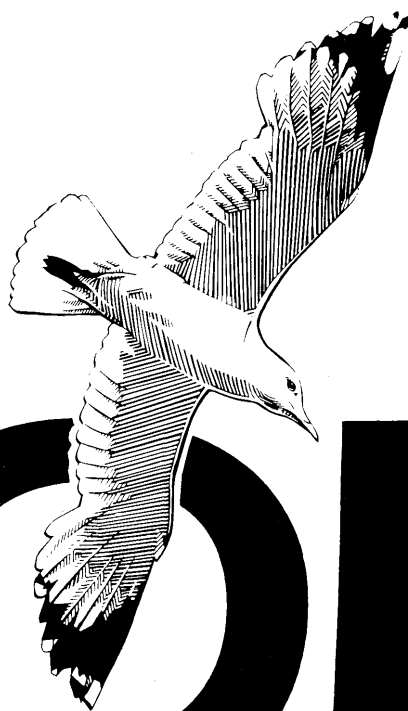
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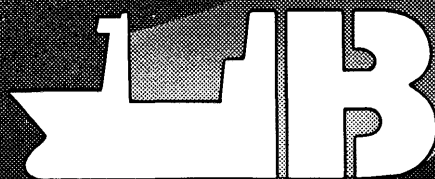
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IAPH ANNOUNCEMENTS AND NEWS

IAPH Survey on Port's Perceptions Of Future Trends

The Secretary General has circulated a questionnaire form among the IAPH Regular Members to survey perception concerning the future of ports as conceived by IAPH members and other ports throughout the world.

In his covering letter dated January 8, 1991, the Secretary General indicates that the purpose of the survey is to monitor the non-technical aspects of activities staged by world ports in the light of the dramatic and drastic changes which are taking place all over the world in the political, economic, societal, financial, trade and legal arenas and which will affect the future of world ports. A particular interest of the survey concerns the city-port relationship as seen from the diversified activities and marketing strategies of both sides.

The Secretary General wishes to receive information in these areas from as many IAPH members as possible, so that the data collected will be compiled and submitted to the 17th Conference in Spain in May for use by the relevant technical committees such as the Public Affairs Committee. The items covered in the questionnaire were as follows.

- City-Port Relationship
- Marketing — Port's Strategy
- Sister-Ports Affiliations
- Port's Promotional Publications
- Your Port and "EDI"

Captain Watson of UK To Chair Marine Safety

Captain John J. Watson, Chief Executive, Dundee Port Authority, U.K., has recently been appointed by President McJunkin to chair the Marine Safety Sub-Committee, COPSSEC. His nomination was based on the unanimous recommendation of the COPSSEC members who met in Paris in October last year.

Captain Watson's predecessor as Chairman of the Sub-Committee was Capt. van der Schaaf who retired from the Port of Rotterdam early in 1990.

IAPH Essay Contest Winners Announced

Mr. C. Bert Kruk (Director, TEMPO, Port of Rotterdam), Chairman of the IAPH Committee on International Port Development (CIPD), had informed the Head Office of the results of the IAPH Award Scheme 1990, an essay contest in which applicants were invited to write on the subject "How could the efficiency of your port be improved?"

In accordance with Chairman Kruk's fax message dated January 23, 1991, the panel of judges, consisting of Messrs. G. de Monie (Antwerp), J.P. Lannou (Le Havre), M. Pintor (Santa Cruz de Tenerife, the Canary Islands), J. Bayada (Cyprus), J. Cambon (UNCTAD, Geneva) and C. Bert Kruk himself as Chairman, reached the conclusion that none of the nine entry papers deserved to the Akiyama Prize (First Prize) and all the benefits that come with it. Thus the results announced by the panel were as follows:

Akiyama Prize (First Prize):

There will be *no* recipient of the "Akiyama Prize" which consists of a medal, US\$1,000 and an invitation to attend the 17th World Ports Conference of IAPH in Spain in May this year, with travelling and cabin accommodation on the cruise ship "Eugenio Costa" provided.

Second Prize:

Mr. W.G. Samarathunge, Sri Lanka
(to be awarded US\$500)

Third Prize:

Mr. F.L. Ukonu, Nigeria
(to be awarded US\$400)

Consolation Prize:

Mr. P.A. Gonzalez, Panama
(to be awarded US\$100)

"It was rather disappointing for the panel", Chairman Kruk said, "to notice that the content of the papers received varied from very bad to very moderate."

A call for papers for the next competition will be announced later this year following the 17th Conference in Spain where Mr. Kruk's Committee will be able to come up with new guidelines of the Award Scheme 1992.

17th World Ports Conference in Spain May 4 – 11, 1991

No Changes in Schedules

In the middle of the night (00:30 to 01:00 Tokyo time) of February 1, 1991, a telephone conference of IAPH officers was called by President McJunkin to consider the situation concerning the arrangements for the forthcoming Conference in Spain in view of the Gulf War.

This extraordinary telephone conference linking IAPH Officers in seven world cities (Long Beach, Glasgow, Miami, Madrid, Singapore, Auckland and Tokyo) was attended by President McJunkin, First Vice-President Mather, Third Vice-President Lunetta, Conference Vice-President Palao, Immediate Past President Wong, Mr. R. Cooper (who took part in it on behalf of Mr. Cheung Yeun Sei, Second Vice-President) and Secretary General Kusaka and his senior staff (R. Kondoh and K. Takeda) from the Tokyo Head Office.

President McJunkin, in proposing a telephone conference, said "I am not appearing as an alarmist, but I believe we owe it to the membership and our Host to take the matter seriously."

The meeting heard the views of each Vice-President of the three IAPH regions on the basis of inputs already expressed by some Executive Committee members, and the participants were informed of the situation on our host's side concerning the organization of the Conference. As a result of an extensive exchange of views and information, and having particular regard to those expressed by Dr. Fernando Palao, the Host of our Conference, who came up with a firm assurance and commitment concerning safety and security, the conclusion was reached that there should be no change in the schedules and programs of the Conference.

The telephone conference, which was organized through the good offices of Mr. Lunetta and was ably assisted by Lori Goodman, Conference Coordinator for the Port of Miami, lasted about 30 minutes.

Earlier, the Organizing Committee had reportedly had a day-long conference with the Spanish authorities concerned and, as a result, Dr. Palao assured not only those attending the telephone conference but all participants that the IAPH Conference in May would enjoy the highest degree of safety and security.

575 Registrants

According to Dr. Jose L. Juan-Aracil, Executive Secretary of the Organizing Committee in Madrid, as of February 15, 1991, the number of cabins reserved and paid is 318, which represents a total of 575 participants including the accompanying persons. Our hosts in Spain is fully convinced that the number of participants will further increase in the weeks ahead leading up to the Conference week in May, which, they believe, will turn out to be most fruitful and enjoyable for all the participants.

The IPD Fund: Contribution Report

We regret we must report that there has been no progress in the fund-raising campaign since last announcement. The contributions so far made by our members, whose names are listed in the box below, totalled little over US\$20,000, which represents nearly 30% of the targeted amount of US\$70,000. All members' continued support of the project is ardently requested.

Contributions to the Special Fund For the Term of 1990 to 1991 (As of February 10, 1991)

Contributors	Amount Paid: (US\$)
Paid	
Associated British Ports, U.K.	3,000
UPACCIM, France*	1,989
Port of Copenhagen Authority, Denmark	1,000
South Carolina State Ports Authority, U.S.A.	1,000
Vancouver Port Corporation, Canada	1,000
Puerto Autonomo de Valencia, Spain	1,000
Port Authority of New York & New Jersey, U.S.A.	1,000
Osaka Prefecture, Japan	585
Kobe Port Development Corp., Japan	584
Osaka Port Terminal Development Corp., Japan	584
Nagoya Container Berth Co. Ltd., Japan	554
Penta-Ocean Construction Co., Ltd., Japan	502
Marine Department, Hong Kong	500
Port Authority of Jebel Ali, U.A.E.	500
Port of Montreal, Canada	500
Port Rashid Authority, U.A.E.	500
Stockton Port District, U.S.A.	500
Port of Tauranga, New Zealand	500
Port Autonome de Dakar, Senegal	480
The Japanese Shipowners' Association, Japan	438
Japan Port & Harbor Association, Japan	400
Public Port Corporation II, Indonesia	300
Japan Cargo Handling Mechanization Assoc., Japan	280
Fraser River Harbour Commission, Canada	250
Port of Melbourne Authority, Australia	250
Port of Palm Beach, U.S.A.	250
Port of Quebec, Canada	250
Saeki Kensetsu Kogoy Co. Ltd., Japan	250
Bintul Port Authority, Malaysia	200
Gambia Ports Authority, the Gambia	200
Nanaimo Harbour Commission, Canada	200
Port of Redwood City, U.S.A.	200
Public Port Corporation I, Indonesia	150
Port Authority of the Cayman Islands, West Indies	100
Port Authority of Thailand, Thailand	100
Total	US\$20,096
Pledged	
Ghana Ports & Harbours Authority, Ghana	250
Empresa Nacional de Puertos S.A., Peru	100
Total	US\$350
Grand Total	US\$20,446

* Union of Autonomous Ports & Industrial & Maritime Chamber of Commerce (the Association of French ports) on behalf of the Ports of Le Havre, Bordeaux, Dunkerque, Marseille, Nantes-St. Nazaire, Paris and Rouen

Regular Members, Directors Asked to Submit Credentials

The Secretary General, in his recent letter to the Regular Members, asked them to submit a form of credentials advising the name of the delegate of each member organization attending the 17th World Ports Conference of IAPH in person, or one of proxy specifying the name of the individual attending the Conference on behalf of organization from which no delegates will be able to attend.

At the same time, the IAPH Directors were asked to file to the Secretary General notice of their attendance at the Board meetings scheduled for Sunday, May 5, 1991 (from 10:00 to 12:00 at Hotel Princesa Sofia in Barcelona) and Friday, May 10 (from 16:00 - 18:00 on board "Eugenio Costa") respectively, by a form of credentials. Moreover, any Directors who will be unable to attend the Board meetings in person were asked to submit a form of proxy.

1995 Conference Site: Members Sounded Out

The site selection for the 19th World Ports Conference of IAPH to be held in the American Region will be made by the post-Conference meeting of the Board of Directors after the close of the Barcelona Conference.

In accordance with past practice, Secretary General circulated a letter to all Regular Members in the American Region, sounding them out about their interest in hosting the 19th Conference in 1995.

In the letter dated January 11, 1991, the Secretary General requested the members concerned to examine the possibility of hosting the 19th Conference in 1995 and let the Tokyo Head Office know of their position by the end of March 1991 so that the Secretariat can process offers for the presentation to the Board in Spain. The Secretary General's letter indicates that, if and where there is plural number of offers, a voting process will be necessary for the final decision by the Board.

Gdynia and Gdansk Plan to Join IAPH

Two ports in Poland — Gdynia and Gdansk — have indicated to join IAPH as Temporary Members. It was Mr. Carmen Lunetta of the Port of Miami, our Third Vice-President and a member of the Membership Committee, who assisted these ports in joining IAPH under the temporary membership category.

PIM Proceedings Circulated Among Regular Members

The International Ocean Institute (IOI), which was founded in Malta in 1972 as an independent, non-governmental, international, non-profit organization, held its 17th annual convocation, Pacem in Maribus (PIM), in Rotterdam

in August 1990. Some 300 people from more than 75 countries reportedly participated in the meeting.

The theme chosen for PIM XVII was: Ports as 'nodal points' in a global transport system.

Mr. J.H. McJunkin, President of IAPH, was a member of the Honorary Committee, along with Mrs. J.R.H. Maij-Weggen, Netherlands Minister of Transport and Public Works, and other top officials from various international organizations including IMO, UNCTAD, ICC and PIANC.

The proceedings of PIM XVII under the name "Trade Directory" were published early in 1991 by Pergamon Press and through the kind arrangement of the organizer, IAPH was given some 300 copies of the directory which the Tokyo Head Office circulated among all Regular Members in late January.

UNCTAD/IAPH Monograph No. 8 Sent to All Members

The English version of monograph No.8 entitled "Economic Approach to Equipment Selection and Replacement", authored by Michael Constantinides, Head of Mechanical, Electrical and Marine Services, Cyprus Ports Authority, was sent to all members from the Tokyo Head Office in late January 1991. The monograph is one of the series being prepared by UNCTAD's Shipping Division in collaboration with IAPH.

As an overview, the thrust of the paper was introduced as follows.

- (i) Engineering economic analysis is usually involved

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- B. Transport facilitation, intermodal services, containerization and transit efficiency;
- C. Maritime transport and shipping;
- D. Coastal shipping and inland water transport; and
- E. Environmental and safety matters related to ports and shipping.

Candidates should also be familiar with international procurement, have good oral and written communication skills in English, be fluent in French, and be willing to travel extensively in developing countries, especially in Francophone countries.

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The World Bank

with various projects, which are mutually exclusive, and compares them on the basis of some economic measure of effectiveness. In an effort to quantify the intangible factors as well, the projects under study are mainly compared in monetary terms. The objective of this paper is to present an analytical methodology for the comparison in monetary terms of the investment for alternative types of cargo-handling equipment.

(ii) The approach proposed is the only one widely recognized and — via the discounting cash flow method — provides a mathematical result which will be accurate, if properly and correctly interpreted. Its use is by no means restricted to port equipment and the technique has a wider application. In chapter II, a case study is presented to illustrate the procedure and sensitivity analysis is discussed.

(iii) Chapter III discusses how to calculate the economic life of equipment and worked examples are given. A graph has been prepared for certain assumptions which relates economic life to maintenance cost.

(iv) Chapter IV deals with the problems of determining whether to repair or replace damaged equipment and an example is given.

(v) Chapter V describes the basic elements of an Equipment Management Information System which are necessary to allow the evaluation of alternative types of cargo-handling equipment.

OBITUARY



Mr. Bernard J. Caughlin Founder Honorary Member

The IAPH Head Office recently learned through an IAPH member in Tokyo that Mr. Bernard J. Caughlin, a Founder Honorary Member of IAPH, had passed away in May 1990 in Los Angeles.

Mr. Caughlin, as General Manager of the Port of Los Angeles, served as a leading organizer of the inaugural conference of IAPH, which was held in Los Angeles (at the Hollywood Roosevelt Hotel) in November 1955. Throughout his long association with IAPH, he enthusiastically supported the work of IAPH. In particular, he served as Chairman of the Ways and Means Committee (currently called the Finance Committee) for the period 1971 — 1975 and contributed to the improvement of the financial conditions of the Association.

For his meritorious services, Mr. Caughlin was elected as an Honorary Member at the Houston Conference in 1977 and, furthermore, he was invited to the Silver Jubilee Ceremony of the Association held in Nagoya, Japan in 1981, as one of the 13 recipients of the silver jubilee commendations.

Kimiko Takeda of the Tokyo Head Office wrote to Mrs. Caughlin to convey the deep condolences expressed by the Secretary General and Mr. Caughlin's other IAPH friends.

Membership Notes:

New Member

Regular Member

Administracao dos Portos de Setubal e Sesimbra (Portugal)

Address: Praca da Republica 2900 Setubal
Mailing Addressee: Eng. Coelho da Mota
President
Tel: 351 (065) 20095
Fax: 351 (065) 30992
Telex: 43200 JAPS P
President: Eng. Coelho da Mota

Changes

Port of Melbourne Authority [Regular] (Australia)

Chairman & Chief Executive Officer:
Mr. John King
Board Members: Mr. A.H. Bowman
Mr. F.E.A. Calandra
Mr. P. Greenham
Mr. M.T. Doleman

Port Alberni Harbour Commission [Regular] (Canada)

Chairman: Mr. Jim Robertson
Commission Members: Dr. Garnet Reynolds
Mr. Jim Sawyer

Port of Reykjavik [Regular] (Iceland)

Chairman: Mr. Gudmundur Hallvardsson
Board Members: Mr. Jonas Eliasson
Mrs. Anna K. Jonsdottir
Mr. Sigurdur Runar Magnusson
Mr. Vilhalmur Th. Vilhjalmsen
General Manager: Mr. Hannes Valdimarsson
Harbour Master: Capt. Johannes Ingolfsson
Director of Finance and Administration: Mr. Bergur Thorleifsson
Technical Director: Mr. Jon Thorvaldsson

Humberside Business School [Class D] (U.K.)

(Formerly Humberside College of Higher Education)
Address: Humberside Polytechnic
Cottingham Road, Hull HU6 7RT
Mailing Addressee: Dr. Terrence Coldwell
Director
The Maritime Transport Centre

International Maritime Organization

London, 17th — 21st September 1990

63rd Session of the Legal Committee

The IMO Legal Committee held its 63rd Session at the organization's headquarters from 17th — 21st September 1990.

The session was:

- chaired by Professor R. Clenton (Netherlands); and
- followed by 48 national delegations, 4 United Nations agencies or inter-governmental organizations and by the observers of 15 non-governmental organizations, including A. PAGES and A. SMITH, on behalf of the IAPH.

The agenda included various questions, in addition to the continuing debates on an eventual future convention relating to "HNS" (liability and compensation in connection with the carriage of hazardous and noxious substances by sea).

I — MARITIME LIENS AND MORTGAGES

The revision of the International Conventions in force has, over the past few years, involved 6 joint IMO/UNCTAD meetings.

The subject is now considered ready for debate at an international conference for which, however, the financing still remains to be settled within the context of the United Nations' resources. At the most optimistic, the conference could perhaps take place towards the end of 1991 or during 1992.

Only after that will work begin on the revision of the conventions relating to the arrest of ships.

From the IAPH viewpoint, it may be remembered that:

- a report was submitted on each of the joint IMO/UNCTAD meetings,
- a memorandum highlighted the principal points where the interests of ports are at stake; in this connection,
- it would be opportune for the Association to fix its positions and submit them in a note to the IMO; and
- this should be done at least 6 months before the opening of the international conference.

II — WRECK REMOVAL

This question was tackled by the Legal Committee some twenty years ago, without any conclusions being reached. Since that time, it has been left to one side. The Legal Committee debated whether it was opportune to include it in its current work programme, with a view to drafting an eventual convention.

The following definitions still remained to be settled at that time:

- the geographical scope of the convention:
 - * whether limited to international waters, where there are very few wrecks; or
 - * to cover national waters, where legislation dealing with the problem would need to be harmonized.

- the definition of a ship (e.g. in the case of platforms), the location of a wreck and the danger it may present;
- the obligation to disseminate information on the presence of a wreck, the marking and removal of the wreck, etc.
- the liability of the owners and their mandatory insurance coverage; or
- if necessary, the introduction at an international level of financial means to deal with the problem.

For certain delegations, the current situation of wrecks calls for a new examination, given the elements which have appeared in the interim (Conference on the Law of the Sea, on Salvage, National Legislation, etc.). For others, the subject could be withdrawn or maintained, but only at a less than urgent level.

In conclusion, the subject was kept in the long-term programme, which implies that it is unlikely to be examined before 1994.

It may, however, be noted that during the debates very few delegations from the developing countries expressed opinions, even though for certain of them the presence of a wreck in their national waters could pose serious problems from the technical, legal and financial viewpoints.

Does IAPH need to take any initiative in this respect?

III — OFFSHORE MOBILE CRAFT

The development of the oil industry has led to a multiplication at sea of the presence and movements of exploration and production platforms.

The Comité Maritime International (CMI) in 1977 drafted a possible international convention on the status of these craft.

The subject is considered still to be pertinent. The CMI is to be invited to revise its 1977 draft, in the light of intervening events, so that it may serve as the basis of future work by the Committee.

IV — MARKING OF EXPLOSIVES

The International Civil Aviation Organization (ICAO) is studying a draft convention for the mandatory marking of explosives, so that they may be detected in parcels, for reasons of security.

This question concerns, to varying degrees, all modes of transport, including maritime transport. IMO is therefore associating itself with the work of the ICAO.

V — CONTROL OF TRANSBOUNDARY MOVEMENTS AND DISPOSAL OF HAZARDOUS WASTES

The United Nations Environment Programme, UNEP, were the promoters of the Basel Convention on the control of transboundary movements and disposal of hazardous

wastes.

Its current work on an eventual protocol to deal with liability and compensation in this respect could affect the work of the draft convention on HNS, currently being examined by the IMO Legal Committee.

So that all contradictions or overlapping may be avoided, the Secretariats General of IMO and UNEP will inform each other of the follow-up given to the Basel Convention and work on the draft HNS one.

VI – OIL POLLUTION PREPAREDNESS AND RESPONSE

At its 64th Session, the IMO Council asked the Legal Committee to participate in the work of a conference convened for the fortnight of the 19th to 30th November 1990, to deal with international cooperation on oil pollution preparedness and response.

Ports who receive or export oil have been invited:

- to develop their own emergency plans, in the same way as ships and the oil industry;
- to integrate them into national plans for preparedness and response;
- to also integrate them into international mutual cooperation plans; and
- to inform, teach and train their personnel as required.

It is partly, in fact, an extension of the 1973-78 MARPOL Convention, following recent events. Generally speaking, Port Authorities find themselves already obliged to carry out these duties.

With respect to IAPH, the subject is covered by COPSSEC, with a minor contribution from CLPPI.

The debates of the Conference will cover, among other things, the definition of the terms "oil", (persistent or not) and "ships" (e.g. in the case of offshore platforms), and the obligations of the various parties involved.

VII – STATUS OF CONVENTIONS AND OTHER TREATY INSTRUMENTS

The Secretariat General of the IMO supplied an indication (document in annex) of the state of ratification and entry into force of various international conventions and other treaty instruments resulting from the work of the Legal Committee. Various delegations provided details relating to the perspectives of new ratifications. From these discussions it would seem that:

- the process of entering into force of numerous conventions, linked to attaining a required number of ratifications, is very slow and sometimes dependent on the intervention of ratifications from other States;
- in particular, the chances of the entering into force of the 1984 protocols to the 1969/71 Oil Conventions are very small, because of the decision of the U.S.A. Congress not to ratify them, but to adopt instead national legislation (1990 Oil Pollution Act). This might lead to the Legal Committee carrying out an examination of the newly created situation;
- with respect to the 1989 Salvage Convention, Lloyds have already altered their Salvage Contract, to take into account the provisions of the new Convention, while the June Conference of the CMI adopted an amendment to Articles VI of the York-Antwerp Rules, also to bring these rules into line with the wishes expressed during the International Conference on Salvage.

VIII – THE LEGAL COMMITTEE'S WORK PROGRAMME

The Committee's Work Programme for 1991 includes:

- the continuation of work on the draft HNS convention;
- the incidences resulting from work on a draft protocol to the Basel Convention;
- the work of the ICAO on the marking of explosives; and
- the consequences that the work on the draft HNS Convention may have on the 1976 Limitations of Liability for Maritime Claims.

The Work Programme for the 1992 – 1993 Biennium includes:

- continued work on the HNS Convention;
- an eventual revision in consequence of the 1976 Convention;
- a possible review of developments relating to oil pollution liability and compensation based on the 1969 & 1971 Oil Conventions;
- the possible consideration of a draft convention on offshore mobile craft; and
- work on the arrest of ships – if, in the interim, the case of Maritime Liens and Mortgages has been settled by a Diplomatic Conference.

The long-term programme beyond those dates involves questions of:

- civil jurisdiction, choice of law, recognition and enforcement of judgements in matters of collision at sea;
- the legal status of novel types of craft;
- wreck removal and related issues;
- the regulation of vessels in foreign ports; and
- legal status of ocean data acquisition systems.

The working sessions have been scheduled for 1991:

- in the weeks 18th to 22nd March and 30th September to 4th October

Two sessions of one week are programmed for each of 1992 and 1993.

IX – REVISION OF THE 1976 CONVENTION

The possible revision of the 19 November 1976 LLMC Convention, contingent upon the decisions taken on the approach and terms of an eventual HNS Convention, has been adopted as a subject for inclusion in the work programme for the 1992 – 1993 biennium.

X – CONSIDERATION OF THE DRAFT HNS CONVENTION

The Committee continued its work on the draft HNS Convention (liability and compensation in connection with the carriage of hazardous and noxious substances by sea).

Work devoted to this matter during previous sessions is progressing on various points while still leaving many others to be settled at future sessions.

X.1 – Definition of the Person Liable and the Regime of Liability

For reasons of easy identification this person is designated as the shipowner and not the operator in cases of charter.

The regime for this liability will, in principle, be that of strict liability, with compulsory insurance coverage.

X.2 – Supplementary Compensation provided by an International Pollution Fund-type Body

The P & I Clubs which provide liability coverage for

shipowners calculated, as an indication, a sum of 100 million SDR, as the limit of their capacity.

Consequently, compensation provided by the owners would have to be, in very serious disasters, supplemented by aid from an International Pollution Fund-type body (see 1971 Fund/Pollution Convention for compensation for oil pollution damage), financed by subscriptions from HNS shippers.

The chemical industry, through the European Council of Chemical Manufacturers' Federations (CEFIC), contests this necessity, attributing the P & I Clubs with capacities for a much higher coverage for their adherents than the 100 m SDR proposed.

The Committee is directing work, nevertheless, towards a two tier compensation method:

- the first, resting with the shipowner, within the context of his limitation of liability, which is still to be defined; and
- the other to cover the complement, where necessary by a fund-style body for "HNS".

X.3 – Envisaged Structure of the HNS Convention

The HNS convention could be drawn up as one:

- independent from those of 1924, 1957 and 1976, relating to the limitations of liability of shipowners and currently in force, according to the country, which would require a definition of their respective scopes with corresponding protocols; or as
- a complement to these conventions, according to the way in which, in each country, they have been introduced, so as to attain the required global levels of limitation of liability and compensation.

It has been decided that only one convention should be drafted, in contrast to the dual system used for the 1969/1971 Conventions (dealing with oil pollution) and that this should apply whether the compensation of victims rests solely with the shipowner or involves a second tier.

X.4 – Definition of HN Substances

The debates covered:

- the possibility of making reference to lists already in existence for dangerous goods (e.g. that of the IMDG Code) for persons, property and the environment; or
- the possibility of establishing an ad hoc list.

It was decided that a group of experts (specialists in chemistry, manufacturing and the transportation of such substances) should be established and given the task of formulating propositions on:

- the possibility of using existing lists, or establishing an ad hoc list;
- the conditions of revising such a list if, in the future, new dangerous substances were introduced;
- the minimal quantity limits for substances which, considered individually or communally, represent a danger, and to include them in the scope of the convention;
- the definition of what constitutes serious disasters, which would lead to the use of the second tier;
- and, in the case of compensation from 2 tiers, in addition, the shippers of which substances, who were to be asked to pay HNS contributions;
- the risks resulting from the presence of residues in the holds, following previous voyages (in the case of explosions of oil tankers in ballast); and
- the opportunity of also subjecting shipowners to the

"HNS" Fund body, in the case of a two-tier system of compensation.

X.5 – Levying HNS Contributions from the Shippers

HNS contributions would be levied on shippers of:

- bulk cargoes;
- substances carried in large capacity mobile tankers;
- packages of highly dangerous substances; and
- with an exception for other packages, for reasons of simplicity.

A method of calculating HNS points, which takes into account the quantities and the specific degrees of risk for each dispatch, as well as a simple method of levying and centralizing such contributions, still remains to be formulated.

X.6 – Enquiry into the Carriage of HNS and the Accidents Involved

The Secretariat and Government members of the IMO have been invited to gather and forward to the experts all useful statistical information relating to:

- the tonnages and quantities of HNS carried by sea;
- the frequency and gravity of accidents involving such carriage; and
- the damage caused to persons, property and the environment.

X.7 – Limitations of Liability remaining to be set

During the sessions to come, the Committee will also have to decide:

- on the amounts of limitations of liability of the carrier to be set for incidents involving the carriage of HNS by sea (those of the 1924? 1957? or 1976 Conventions? or the new HNS convention?);
- on the eventual complements of compensation, in the case of the establishment of a second tier, to be provided by an HNS fund body;
- on the process of supplying that body with HNS contributions; and
- on the linking of the HNS Convention with those of 1924, 1957 and 1976, which are in force, according to the State concerned, for the limitation of liability of shipowners.

As a reference it is useful to recall that:

- the "CRTD" Geneva Convention of 10th October 1989 specified, for the limits of liability for damage resulting from the overland carriage of dangerous goods:
 - * death or injury: 18 m SDR (road or rail) 8 m SDR (waterborne)
 - * Property damage: 12 m SDR (road or rail) 7 m SDR (waterborne)
 - Total 30 m 15 m
- the maximum amount of the international fund for the compensation of oil pollution (1971 Convention) is 60 m SDR, but its 1984 protocol (not yet in force) is intended to raise that amount to 135 m, or even 200 m SDR; and that
- the limitation of liability of the 1976 Convention for a vessel of 70,000 g.t. (1969 Tonnage Convention) is approximately 30.5 m SDR for death, injury and property damage inclusive, with an increase of 250 SDR per ton over 70,000 g.t.

XI – CONCLUSION

The attention of IAPH members is drawn to the fol-

lowing points in this report:

- **Maritime Liens and Mortgages:** IAPH will have to draw up a position and express it before the opening of the Diplomatic Conference to revise the conventions in force.
- **Wreck Removal:** It is up to IAPH to decide on the interest for ports in a convention on this subject and, if affirmative, to fix and express its opinion.
- **Status of Offshore Mobile Craft:** same observation.
- **Marking of Explosives:** IAPH, it seems, can only follow the work on this matter with interest.
- **The Transboundary Movements of Dangerous Wastes:** same observation.
- **International Cooperation on Oil Pollution Preparedness and Response:** even if new restrictions for port authorities result, it seems they neither should nor could escape them... this being stated with the reservation of a more specific appreciation being made by COPS-SEC.
- **Bringing into Force and Revision of International Conventions**

As it has already done, during the revision of the 1974 Athens Convention relating to the carriage of passengers, IAPH, it seems ought once again to express its point of view concerning:

- the rapid depreciation of the various limitations of liability, caused by general monetary erosion and therefore, the purchasing power of the SDR; and.
- the length of the process for the revision of limitations of liability, annexed to various conventions.
- **Continuation of Work on the HNS Convention**
During the continuation of this work IAPH will need to express its opinion on the classification retained for the substances recognized as dangerous and the corresponding minimum quantities, as well as on the conditions of compensation for damage that may be caused by their carriage.
- **Work Programme of the IMO Legal Committee**
The programme is a heavy one and calls attention to the numerous other matters mentioned above.

ANNEX

Conventions and other treaty Instruments Adopted as a Result of the Work of the Legal Committee

A Conventions and instruments in force or which have met the conditions for entry into force:

- (1) International Convention relating to Intervention on the High Seas in Cases of Oil Pollution Casualties, 1969
Adopted: 29 November 1969
Entry into force: 6 May 1975
Number of Contracting States as at 16 July 1990: 57
- (2) Protocol relating to Intervention on the High Seas in Cases of Pollution by Substances other than oil, 1973
Adopted: 2 November 1973
Entry into force: 30 March 1983

Number of Contracting States as at 16 July 1990: 25

- (3) International Convention on Civil Liability for Oil Pollution Damage, 1969
Adopted: 29 November 1969
Entry into force: 19 June 1975
Number of Contracting States as at 16 July 1990: 68
- (4) Protocol [of 1976] to the International Convention on Civil Liability for Oil Pollution Damage, 1969
Adopted: 19 November 1976
Entry into force: 8 April 1981
Number of Contracting States as at 16 July 1990: 35
- (5) International Convention on the Establishment of an International Fund for Compensation for Oil Pollution Damage, 1971
Adopted: 18 December 1971
Entry into force: 16 October 1978
Number of Contracting States as at 16 July 1990: 45
- (6) Convention relating to Civil Liability in the Field of Maritime Carriage of Nuclear Material, 1971
Adopted: 17 December 1971
Entry into force: 15 July 1975
Number of Contracting States as at 16 July 1990: 12
- (7) Athens Convention relating to the Carriage of Passengers and their Luggage by Sea, 1974
Adopted: 13 December 1974
Entry into force: 28 April 1987
Number of Contracting States as at 16 July 1990: 13
- (8) Protocol [of 1976] to the Athens Convention relating to the Carriage of Passengers and their Luggage by Sea, 1974
Adopted: 19 November 1976
Entry into force: 30 April 1989
Number of Contracting States as at 16 July 1990: 11
- (9) Convention on Limitation of Liability for Maritime Claims, 1976
Adopted: 19 November 1976
Entry into force: 1 December 1986
Number of Contracting States as at 16 July 1990: 19

B Conventions and instruments which have yet to meet the conditions for entry into force:

- (1) Protocol of 1984 to amend the International Convention on Civil Liability for Oil Pollution Damage, 1969
Adopted: 25 May 1984
Requirements for entry into force: Ratification, acceptance, etc., by 10 States, including six with one million units of gross tanker tonnage
Number of Contracting States as at 16 July 1990: 6
- (2) Protocol [of 1976] to the International Convention on the Establishment of an International Fund for Compensation for Oil Pollution Damage, 1971
Adopted: 19 November 1976
Requirements for entry into force: Ratification, acceptance, etc., by 8 States with 750 million tons of contributing oil
Number of Contracting States as at 16 July 1990:

- (3) Protocol of 1984 to amend the International Convention for the Establishment of an International Fund for Compensation for Oil Pollution Damage, 1971
Adopted: 25 May 1984
Requirements for entry into force: Ratification, acceptance, etc., by 8 States with 600 million tons of contributing oil
Number of Contracting States as at 16 July 1990: 2
- (4) Convention for the Suppression of Unlawful Acts against the Safety of Maritime Navigation, 1988
Adopted: 10 March 1988
Requirements for entry into force: Ratification, acceptance, etc., by 15 States
Number of Contracting States as at 16 July 1990: 7
- (5) Protocol for the Suppression of Unlawful Acts against the Safety of Fixed Platforms Located on

the Continental Shelf, 1988

Adopted: 10 March 1988

Requirements for entry into force: Ratification, acceptance, etc., by 3 States

Number of Contracting States as at 16 July 1990: 7

- (6) International Convention on Salvage, 1989
Adopted: 28 April 1989
Requirements for entry into force: Ratification, acceptance, etc... by 15 States
Number of Contracting States as at 16 July 1990: 0
- (7) Protocol of 1990 to Amend the Athens Convention Relating to the Carriage of Passengers and their Luggage by Sea, 1974
Adopted: 29 March 1990
Requirements for entry into force: Ratification, acceptance, etc... by 10 States
Number of Contracting States as at 16 July 1990: 0

Reflections on actions to be taken in favour of the environment within the framework of the IAPH

By J. Smagghe

**Chairman of the COPSSEC, IAPH
General Manager, Port of Le Havre**

Introduction

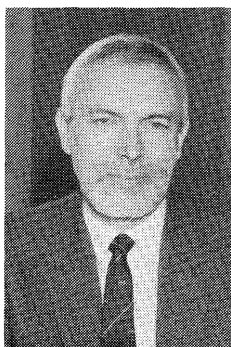
Being concerned about the environment is nowadays a priority if one wants to keep the natural balance which has allowed mankind to develop on the planet Earth.

With this end in view, it is legitimate for everybody to try to estimate the influence of his behavior on this balance because there is no doubt that all human activity affects the environment.

Owing to the interpenetration of human activities and to the interdependence of human beings at the level of the planet as a whole, it seems essential to define what are everybody's responsibilities if one wants to take efficient steps to slow down the degradation of the living environment.

Ports, which are the points of convergence of maritime, river and land connections and the locations of many industrial activities, are a perfect example of this interpenetration. It is therefore appropriate to distinguish:

- the actions for which we are to be blamed and for which we must rapidly find solutions; and
- the numerous and various activities having no connection with the port life but whose consequences we have to suffer even if they are often prejudicial to our future and concerning which we have been unable so far to take action.



Mr. Smagghe

Within the scope of the IAPH, we can question the efficiency of the actions carried out up until now and consider the actions that we will have to carry through if we wish our Association to fully fulfill the tasks it has decided to carry out. The following paper only intends to take stock of the situation at a time when new directions may be decided.

1. Ports: their role and development

By definition, the port is a link in the international transport chain, standing at the interface between land and sea. Sea transport amounted to 3.9 billion tonnes in 1989, that is to say 95% of all international trade. This activity is, therefore, of the greatest importance to society in general, generating much employment in coastal areas. In fact, for certain countries the ports constitute the lifeblood of their economies, not only in developing countries but also in industrialised countries such as the Netherlands. The added value produced by the Port of Rotterdam amounts to roughly 2.6% of G.N.P. (Gross National Products).

Ports have kept pace with economic and technological developments and today we can find three main types of port: those handling general cargo, industrial or specialised ports, and mixed ports which combine both types of activity.

The import of raw materials from overseas led to the setting-up, at the beginning of the sixties, of heavy industries in and around the port. Moreover, the export of large volumes of raw materials resulted in the creation of specialised ports in the exporting countries. The economic stakes then prompted these countries to deliver semi-finished products which, in most cases, meant the building of factories in the port area.

Economies of scale necessitated the increasing use of heavy tonnage ships, obliging the ports to modify their installations and, in most cases, to expand into new area

situated outside the original sites. These sites were too small from the outset and often formed part of the urban fabric.

2. The Environment

It goes without saying that all human activity has an influence on the outside world, hence the definition of the environment.

The acceleration of industrialisation, allied to the economic and demographic development of these past decades, has done more to upset the natural balance of the planet Earth than human activity has done since man first appeared.

Changes have become apparent:

- In the air, emissions of carbon gas have led to the warming of the atmosphere and acid rain.
- In the soil, the depositing of wastes has resulted in the pollution of the water table and the sterilisation of arable land. Between five and seven million hectares of fertile land under cultivation are lost each year as a consequence of the misuse or excessive use of land.
- In the rivers and oceans the dumping of effluent from towns and factories has led to the desertification of the ocean floor on the continental shelves, rich in fauna and flora. In addition to this, there is the oil pollution caused by accidents at sea and the disappearance of certain species of marine life, victims of intensive fishing.

Moreover, there is an increasing shortage of non-renewable energy sources. Despite this, consumption rose by 38% between 1970 and 1984.

3. Ports and their environment

3.1 The influence of ports on their environment

The different activities of a port are not without influence on its environment.

There follows an analysis of the different risks connected with port and shipping activities:

- risk of ships running aground or colliding (pollution of the water, air and coast)
- while ships are manoeuvring or at berth: pollution of water (discharge of warm water, dirty water or ballast, effect of hull paints on aquatic life), air pollution (emission of fumes), noise, production of household rubbish
- handling of ships' cargo: risk of cargo falling into the sea and polluting it (especially in the case of bulk solids carried in grabs, bulk liquids), emission of dust (grain, heavy goods), smells (oil and chemicals in particular), special risks relating to certain products (explosions, fire, radiation), emission of noise and smoke from handling equipment
- storage: emission of smells, dust or radiation, risk of fire leading to atmospheric pollution, pollution of the soil and water (especially true for dangerous materials), noise (refrigerated containers, for example), water pollution (drainage water), pollution of the soil and water table (solid and liquid bulks)
- port maintenance: problems relating to dredging operations;
- ship repairs: atmospheric and marine pollution (sand blasting, painting), risks of oil pollutions, noise
- inland transport: need for road and rail infrastructures, circulation of heavy goods vehicles (atmospheric pollution, noise), need for navigable canals (risks to the water table)

3.2 Effects of the area surrounding the port on the environment

The proximity of a town imposes certain constraints on the port. Pollution must be limited, including noise and

eyesores. But the town also affects the port area, especially if the port is old, for example by the emptying of dirty water into the docks and the presence of rubbish tips in or near the port zone.

As far as industry is concerned, it can be considered that the building of factories in the port area results from the advantage implicit in being to where large quantities of goods are loaded and unloaded.

Industrial installations are sought after by political interests and local port authorities as they create employment and maritime trade. However, land development and the management of industrial zones are rarely linked to the port authority. National authorities responsible for industry and the environment are in charge of controlling pollution. Nonetheless, a link exists between the operation of the port and the surrounding industries, bringing together the advantages (creation of jobs and resources for the region) and the disadvantages (pollution, and occupation of areas situated near lakes).

The dumping or storing of industrial waste is often a source of problems for the port authorities who have to put up with different types of pollution, all of which prevent the proper development of the site. What is more, there is no possibility of taking action against those responsible.

Thus the image of the port can, at times, seem positive, especially if the economic resources of the region are limited. At other times, however, it can appear negative, especially if the purchasing power of those living in the residential areas near the installations is sufficiently high to lead to increased concern about their quality of life.

Nonetheless, the ports' objectives remain the same:

- to reduce and control water pollution;
- to avert the risks of a major accident; and
- to plan the development of the port along with pleasant surroundings.

4. Defence of the environment

4.1 Action carried out at United Nations level

Although ecology is a science which dates back to the 18th century, the growing awareness among people of their environment is a recent phenomenon. The countries most affected by pollution were first of all developed countries with high population growth.

In 1983, the United Nations appointed an independent commission whose job it was to propose solutions for dealing with pollution and restoring an acceptable balance for the future of the planet. A report, dubbed the Brundtland Report, was published. This report proposed long-term strategies which would allow for the introduction of "sustainable development".

The introduction of sustainable development can be achieved by a real programme of strategic imperatives, both macro-economic and social:

- modification of the timetable for world growth;
- satisfying mankind's basic needs: water, food, energy, employment and health; and
- control over population growth; and by micro-economic imperatives:
 - reorientation of techniques;
 - risk management; and
 - integration of the economic and ecological dimensions into the decision-making process.

The recommendations made cover the institutional, legislative, economic and social domains.

Sustainable development implies a radical change in

attitude at the level of the state, region, town and company.

In 1992, an International Conference of the United Nations devoted to problems of the environment will be held in Brazil. Its aim is to put formal emphasis on a question of prime importance for the future of mankind and intensify the action already under way.

4.2 Actions carried out by the IAPH

The IAPH has already paid great attention, on a technical level, to the demands of the environment by looking in depth at ways of following up the various national or international regulations already in force, and applying them to Port Management.

The IAPH enjoys the status of an advisory body to various United Nations agencies which are responsible for drafting regulations designed to improve safety both at sea and in port waters.

Within the framework of the work carried out by the COPSEEC, the following should be emphasized:

- the Guidelines on Port Safety and Environmental Protection. This document, which is continually being supplemented by the work of sub-committees and is updated every two years, deals with various aspects of port activities: ships' features and manoeuvrability, aids to navigation and Vessel Traffic Service (responsibility for ships as they approach the port), port planning design, dredging, disposal of waste, etc.
- the drawing-up of Guidelines for Environmental Planning and Management in Ports and Coastal Area Developments published in 1989.
- the back-up provided by the Dredging Task Force for the work of the London Dumping Convention, which has the task of studying the regulations on dumping at sea.
- the prevention of risk of accident liable to cause physical or material damage and resulting in a threat to the environment. The Marine Safety Sub-Committee works in close collaboration with the IALA, the IMPA and the EHMA. Special mention should be made of the proposals put to the IMO, in conjunction with these organisations, concerning technical specifications for the services which help maritime traffic in port waters (World VTS Guide).

Moreover, an extensive survey was carried out in 1989 among the member ports of the IAPH to discover what the priorities should be with regard to the environment. An analysis of the 183 replies received led to the identification of three priorities concerning the environment:

- dangerous materials;
- water pollution; and
- dredging and dumping of dredged waste.

The problem of the relationship between town and port and that of atmospheric pollution were also repeatedly mentioned.

The Port Safety and Environment Sub-Committee has had its terms of reference extended and its team of experts reinforced so that it can give more consideration to problems of the environment. Clear guidelines are being drawn up on water pollution and dangerous goods.

The action of the Dredging Task Force within the LDC is of the utmost importance for ports. It makes it possible to explain the dredging operations carried out by ports and to gather valuable information which will make certain ports aware of the danger inherent in polluting the waters.

It could thus be said that up until now the emphasis has been placed on the diffusion of technical information with the aim of making everyone aware of the consequences

of port activity on the environment.

A coordination group made up of all those in charge of a committee or sub-committee involved in the study of environment-related problems has been set up. The aim is to use their collective skills to examine all aspects of the problem.

During the first meeting of the group, held in Fremantle on May 8th 1990, the discussion focused in particular on the opportunity of achieving sustainable development for ports. This was in response to the proposals on the defence of the environment put forward in the Brundtland Report.

Sustainable Port Development: a plan of this sort should be capable of pointing to the most appropriate solutions for avoiding the risk of pollution. It should also propose admissible levels — if, of course, these can be universally agreed — and determine the development plans most suited to the conservation of the sites.

The majority of those present did not appear hostile to this idea.

However, the existing gap between the level of development of the ports and the countries on which they depend results in an imbalance in the way in which the environment is perceived.

There is clearly a fear of having strict norms imposed which would aim to resolve the existing problems of pollution in over-developed ports. The latter are often situated in areas where industrial activity remains limited.

The work of the forthcoming Barcelona Conference will also deal with the environment. The working session no. 6 is entirely given over to this subject. The contributions from the representatives of the various regions will lead to a better understanding of the problems as they are experienced by the different ports.

5. What sort of environmental policy for the IAPH?

Every member of the IAPH likes to think that this Association is to some extent the "United Nations" of ports. Indeed, regardless of political considerations, the majority of maritime nations from different geographical areas have representatives within the IAPH.

The sole aim of the IAPH is to further the exchange of information and to monitor the development of techniques which, through the ports, will lead to an improvement in international maritime transport. All of this takes place in a friendly atmosphere.

The environment is, without doubt, a subject which concerns the whole of mankind. Nonetheless, the gravity of the problem varies from one region to the next in relation to the above-mentioned factors. This is why an information and training initiative within the Association is essential. This initiative has, in fact, already begun and should be extended in the years to come.

Moreover, the participation of the Association in the working parties set up under the auspices of the United Nations would seem desirable for at least two reasons:

- to obtain information about any action undertaken to reduce pollution on the planet. This will allow resources to be envisaged for the ports and enable long term developments suited to the needs of international trade, an important area of activity for mankind in the 21st century.
- to inform experts who are not always familiar with these needs about port activities and their actual consequences on both the environment and the economy. As for the

(Continued on Page 24, Col. 1)

OPEN FORUM

ICS/IMPA Seminar on Helicopter/Ship Operations

London, 16th October 1990

The Australian Scene

By **Captain Ian de C F Baird**
General Manager
Port Hedland Port Authority
Western Australia

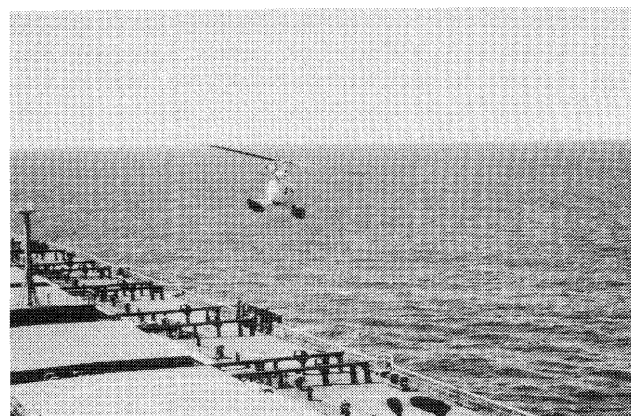
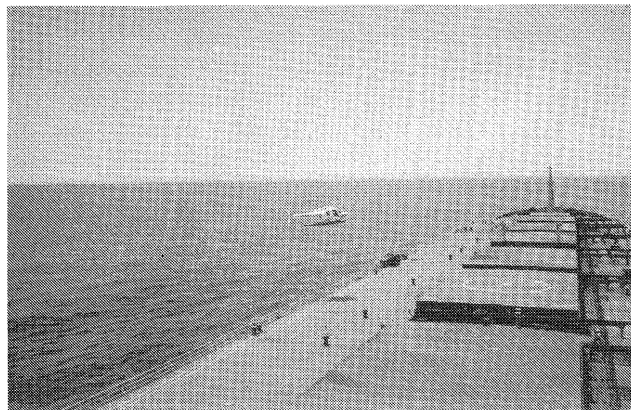
In Australia, there are now five bulk ports, and one coastal pilot service, using helicopters for marine pilot transfers. Another pilot service is still examining the feasibility of a helicopter operation.

The Pilbara area of north west Australia is the outlet for iron ore exports, and the three ports of Port Hedland, Dampier and Port Walcott each use helicopters for the majority of marine pilot transfers. Similarly, the Queensland coal ports of Hay Point and Gladstone introduced their helicopter transfer service in the mid-eighties, immediately preceded by the Queensland Coast and Torres Strait Pilot Services who coincided the first transit of Hydrographer's Passage, in December 1984, with their inaugural marine pilot transfer service by helicopter from Hamilton Island.

The transfer of marine pilots by helicopter in Australia was pioneered in 1971 by Port Hedland Port Authority. Indeed, until 1984, Port Hedland was the only Australian port to have a regular helicopter marine pilot transfer.

During the next two years, Dampier and Port Walcott in the north west, and Gladstone and Hay Point in the east, introduced a similar service. To date, August 1990, close to 24,000 marine pilot transfers by helicopter have taken place, with Port Hedland having completed almost 11,000. All these transfers have been in the "land-on" mode, and until early this year were carried out by Bell Jet Ranger aircraft. Latterly, the Queensland ports have utilised a Hughes 500 helicopter.

Operations at the Pilbara ports of Port Hedland, Dampier and Port Walcott are remarkably similar. Port Walcott is some 20 miles ENE of Dampier, and Port Hedland is a further 100 miles ENE. Each port has an inward pilotage of about 10 miles, and an outward pilotage of 20 miles. Even at 20 miles seaward, vessels drafting 18.5 metres, as many are, do not have sufficient flotation which could allow a pilot boat to be given an unrestricted lee. Further, the reduction in speed which may be required for a pilot boat operation would take considerable time to effect. Given



the extreme range of tide at springs (up to 7.8 metres at Port Hedland) such a reduction in speed, coupled with the fall of tide, could well mean that ships would have to load less than their current maximum draft to avoid taking the ground.

Thus, it can be seen that a helicopter transfer operation is the safest and most efficient operational method.

Each of the Pilbara ports is served by a Bell 206 Jet Ranger fitted with floats, emergency locator transmitter, night flying instruments, and a radar altimeter.

However, all these single engined operations (except Hay Point whose pilot station is less than 5 km from land), were in jeopardy from September 1987, when the Civil Aviation Authority (CAA) issued draft Flying Operations

Instruction No 17 (FOI 17) which gave notice that pilot transfers by single engined helicopter, over water by night, in excess of 5 km from the nearest land, would cease. Were this to be implemented on the operative date of September 1989, it would effectively mean the end of an economic pilot transfer system by helicopter, and possible reversion to pilot boat transfer. (Currently, in Port Hedland, 36% of helicopter transfers are during darkness).

It is pertinent here to suggest that the transfer to and from ships by helicopter is the pilots' preferred, and most efficient means, and is considerably less hazardous than transfer by boat. For boat operations, there are occasions when large, deep drafted vessels disembarking pilots are heading directly into wind and sea and the ship is constrained by draft from making a lee. Consequently, on disembarking, the Pilot has to face the prospect of timing a jump from the pilot rope ladder to a pilot boat which is often moving violently and unpredictably. For inward ships, of course, there is the prospect of a climb which can exceed 16 meters up a ship's side, often in pitch darkness. All marine pilots have had some very anxious moments in these circumstances, and it is a point of great concern. In Australia in recent years there have been two pilot fatalities, and several serious accidents, during boat transfer.

Not only is boat transfer a more hazardous method, in my opinion, but there is a likelihood in Port Hedland that, because of the much longer transit time (up to three hours instead of twenty five minutes), it would probably be necessary for the Port Authority to employ at least one additional marine pilot, at a projected current total cost in excess of \$100,000.

The introduction of FOI 17 would have similar repercussions for the ports of Dampier, Port Walcott and Gladstone, though Hay Point would probably be unaffected due to the proximity to shore of the pilot station.

The consensus of opinion amongst most port authorities and helicopter companies was that once the CAA had made such an edict, that was that, and resistance was futile. However, since Port Hedland had pioneered the use of helicopters for pilot transfer in the southern hemisphere, and since, at that time, almost 10,000 transfers had been undertaken without any operational incident, when the CAA said to me that "the operation at Port Hedland is statistically insignificant", my resistance to their edict became overwhelmingly strong. I simply could not accept that a bunch of bureaucrats in Canberra could knock back a service which had been operating successfully for 16 years or more, particularly as no one from CAA had visited our operation officially, in living memory!

The Port Hedland operation was said to be statistically insignificant in terms of the relatively small number of movements and hours flown. The CAA confirmed that our operation was classed in the global context as a single engined aircraft operation, which meant that it was similar in statistical terms to deer hunters and cattle musters, to name but two. This seemed manifestly unfair to our operation, which was, and is, a closely supervised, well trained, efficient service. In addition, the operating conditions are considerably different than, say, the Bass Strait, which shares similar weather with the North Sea.

As I write, the sea temperature is a very pleasant, almost overly warm 30C. The swell in mid channel is less than 0.25m, and the wind is a gentle 10 knots from the east. While I confess that it is broad daylight, at night the wind often drops to a trace. I can recall one day last week when there



was one little white puffy cloud in the sky! With only minor variation in sea temperature, these conditions retain all year, except when a cyclone is in the vicinity.

It therefore seemed to me that there was very good reason for trying to counter the edict. Accordingly, I co-ordinated an approach to CAA from the other Pilbara ports, and it was at this stage that I addressed the First IMPA Helicopter Conference. Many people who attended the Conference expressed sympathy for the single engined cause, though, sad to say, the Australian International Chamber of Shipping representatives was not one of those. However, the consensus of informed sympathetic opinion was one of "pity", that such enthusiasm would be shot down in flames!

Nothing daunted, I visited the CAA in Canberra (a round trip of 10,000 kilometers) and was given a good hearing. I also sought assistance from well known aviator Dick Smith, who had just been appointed to the CAA Board, and who for years had fought the aviation bureaucrats. Graham Campbell, the Federal Member for Kalgoorlie, in which huge electorate (the size of Europe) lies the Pilbara, was also appraised of the situation and agreed to lobby the Minister for Transport, whose portfolio included the Civil Aviation Authority.

It was therefore with great pleasure that I heard on 28th February 1989 that the Chief Executive of the CAA informed interested parties that the decision to mandate twin engined helicopters at night was rescinded until a world-wide statistical safety history could be examined.

In October 1989, a Preliminary Safety Impact Statement was issued, followed in December by a Final Study, as a result of which the CAA Chief Executive decided that there was no justification to require twin engined helicopters to be used for marine pilot transfers over water at night.

In the period from 1987 to the time of the rescinding of the decision, the Port Hedland Port Authority decided

that, regardless of the estimated increase in cost (more than doubling), a helicopter transfer operation would have to be maintained. The results of resistance to the bureaucracy of the CAA were therefore particularly pleasing.

Subsequent to the Final Safety Impact Statement referred to previously, the following conditions for the transfer of marine pilots by helicopter, over water at night, were issued:-

- (a) the Visual Meteorological Conditions as defined in the helicopter's flight manual for flight at night to be strictly applied and adhered to;
- (b) helicopters to be crewed by two pilots for all transfers beyond 10 nautical miles from land;
- (c) additional night training to be conducted as specified by the helicopter operator and included in the company's operations manual;
- (d) the helicopter's flight instrumentation to be as specified in Civil Aviation Order 20.18 Appendix VIII plus a radio or radar altimeter. If, as required by these conditions, the helicopter is crewed by two pilots, a second artificial horizon shall be fitted instead of a turn and slip indicator;
- (e) a suitably equipped search and rescue vessel, equipped with at least Very High Frequency homing equipment and radar shall be available at 30 minutes' notice to sail;
- (f) life jackets fitted with improved lights and a Very High Frequency Emergency Locator Beacon shall be worn by all the helicopter crew and passengers; and
- (g) all helicopter crews and marine pilots shall have experienced helicopter underwater escape training (HUET).

With the exception of the V.H.F. Emergency Locator Beacon, Port Hedland already complied with all these conditions. The HUET training had been offered at the Woodside North West Shelf Gas Project training unit at Fremantle, and all the Authority staff who were likely to fly in the helicopter were required to avail themselves of the "pleasure" of being dunked nine times in the cold waters off Kwinana.

The provision of the search and rescue vessel at 30 minutes' notice could have posed problems. However, tender documents for a new pilot boat contract for Port Hedland were being written, and it took but a moment to insert a 30 minutes availability clause!! Dampier prevailed upon the Woodside Gas Project to make their Sea Search and Rescue Boat available in the event of an accident. Port Walcott use a charter boat on the rare occasions they need a pilot boat, and for a "crash boat", the tug "Roebourne" is equipped with a VHF D/F, and is on 30 minutes stand by during flying operations.

The Hay Point operation, which began in 1986, utilised a Jet Ranger until February this year, when a Hughes 500 was contracted. With a minimum clearance of 17 metres, instead of 21 metres for the Jet Ranger, the Hughes can be utilised on the smaller class of vessel which operates to and from the neighbouring port of Mackay.

The pilot station for Hay Point and its companion port Dalrymple Bay, is 5 kms offshore, and as such, would not have been affected by FOI 17. However, it is understood that the conditions laid down by CAA are being followed.

The pilot station for Mackay is likewise within 5 km of land.

The port of Gladstone has had a helicopter pilot transfer service since 1985. This was handled by a Jet Ranger for

three years, and subsequently by a Hughes 500. The distance from helipad to pilot station is 16 miles, and thus Gladstone had to comply with the conditions set down by CAA. Their rescue boat, which is on an estimated ten minute call-out time, is a pilot boat, fitted with VHF D/F.

The Queensland Coast and Torres Strait Pilot Service (the Barrier Reef pilots) have one pilot transfer position (Hydrographer's Passage) at the southern section of the reef, and three positions at the northern section.

All transfers at Hydrographer's Passage are by helicopter and it has to be said that this must be the "glamour" pilot transfer service of Australia, if not the world.

Hamilton Island is a tourist paradise, in the Whitsunday group of islands. It is also the operational base for Helijet Whitsunday Pty Ltd, and the Torres Strait pilots maintain a residential base on the island. The pilot boarding ground is 90 miles east north east of Hamilton Island, and in order for the daylight service to be carried out by single engined helicopters (either a Jet Ranger or Hughes 500), two pontoons were placed on the Reef, at 49 miles and 79 miles from Hamilton Island. One pontoon is a flat pontoon, capable of accepting two helicopters, while the farthest pontoon has been extensively fitted out with living accommodation, pilot activated lighting and a non-directional navigation beacon.

All night transfers are conducted from Hamilton Island by twin engined IFR helicopters, either a Bell 22 U.T. or an Agusta 109.

In respect of the three northerly Barrier Reef pilot transfer areas, until now most of the transfers have been by launch. However, the Pilot Service has purchased, and has taken over (on 24th September 1990) the existing Torrest Strait helicopter operation, and, as Reef Helicopters Pty Ltd, will take over all services to the 14 outer Torrest Strait island communities. In addition, it is envisaged by the Pilot Service that the helicopter transfers will increase markedly with the takeover, and that within about 12 months, a night VFR operation will be initiated, when it is anticipated that the daylight only transfers will double.

Another private pilot service, the Port Phillip Sea Pilot Service (Melbourne) has been examining the feasibility of a helicopter transfer service for many years. With many one and a half hour car journeys before pilot jobs (and in the case of inward ships, a further half hour in a boat), it would seem that Port Phillip would be ideally placed to institute a helicopter transfer service. However, their investigations show that only 65% of ships could be handled by helicopters, when the cost effective point for Port Phillip is said to be 85%. I am not entirely clear why this should be so, and I have spoken to the President of PPSPS, suggesting that he visit Wellington, which in 1986/87 changed from boats to helicopters, with approximately 95% helicopter usage.

Since the initiation of each service to 30th June, 1990, the following pilot sorties have taken place:

Port Hedland	28/12/1971	10,800
Dampier	1/ 9/1984	2,867
Port Walcott	1/10/1984	1,400
Hydrographer's Passage	21/11/1984	2,017
Gladstone	9/ 9/1985	3,805
Hay Point	20/ 3/1986	2,921
Total:		23,810

Until a few days ago, I would have concluded this paper with a proud statement that all these pilot transfers had taken

(Continued on Page 19, Col. 1)

Hazardous and Noxious Substances and Port Management Liability

By **Marcel-Yves LE GARREC**
Secretary General
Port of Bordeaux Authority
France

The increase in industry within our society has led to an increasing production of hazardous and noxious substances and their wastes. This has had direct consequences on maritime transport. In fact it is estimated that currently almost half the freight carried by sea can be classified as Hazardous or Noxious Substances.

All forms of transport are involved, whether bulk, (dry, liquid or gas) or conventional, packages or containers.

The increase in tonnages brings, of course, an increase in the risks for the marine and port environments. It poses a general problem of safety not only for **ports**, their **operators** and **users**, but equally for **third parties**, foreign to such activities:

- neighbouring urban populations who may be effected by the explosion of dangerous cargoes; and
- coastal populations likely to be threatened by pollution of pelagic origin.



Mr. Le Garrec

Three areas of risk can be considered:

- the health and safety of life at sea;
- the safety of port populations and port facilities; and
- the protection of the marine environment.

Whilst certain substances may be dangerous because of their corrosive or toxic effects, the most common collective risks remain fire and explosion.

Past accidents in ports with neighbouring populations have almost always taken the form of complete disasters. Several names remain sadly famous. For example:

The Mont Blanc in 1917 at Halifax left 3,000 dead, 9,000 injured and 6,000 without shelter.

The Fort Stikine in 1944 in Bombay suffered a fire on board followed by an explosion which killed 1,250 and destroyed 15 ships.

The Grandcamp in 1947 at Texas City (carrying ammonium nitrate) left 468 dead.

Ocean Liberty, the same year at Brest (same scenario and the same cargo) killed 21 and caused several injuries.

Some examples from the 1960s include:

- the Princess Irene in Nantes; and
- the Bantry Bay Disaster in Ireland.

Coastal populations are also at risk from pollution of pelagic origin. We all have the recent case of the Exxon Valdez in mind concerning oil, or the loss of radioactive waste in drums from Mont Louis, for example, not to mention container-loads of toxic products known to be lost at sea from the Perintis, together with the recent CASON incident

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place without mechanical incident, and, to be pedantic, I can still say this with regard to the above statistics to 30th June 1990.

With some chagrin, however, I have to report that on 7th September 1990, the Dampier Jet Ranger took off for the "Hitachi Venture", 267,889 tonnes deadweight. While tracking to the ship at a height of 1,000 feet, there was a loss of engine power. There were two helicopter pilots and one marine pilot on board. The command pilot skillfully turned the helicopter, headed back towards land, and autorotated down to sea level. All procedures worked perfectly, and a safe landing on the water was achieved. Within 1 1/2 hours, the helicopter had been towed to a beach where a heavy terrain crane lifted it onto a truck and returned it to its hangar. The fault was ascertained to be a faulty fuel control unit, and the engine was replaced within a day.

There is every expectation that had the above incident occurred during darkness, the results would have been identical. The Pilbara helicopter pilots are regularly trained to carry out successful engine-off landings on to water using instruments only, in simulated night conditions.

While I realise that the International Chamber of Shipping Guide to Helicopter/Ship Operations stressed the benefits of using twin engined helicopters for all

helicopter/ship operations, it is my hope that I have endeavoured to allay any fears regarding Australian marine pilot transfer operations by single engined helicopters. Notwithstanding that this recent incident has occurred, I have every confidence that current operations will continue to offer a safe, reliable and extremely cost efficient method of pilot transfer for many years to come.

As a footnote to the paper, I can now report that on 1st October, 1990, the 11,000th pilot transfer at Port Hedland took place with the disembarking of Captain V.M. Nolan from MV "Hanjin Gladstone".

That these transfers have taken place, both by day and by night, is a source of pride to Port Hedland Port Authority, and our present contractor, Helicopter Resources.

Sources and Acknowledgements:

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Pilbara Harbour Services

Department of Marine & Harbours, West Australia

Queensland Department of Transport, Gladstone and Mackay/Hay Point

Queensland Coast and Torres Strait Pilot Service

Port Phillip Sea Pilot Service

Reef Helicopter Pty Ltd

Helijet Whitsunday Pty Ltd

Helicopter Resources

West Coast Helicopters

off the Galician coast of Spain in December 1987.

One such accident caused a veritable ecological disaster: the *Taquari*, which sank off the coast of Uruguay in 1971 with toxics on board. In 1978 the containers began to crack causing a vast red slick which killed marine fauna and flora and sent the local population fleeing inland.

In 1974, there was the *Carvat*, which sank in the straits of Otrante and kept the Italian Government anxious for two years. She was carrying 250t of highly toxic lead-based products in water-proof drums. Fortunately the wreck was located and recovered, because otherwise it would have left the Adriatic a dead sea.

But if accidents more often than not originate from ships, they can also happen in the port itself.

In 1972 at Caen there was a case of atmospheric pollution caused by a company manufacturing coal brickettes, an activity classified as a dangerous industry.

A fire from inflammable substances stored in the Port of Nantes-St. Nazaire occurred in 1972, resulting in damage to other cargo.

A vessel in Marseilles was the victim of damage resulting from water pollution in the basin, following a discharge of corrosives.

Faced with these risks the best protection is, of course, prevention, which stems from a certain number of legislative instruments and calls for the introduction of technical measures.

But where prevention fails reparation for damage must be considered, and this gives rise to litigation over liability.

Part 1 – Prevention

Historically speaking States and Ports began to worry about safety in the 19th century, and drew up the first rules, essentially for overland transport and handling and storage in ports. In France this development dated from 18 June 1870.

In 1894, the first national maritime legislation appeared as the British Merchant Shipping Act and dealt directly with the transport of dangerous goods and livestock.

These regulations were based on interdiction.

In the international field, it was the 1914 SOLAS Convention for the Safety of Life at Sea. It was inspired by British legislation, whose article 55:

Forbade the loading of substances which might put in danger the life of passengers or the safety of the ship.

The text left each Government to determine what substances should be considered dangerous and the mandatory measures to be taken for packing and stowing.

This principle was used again in the second 1929 SOLAS Convention and favoured the heterogeneity of national legislations and local port regulations, thereby making HNS transport by sea extremely difficult.

It took half a century to develop international regulations based on **authorization rather than interdiction for the transport of HNS** and aimed at harmonizing national legislations.

This was the third SOLAS Convention in 1948, which established an HNS nomenclature. Then in 1960 the 4th SOLAS Convention led to the first international maritime code on dangerous goods, the IMDG that was approved by the then IMCO in 1965 and served as the basis of national regulations.

The rules came into force in France on March 12, 1980.

And finally came the 1974 SOLAS Convention and its subsequent amendments.

The 1973 MARPOL Convention and its 1978 and 1984 revisions, relating to the pollution of the seas by oil and other noxious substances must also be mentioned, together with the very recent 1989 Bâle Convention on the international transport of dangerous wastes.

Most of these conventions have now been incorporated into national legislations through ratification or adhesion.

These general rules apply to both ship and cargo and have to be completed on shore by a series of obligations and measures aimed at ensuring safety in port areas handling HNS.

I would like to take the example of France, where existing regulations relating to HNS in the ports are based on the general legislation of 15 April 1945, as amended, which governs the overland (rail, road and water) transport of dangerous goods.

These "Port regulations" include:

- at a national level, a **regulation for the transport and handling of Dangerous Goods in Maritime Ports** (Ministerial by-law of 27 June 1951 as modified in 1984 & 85). It aims at unifying where possible local port regulations to facilitate their application by users.

- additional measures at a local level by supplementary rules particular to each port, in the form of prefectorial by-laws following the consultation of a commission. They fix the concrete measures to be taken to ensure the safety of ships, operations and the port for the different HNS trades it handles (specifying berths and admissible tonnages that may be loaded or unloaded, the specific fire-fighting equipment and measures to be taken for the given risks involved by the products, etc.).

To be efficient, these rules have to be translated into clear Safety Instructions for each type of HNS (rules to be followed, measures to be taken by Masters and operators). They are generally completed by check lists relating to the ship's conditions and checks to be made.

Instructions also cover the conditions of admission of ships, their mooring as well as the various operations to be carried out (loading, unloading, bunkering, washing, ballasting, de-gasing, etc.).

The regulations relating to the port interface are therefore based on both land regulations and those from maritime law and its international conventions.

Thus the ports have an arsenal of regulations specific to the transport of dangerous goods and designed to prevent accidents. Moreover, of course, to back them up are all the technical measures aimed at reducing the risks and limiting the damage.

But this does not always prove possible, and thus one is confronted with litigation. So it is necessary to examine the regime of liability and compensation for damage, taking into consideration:

- liability from the point of view of the ship; and
- liability on the shore: that of the operator and, generally speaking, that of the Port Authority.

Part 2 – The Regimes of Liability

1. At Sea: The Liability of the Ship

I shall be brief, but I feel this must be mentioned, since the Port is, itself, the framework which serves its introduction and, in addition, it is often the victim.

1.1 – Limitation:

In France, common law provides that any person who

causes damage to a third party shall be held to repair that damage in full (Art. 1382 of the Civil Code).

International Maritime Law, however, and maritime legislation goes against this principle, since it recognizes the right of a shipowner to limit his liability by using, in practice, the constitution of a limitation fund.

I would, however, mention that the system of limitation does not exonerate an inexcusable personal fault on the part of the shipowner (the Master) if it is proven (e.g. an act or omissions committed with intent, or recklessly with the knowledge that such a loss would probably occur).

This clearly signifies that, in the case of damage caused to port facilities, to other users or to third parties in an accident that occurs in a port on board a ship carrying HNS, the shipowner would in principle be liable but could almost always limit his liability.

We will discover that it is not always that simple and that other liabilities can be sought.

1.2 – The Revision of the Amounts of Limitation:

International opinion has been shocked at the low amounts of limitation in cases of disasters involving HNS. That is why revisions for higher amounts and derogations have begun in international legislation and have, in many instances, been incorporated into national legislations.

In France, the law of the 21st December 1984 expressly excludes from the scope of normal application of the limitation of liability the special provisions relating to claims involving nuclear damage (1962 and 1971 Nuclear Conventions) and oil pollution damage (funds provided under the 1969/71 Oil Conventions and their Protocols).

After a first, abortive attempt in 1984, IMO in 1987 took up its work on HNS again under the pressure of public opinion, by defining the principles based on a regime of international compensation.

Among the general principles retained, I would stress:

- that liability should rest with an easily **identifiable** party;
- that liability should, if possible, be **objective**; and
- that liability amounts should be **sufficiently high**.

Two schools of thought oppose each other:

- The first advocates the principle of exclusive liability for the shipowner with a revision to increase global limitation (eventually completed by a second layer to cover HNS).

- The second supports the principle of dual liability for the ship and the cargo with provision for either sharing liability between the shipowner and the shipper, or for a system of mandatory insurance for the shipper.

In this way the question of compensation would not be split at the level of the ship. But if the ship were in the port or if the accident were due to HNS but not to the ship, the question would become even more complicated and liabilities even further diluted.

2. On Shore: The Liability of the Port Authority, the Terminal Operator or the Industrialist

An accident caused by HNS very quickly becomes a disaster of the damage involved for people and property, and the consequential vast sums of money at stake.

Enquiries will be numerous and difficult, causing battles between experts, each protagonist seeking to transfer or reduce his responsibility.

If the accident occurs in port, the Port Authority will find itself in the front rank, if not alone, first because of the organization of emergency services and secondly within the context of the enquiry into responsibility.

The organization of emergency services is not my topic.

Within the context of litigation, liability may be contractual if the victim is a customer of the author of damage, or extra-contractual (whether civil or penal) where the victim is a third party or a user of public port services.

2.1 Contractual Liability:

I will not go into any great detail on this aspect, which is governed by common law.

This case arises when the victim is himself the customer of the author of damage (e.g. an operator who stores goods consigned to him, next to dangerous goods, without taking the necessary precautions).

Incidentally, the owner of the destroyed dangerous goods can also invoke the operator's liability.

In this case the operator (although it could also be the carrier) cannot exonerate himself from liability unless he can prove that the damage resulted from a lack of information on the nature of the goods, or acts or omissions committed by other parties (stevedores, Port Authority, etc).

Another example of contractual liability, involving a ship this time at a private oil terminal, occurred when the shipowner accused the terminal operator of not having respected the mooring contract at Port La Nouvelle in 1978: the ship's lines, including the sealine, snapped during unloading operations.

The Port itself may be a victim and also invoke the user's or operator's liability. But the Port would have to prove a contractual fault by the other party.

Following a fire due to naphthalene in a shed, the Port of Dunkirk, for example, claimed compensation for damage caused to its storage areas and facilities. The Douai Court of Appeal, by decree on January 11, 1988, upheld the judgement of the Tribunal of Commerce, considering that the Port (invoking an obligation of general maintenance by the contract holder) had failed to prove that a contractual fault had caused the fire or aggravated it.

2.2 Extra-Contractual Liability:

More often than not, there are no contractual links between victims and the author of damage.

In this case it is the civil or penal liability of the latter that is in cause when he is a person under private law (carrier, shipper, terminal operator or industrialist located in the port zone); or it is a matter of extra-contractual liability if the Port Authority is in cause either in respect of a third party, foreign to port activity (neighbouring population) or with regard to a user of the port's public services.

I refer essentially to the Port Authority's liability, given that its liability is sometimes invoked in order to diminish (if not completely eliminate) the liability of another protagonist (who might be a terminal operator, carrier or port industrialist).

2.2.1 The Port Authority's Liability for the Enforcement of Regulations and the Exercise of its Powers of Policing: Liability for Fault

In certain instances, a simple fault on the part of the authority responsible for ensuring compliance with rules and regulations is sufficient for its liability to be demonstrated. This is typical of administrative legislation and not at all particular to Ports.

Thus, the failure of an Authority responsible for policing HNS to enforce the necessary rules and regulations, or a lack of surveillance on the part of the service responsible for safety, will render that Authority liable.

If the Authority's task is considered difficult or delicate, then its liability would only be invoked for a case of major fault. But the difference between the two is but a very thin line.

To demonstrate what I mean, I would cite two cases where failure on the part of an administration would be judged as major faults:

- a lack of measures taken during the sinking of a vessel, just off the Coast — which would be all the more strongly upheld, were it within Port Waters; and
- inadequate surveillance of a warehouse or shed.

For the Administration's (or Port Authority's) fault to be retained, the victim has to prove:

- the existence of damage;
- the cause/effect relationship between the damage and the decisions or actions taken by the authority involved; and
- that these decisions or actions constituted a fault.

An interesting example of this — although here it was not a Port Authority but the State (Ministry of Industry), that was directly at fault — occurred in the case of atmospheric pollution resulting from HN substances in the Port of Caen:

A company located in the Port manufactured brickettes from coal and was classified as a **dangerous establishment**. It was sued for the noxious effects by the neighbouring population.

The administration had edicted various regulations that the company had basically never adhered to, but **without ever having been sanctioned**.

The Administrative Tribunal in 1972 judged that the fact that the Authorities had not used the limiting measures available to them:

- constituted a "fault of a nature that rendered the State liable";
- and that, being a case of "purely administrative policing measures", there was no necessity to prove major fault for the liability of the State to be demonstrated (contrary to the arguments employed by the Ministry of Industry).

Using parallel reasoning, in a case where, for example, the Port Authority failed to enforce regulations relating to HNS, the results would be similar.

Nevertheless, an Administration can have its liability reduced or even be exonerated from liability in certain circumstances:

A) The Acts of the Victim:

Even if the Public Service has committed a fault, the fact that the victim is, in part, responsible for the damage can lead tribunals to reduce the former's liability or exonerate it from liability.

B) The Acts of a Third Party:

If damage results from the fault of both a Public Service Authority and a third party, then liability is shared.

If the cause of damage is based on presumption of fault, the public service would remain fully liable *visa-vis* the victim, but it could invoke a third party as guarantor or use its right of recourse to sue.

C) Force Majeur:

This is defined as an event which is:

- foreign to the author of the damage;
 - unforeseeable;
 - irresistible in its effects; and
 - exterior to the object that has been damaged.
- These four conditions are rarely found together.

D) Fortuitous or Unknown Causes:

An Authority can be exonerated from liability where it is impossible to prove fault, if the cause of the damage is unknown.

To illustrate exoneration or a reduction in an Administration's or Port Authority's liability, I would mention one case of a fire that broke out in a port warehouse in Nantes-Saint Nazaire (Supreme Court St. Mutuelle, CIAM and others 13/3/81).

Without obtaining authorization to do so, a shipping company stored hazardous inflammable goods in a warehouse not intended for that purpose. The fire that broke out damaged a cargo load of white iron belonging to a metal works - a customer of the same shipping company. The company sued the Port Authority.

Basing its judgement on fault and identifying as responsible the acts of a third party, the Supreme Court by decree in 1981, upheld the Nantes Administrative Tribunal's judgement which declared that the Port was not liable, reasoning that, to the contrary, it was the fault of the carrier towards the owner of the goods it was carrying and their insurers.

It is not always certain that a solution of total exoneration would be retained.

The judge may well have considered that the Port Authority should have been aware of where the dangerous goods were stored and, since it had not granted an authorization, he may have decided in this case that liability should be shared.

In another instance, involving VTS, the French judge did not identify the acts of the victim as a possible means of exonerating the Port Authority from liability.

There were no HNS involved in this case, but it is easily transposable.

The decree by the Supreme Court on 28.08.1982 concerned the case of the State (Ministry of Transport) versus the Shipowners, SEALINK.

To avoid a yacht, a ferry manoeuvred and hit the Western Jetty in the Port of Calais. The jetty and the ship were damaged.

The Court ordered the State to pay compensation to the ferry owner, considering that:

- the accident was the direct result of the ship's manoeuvres to avoid the yacht (cause/effect relationship);
- the presence of the yacht in the channel at a time when the ferry had been authorized to enter by the Harbourmaster's office showed a lack of surveillance on the part of the authorities responsible for safety (simple fault of service); and
- the ferry's Master had committed no fault likely to aggravate the consequences of the fault committed by the Port (exclusion of the acts of the victim).

In another incident, the judge did not support the argument of a Port Authority fault. This occurred in 1961 at Diego Suarez (Madagascar), when the Harbourmaster ordered a ship carrying HNS cargo to leave her berth, although a fire had broken out on board. She subsequently exploded and the shipowner accused the Harbourmaster of preventing proper intervention by the fire brigade.

The judge concluded that the very poor condition of the on-board fire-fighting equipment had led to the accident and not the Harbourmaster's orders.

In each case the judge and experts will assess the circumstances and seek all the details involved in the cause of the damage, starting with the behaviour of the Port

Authority or Public Service, even if it is not apparently the author of the damage.

The same was true in the recent Exxon Valdez affair, where the National Transport Safety Board, although certainly judged the accident to be the fault of the Master, also partially blamed the VTS, reasoning that, by neglecting to inform the ship that she was off course, the U.S. Coast Guards had contributed to the causes of the accident.

I would like, if I may now, to leave the notion of fault and turn to a notion little known in Private Law, but which has been well developed in Administrative Law, particularly in France, and which concerns all French Ports, for it increases the possibility of their or the State's liability being confirmed.

It is the notion of liability for risk.

It concerns the material notion of Public Works or Structures and hence Ports.

II. 2.2. Liability for Risks from Port Works or Structures

This notion developed for two reasons that involve the specific nature of State or Public Service activities:

- Firstly, the inequality between a private person and a public person.

The latter have restrictive means available to them, whereas private persons do not.

They can, for example, always override private interests with public interests.

- Secondly, there is the principle of citizens' equality confronted with the costs resulting from damage caused by Public Services.

This equality breaks down when a citizen sustains damage caused by a Public Service that does not affect other citizens.

I would also add a third reason of a practical nature, which is that it enables a judge to avoid having to decide on the existence of a fault.

Effectively, the major difference between liability for fault and liability for risk is that, in the second case, although the victim still has to prove the existence of damage and its relationship to the acts of the Public Service, he **no longer has to prove the existence of a fault.**

Other differences involve the following:

- There is a reduction in the possibility of exoneration: although force majeure and acts of the victim are still maintained, the **acts of a third party or an unknown cause no longer give rise to exoneration.**
- It is the Public Service, the Port Authority for example, that must use its right of recourse against a third party if it is judged responsible.
- The damage must be of a certain scale. The terms "abnormal" or "special" are used.
- The judge no longer has to seek a fault, but the victim cannot invoke this means after a given delay for right of recourse.

The principle beneficiaries of the risk theory are third parties, who neither take part in nor profit from port activity in the sense of port operations.

In no case can a person participating in the execution or the operation of a public works or structure (e.g. a private terminal operator, or concessionary of facilities) benefit from the notion of liability for risk. He would have to prove a fault by the Port Authority.

As for a port user (shipowner or shipper), he may only benefit from this notion if the port works or structure presents

a "defect in normal maintenance".

The interest for a port user victim lies in the fact that it is the Authority that must prove the works or structure has been correctly maintained.

An authority may be exonerated from liability in 3 instances:

- the abnormal use of the facility by the user;
- a defect, known or reputed to be known to the user; and
- a defect that could not have been known (recent or unforeseeable) to the Authority.

It may be noted also that liability for risk in respect of the user does not require the notion of normal maintenance, if it is considered a **dangerous work or structure** (Liability can be demonstrated even in the absence of a defect of maintenance.)

You can see immediately that, in a case of major or abnormal damage, (one involving HNS), the risks for the Port Authority are great if it cannot prove that the works or structures involved (dock, berth, dedicated facility, navigation channel) have not been "correctly" maintained, or could be considered dangerous — in other words, if all precautions have not been taken.

It may be noted that recently, particularly in the Bordeaux area, in any case, there has been a tendency for judges to consider the possibility of a "dangerous berth" where there is a lack of clear instructions for the Master on the way he should make the ship fast to her mooring.

To illustrate liability for risk, I would like to cite three examples:

1. A Case of Pollution in a Port

A ship docked in a basin at Marseilles was damaged by water pollution in the basin following the discharge of corrosive substances into a stream.

The reality of the damage, the cause/effect relationship and the fact that the damage originated from a third party were not contested.

The Supreme Court, nevertheless, basing its judgement on risk, confirmed the Port Authority's liability.

- It refused to take into account the acts of the third party.
- It refused to give weight to the acts of the victim, judging that although the shipowner had requested to dock at a polluted berth while knowing it was polluted (there was a visible slick), it was clear that the abnormally dangerous nature of the pollution was not known to him and could only have been detected by analysis and tests that should have been done by the Port Authority.

2. Grounding leading to Collision involving two Ships, one of which was an Oil Tanker (Nantes Administrative Tribunal 17.07.1980):

A tanker entering the Port of Sables d'Olonne (which is not basically a commercial or oil port) hit a rock which was not marked. She made emergency manoeuvres to free herself and avoid an extended grounding and caused a wave that damaged a fishing boat, berthed along the quay.

The only victims, therefore, were the two users: the tanker and the fishing boat, but the consequences could have been more dramatic!

The judge's reasoning was interesting, because it was within the field of liability for risk rather than for fault.

The judge began by taking the view in this context that the damage caused to the tanker resulted from a defect in the maintenance of the channel.

Still in the same context, the judge refused to admit a

direct cause/effect relationship between the defect in maintenance and the trawler, since the damage resulted from the tanker's manoeuvres, which were not a direct consequence of hitting the rock as they were intended to avoid an extended grounding.

Finally, reasoning on the grounds of liability for fault and policing rules, the judge concluded that the arrival in the port of a heavy tonnage tanker constituted an exceptional event which required special precautions. It was the Harbourmaster's duty to take all necessary measures to ensure her safe berthing, i.e. by moving the fishing vessels, and the fact of not having done so constituted a fault that engaged the liability of the State/Port Authority.

Thus it is easy to see that the Supreme Court considers that the authorities responsible for port policing are responsible for safety and, consequently, a simple fault is sufficient for their liability to be confirmed.

3. Grounding and Damage Due to Defective Marking (Renne A.T.6.01.1983)

In this case it was a ferry user, but imagine if it had been carrying HNS and consider the consequences for the Port and third parties.

The access channel to the Port of St. Malo was being widened. A buoy had been temporarily put in place and then moved, without a warning to shipping being issued.

The ferry left the port without a pilot (although this is mandatory under the regulations) and, trusting in the buoy's position, grounded on a rocky shelf and sprung a major leak.

The damage from the accident rapidly deteriorated because of poor emergency services during pumping and towage to the dry dock (the ferry hit the lock gates and capsized).

The judge in this case also identified liability for risk as well as liability for fault.

— With respect to the grounding, **confirming risk**,

Reflections on actions—

(Continued from Page 15, Col. 2)

environment, it should be emphasized that maritime transport uses 40% less energy than other forms of transport.

— to defend ports which often suffer relatively serious attacks to their environment (effluents from the industries located in the industrial zones near or on the rivers which connect them with their hinterland, dumping of wastes on port land, explosions, fires), by participating in the drawing-up of international conventions suited to the problems.

Broadly speaking, the development of international trade has coincided with a longer life expectancy. Although one may consider this development to be on the whole positive, it is not irreversible. In the course of history, mankind has experienced many setbacks and periods of decline. It is necessary to halt the destabilisation of the ecosystems, but it is also necessary to be realistic and tackle the real problems as honestly as possible without going from one extreme to the other. The survival of mankind depends on the preservation of the environment, but the quality of life also depends on the level of economic development which the society we live in can provide.

This brings us back to the corollary: all human activity has an effect on the environment but it would be criminal to forget that "we do not inherit the Earth from our forefathers, we borrow it from our children" (Saint-Exupéry).

he decided that the defect in the location of the buoy, about which no warning had been issued, constituted a defect in the normal maintenance of public works and refused to take into account the fault of the victim (absence of a pilot and lack of qualifications of the Master), using the reason that the commercial maritime tribunal at which the case was heard had not identified a fault against the Master (which is debatable).

— Then, with respect to the pumping out of the ship, the judge applied the notion of fault, noting that the poor coordination of the emergency services constituted a major fault on the part of the authorities involved and, thus, demonstrated their liability.

He, however, imputed part of that liability to the shipowner because of the poor maintenance of the ship.

Finally, **still on the grounds of liability for fault**, with respect to the hitting of the lock and the capsizing of the ship in the dry dock, the judge refused to attribute the accidents to fault or negligence on the part of the administration, judging that they were the consequences of the invasion of water and, thus, that liability should be shared.

CONCLUSION

Having mentioned the regulations based on the prevention of accidents in respect of the carriage of HNS, both at sea and in port, to demonstrate that ports have a wealth of legal means for reducing risks, (including refusing permission for a ship or HNS to enter if they consider that the regulations have not been respected), my main concern in referring to these considerations of French Public Law relating to liability for fault and liability for risk has been to try and show (very imperfectly, I am aware) that, from the moment the legislation moved from the logic of interdiction to the logic of restricted authorization for the transport and reception of HNS, the liability of the Port Authority would inevitably be more frequently examined, sought, invoked or confirmed wherever an accident occurred.

It is now the port management's task to remain extremely vigilant in the application of the regulations and measures to be taken or introduced to ensure compliance, even in cases where the origin of a risk appears at first sight to be totally foreign to the port, i.e. that it is to be found on board or in a factory.

Maritime legislation allows the shipowner to limit his liability in incidents with dramatic consequences. In such cases, the amounts involved can be excessively high and the port itself is often the victim.

To some extent, when under the pressure of economic or ecological circumstances, Port Authorities tend to become closer to industrial enterprises in private law despite the regulatory and policing powers invested in them, and it seems to me evident that (their liability will be sought more and more frequently, whether in front of judicial courts (civil or penal) or in front of administrative tribunals (where these exists). That is the order of things.

Thus, with respect to HNS, the size of the risks run by ports and the limits of the insurance market (the arguments that shipowners always raise) would seem to me to justify the introduction of a system of limited liability for the Port Authority, or the Terminal Operator handling HNS, for accidents that may be caused by them.

It will be interesting to note the results of the forthcoming Diplomatic Conference convened in Vienna to debate the draft convention on the Liability of International Terminal Operators, which could be a first step in that direction.

Changing Int'l Trade, Transport Markets

— Helping Ports in Developing Countries to Adjust —

By **Hans Jürgen Peters**

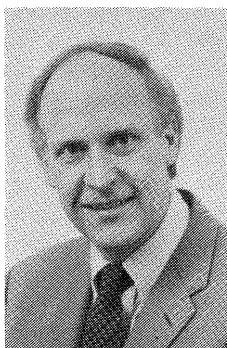
**Principal, Trade and Maritime Industries
The World Bank**

1. Ports in developing countries usually have a long history. Originally established for commercial, strategic, regional, and even social welfare considerations, they have been compelled to adjust to remain viable. With no major development in the organization of shipping over long periods, the few changes that took place were primarily in the land surrounding the ports. But such changes did not pose significant threats to individual ports, which in general could always count on more or less stable demand for their services.

2. The rude awakening came in the postwar years when international markets became increasingly competitive and traders and industry were forced to take measures to maintain their competitiveness. In these efforts, shippers turned to their transport operators with more and more stringent demands for cost-effective services. The transport operators, in turn, scrambled to address changing demand patterns. In the wake of these developments, substantial adjustments continue to take place in the structure and organization of land as well as sea transport. As a result, many ports lost the spatial hegemony they had always taken for granted. The loss of dominance over a once traditional hinterland and the ongoing restructuring in the ocean carriage of traded commodities have had detrimental effects on traffic flows and revenues in many ports. On the other hand, some developing country ports have experienced unprecedented growth rates because of their favorable location along key trade routes in specific geographic areas — and because officials pursued the right strategies for managing and developing facilities. In short, there has been a fundamental transformation of the port systems map in many regions.

3. The resulting shock to ports in developing countries has been severe, and because the restructuring came about so quickly and the adjustment burden continues, these ports are still trying to sort out what happened and why. What makes this process so difficult is the fact that even the luckier ports that initially registered increases in traffic growth often had to accept subsequent and unforeseen declines. The analysis of this decline shows the fallacy of assuming that traffic will grow incessantly. The explanation has to be sought in the dynamic factors that keep international trade and related transport service industries changing their organization and networks in the constant search for logistics cost reductions.

4. Governments of developing countries have become quite sensitive to these issues as they recognize the detrimental effects on trade performance and port utilization. But instead of taking necessary corrective measures aimed at adjusting their port systems to changing user demands, they have emphasized maintaining the status quo. In fact,



Mr. Peters

in many instances scarce public resources were poured into port development schemes in the vague hope that the expanded and better equipped ports would regain lost traffic. The point is, however, that modernized port facilities are only part of the solution. Inland distribution networks have to be improved and well integrated with ports at the same time. But most importantly, the organization and management of port operation and cargo handling services must be significantly streamlined. The latter is the principal criterion for winning the confidence of potential port users whose sole interest is lowest possible service costs and reliability. A prerequisite for such arrangements is autonomy for port managers under a liberal regulatory environment. In most developing countries, the absence of such an environment is at the very core of port problems.

5. For almost a generation now, many of the international finance institutions have provided assistance to developing countries in their efforts to improve the provision of port infrastructure. These institutions comprise the World Bank group (including the Bank, the International Development Association, and the International Finance Corporation), the regional development banks (including the African Development Bank, the Asian Development Bank, and the Interamerican Development Bank), and several other lending agencies, like the European Investment Bank, the Islamic Development Bank, and the OPEC Fund for International Development.

6. The extent and intensity of assistance to developing country ports has been varied among the international lending institutions. Having been associated with close to 200 port adjustment schemes through 1990, the World Bank was the leader in these assistance programs. The Asian Development Bank followed with about 60 support operations, and some 40 free-standing technical assistance projects. In contrast, the involvement of all other finance institutions in the port sector has been rather marginal with two port improvement projects, on average, per year. To date, the collective support of all the key international lending institutions has been of the order US\$ 7.5 billion for port improvement schemes in developing countries with a total estimated cost in excess of US\$ 16 billion.

7. In addition to these assistance programs dedicated to improving ports as common user facilities, there have been numerous other support operations of more indirect nature. These operations addressed specific maritime infrastructure needs in the context of industry or trade development schemes. Conservatively speaking, it can be assumed that the total of all these indirect support operations entailed lending allocations between US\$ three and four billion.

8. The international support to port improvement schemes in developing countries was generally straight forward during the 1960s and 70s. As a common feature in the early years after independence, port infrastructure in most developing countries was badly deteriorated and often poorly managed. The immediate needs were therefore easily identifiable: ports had to be kept open as a key prerequisite for maintaining trade flows. The provisions for port assistance during that period were centered on

engineering and related construction aspects, financial management issues, institution building, and manpower development.

9. The scenario changed drastically from the mid-1970s onward. Driven by changing shipper practices and aided by rapidly progressing technology advances, the ocean transport industry induced fundamental restructuring in service networks. This process has become a continuum. Suddenly there was no longer any distinction possible between ports in developing countries and in industrialized nations. The same problems confronted all ports worldwide.

These included inter-port competition, the need to integrate into multi-modal transport networks in support of trade logistics management schemes, and the "damocles sword" of running the danger to lose traditional patronage. Indeed, many ports in developing countries have to face the fact that their role and function is changing irreversibly -and there is little they can do about it.

10. In as much as there was a need for developing country governments to reconsider their policies and strategies for national port management and development, there was a stringent requirement facing the international finance institutions to review and revise their sectoral support guidelines and procedures. Confronted with resource constraints, the majority of these institutions relied on the World Bank to carry out necessary market analyses, to formulate sector support strategies, and to establish evaluation criteria. The Bank initiated such analyses in during the 1980s as part of its research and policy formulation program. In parallel, there was experimentation with new sector support approaches. Port improvement schemes were increasingly handled under the umbrella of structural or sector adjustment loans, or as integral part of regional development schemes.

11. The key topics addressed under current port sector support programs include:

- * reformulation of national port system development strategies;
- * reforms of the legislative, institutional and procedural provisions for port systems planning and regulation;
- * reorganization of port management arrangements; and
- * introduction of innovative financing and cost recovery schemes.

12. The need to reformulate national port system development strategies stems from the fact that the configuration of cargo generating hinterlands has changed, and that ocean transport networks have undergone restructuring. As a result, the nature and pattern of demand for services in many ports have become different. Quite often, there are cases where the physical layout of ports is not any longer in line with user requirements. Some of these ports will need to be adjusted to a changed role and function, for instance, by having lost importance as line-haul facility. In other, albeit more limited cases, ports with formerly low importance for international transport have been confronted with unexpected direct service demand. Owing to these circumstances, governments in developing maritime countries have to reconsider their criteria for national port system development to ensure demand-responsiveness to the changing needs of trade and transport. Since budget constraints and limits to capital market exposure are common among developing countries, there is usually a stringent need to search for cost-effective solutions which minimize required investments.

13. Experience shows that accepting these facts has not always been easy for governments in developing countries. Conflicting interests, national self-esteem, attitudes rooted in traditional values and ill-guided market assessments have been strong counter-forces. But as the effects of fiscal crises and deteriorating trade performance became more pronounced, governments in increasing numbers are in the process of adopting pragmatic approaches to the issues at hand. Brazil and Indonesia are two countries where such reformulation of national port development strategies has taken place with the assistance of the World Bank. Similar assistance programs are gradually taking hold in other developing countries, like China, Mexico, and Turkey.

14. Hand in hand with the need to reformulate national port development strategies go correspondingly required reforms in the legislative, institutional and procedural provisions for port systems planning and regulation. As regards planning, the main issue is usually overly concentrated decision-making in central government bodies with little participation of port managements, and mostly no consultation of port users. Concerning port sector regulation, the provisions are commonly obsolete, reflecting market conditions prevailing at the time of their promulgation, which sometimes dates back for more than a generation. Thus port sector regulations in many developing countries are critically ignorant of the special requirements of the changing trade markets and transport industry organization. In fact, these regulations do often constitute severe impediments to trade performance. The most fundamental changes in port sector regulation have taken place in Indonesia, a country which was characterised by extreme forms of maritime system protection and heavy reglementation of all port related activities since achieving independence. Both the World Bank and the Asian Development Bank have provided significant assistance to the Indonesian administration during the trying period of formulating and instituting maritime sector deregulation measures.

15. Today, possibly the most debated issue within the public administrations and port communities in developing maritime countries relates to options for improving the provision of port services. While there is the gradually increasing awareness of the need to adjust port system development strategies to the changing trade and transport market environments, there is generally a clear appreciation of the immediate requirements to make port service provisions more responsive to user demands. These users, be they shippers or carriers, call for fast, efficient and reliable services. The actual service provisions in many developing country ports relate poorly to user needs. The common reasons entail cumbersome organization structures, complicated lines of command, lack of incentive and accountability, outmoded management practices, and excessive employment of port labor. The culture of public administrations, inherited legislative provisions, and ill-defined employment objectives are usually the root causes of these shortcomings.

16. There are two concepts which feature prominently in this debate: corporate management and privatization. Corporate management stands for plans to delink the administration of ports from central government. Various forms of proceeding along these lines can be observed. In some developing countries the management of regional ports is put under the jurisdiction of provincial or municipal governments, and substantial autonomy is granted to indi-

(Continued on Page 27)

International Maritime Information

WORLD PORT NEWS

27th Int'l Seminar on Port Management

The 27th International Seminar on Port Management will be held between May 14 and June 21, 1991 at the International Institute for Hydraulic and Environmental Engineering (IHE), Nieuwelaan 76, Delft, The Netherlands. Main topic: Intermodal and multimodal transport.

For more information and application forms, please contact:

International Institute for Hydraulic and Environmental Engineering

Oude Delft 95

P.O. Box 3015

2601 DA Delft

The Netherlands

Tel.: +31-15-78 80 21

Telex: 38099 ihe nl

Cable: interwater

Fax: +31-15-12 29 21

Study of Strategic Transportation Data

The U.S. Department of Transportation (DOT) has contracted with the Transportation Research Board to undertake a 15-month study on data requirements for national transportation policy making. An outgrowth of the recent strategic planning process at DOT, this study will examine the

Changing Transport Markets—

(Continued from Page 26, Col. 2)

vidual ports in arranging their day-to-day services (China). In other countries, previously state-run ports are pooled and transformed into public corporations with full accountability for the conduct of their business (Indonesia). In either case, the World Bank has been heavily involved in helping these member countries through the various stages of putting national ports on a more business-oriented footing.

17. 'Privatization', however, has become the hottest issue. Having observed the efficiency gains through privatizing port operations in economies like Japan, Taiwan, New Zealand or the United Kingdom, governments of developing maritime countries see application of this concept to their own ports as the most promising measure to ensure better provision of maritime infrastructure. The fallacy is, unfortunately, that the concept and the implications of privatizing the provision of port services are not always well understood. Labor redundancy is often an invariable consequence, which has caused some privatization schemes to stall, like in Thailand. Nevertheless there have been some success stories where the World Bank has provided a helping hand; Malaysia (Port Kelang) and the Philippines (Manila) are examples. Virtually all international finance institutions are presently swamped with request to assist developing countries with the introduction of port privatization schemes, from Brazil to Papua New Guinea, and from Morocco to Mozambique.

18. A basic prerequisite for privatizing either the ownership or the operation of public assets, like ports, is a legal framework that enables contracted parties to manage these assets in accordance with their own corporate plans and practices. The experience record of countries that have gone this route suggests that considerable lead times are inevitable in order to sort out required legislative reforms and labor redundancy issues. In New Zealand this process took five years. Such implications are usually not well recognized by developing country governments; thus their plans often lack a realistic starting point.

19. The final observation relates to port financing and recovering the costs of providing port services. Many of the currently observed inefficiencies in developing country ports can be traced to underlying weaknesses in financial management. But it would be unfair to exclusively blame

port managers for such state of affairs. Very often their freedom to charge for port services on a cost basis is curtailed by central government decisions concerning the level and structure of port charges. Such predetermined charges frequently bear little relation to costs incurred, and thus ports run sometimes huge annual deficits. The incentives for facility managers to cut cost by streamlining the provision of services is usually undermined as they can count on their governments to provide subsidies if and when their annual performance record shows deficits. However, the growing fiscal crisis in most developing countries seems to dictate an end to these practices. Ports are thus losing their accustomed source of financial relief and have no other choice but to look internally for ways to cut costs, and to explore other sources of income.

20. If there is one commonality among the port support programs of the different international finance institutions, it relates to improving financial management. Measures taken within this context include the introduction of proper cost accounting, the establishment of cost-profit centers, elimination of unproductive services, and the institution of cost-based tariffs. Virtually all port projects sponsored by any of the development banks have more or less explicitly defined provisions along these lines.

21. Relatively new are efforts to assist developing countries in introducing innovative investment financing arrangements. The participation of the International Finance Corporation in financing (through equity sharing) required investments in Manila's container terminal can be seen as a promising approach. Many governments hope that through privatization they can generate sufficient funds to cover required port investments. The outlook here is less convincing for reasons explained above. Bond issues — common among North American ports — are unlikely to be a true alternative as long as heavy government control and involvement in the port sector generate risk aversion among potential investors.

22. At the end, many of the problems which afflict ports in developing country have a common denominator: too much control and too little incentives. The governments concerned will be severely taxed in going through the required adjustment processes. The need is there, and it calls for urgent action. Much expectation rests with the international development banks to help their member countries in going through the necessary reforms.

availability and quality of national data to support DOT's continuing strategic planning efforts and recommend measures to meet the most critical data needs by revising or augmenting existing data programs.

Under the leadership of Ms. Lillian Liburdi, Director of the Port Department of the Port Authority of New York and New Jersey, a study committee of 15 experts in transportation policy, data management, statistics, and information technology, as well as major providers and users of data in state and local government and the private sector, will undertake the following tasks:

- Identify key data requirements for transportation policy making at the national level and pinpoint the most serious gaps in existing data programs.
- Examine alternative means of filling critical data gaps, taking into account new data collection and information systems technologies and improved research methodologies that may improve the efficiency and quality of data collection efforts.
- Consider institutional changes that may be needed to improve the coordination and management of data collection for transportation national policy making, and
- Recommend an implementation strategy.

A final report should be available by late fall, 1991.

INTERTANKO Hits US Oil Spill Policy

Mr. Tormod Rafgård, Managing Director of the International Association of Independent Tanker Owners, INTERTANKO, attacked at the Shipping at Risk Conference in Rotterdam on December 5, the inconsistency in the U.S. Oil Spill Act of 1990 which on the one hand requires double hulls for new ships, a requirement which can be counter productive and can actually increase the risk of pollution, and on the other hand impose unlimited and uninsurable liability for tanker owners. This is why INTERTANKO has put much emphasis on finding alternative and safer tanker designs and why INTERTANKO's suggestions were considered with such interest at IMO recently.

Mr. Rafgård also underlined the need for the Protection & Indemnity Club insurers to single out the extra risks associated with calling United States ports and charging this separately so that these extra costs could be seen by the U.S. consumers and the U.S. government.

The total amount of oil pollution has reduced from approximately 1.5 million metric tonnes in 1981 to some 600,000 tonnes in 1989. 45% of the spills are connected with tanker operation and in a recent paper submitted by the United States to the International Maritime Organization reference was made to the inadequate technical infrastructure worldwide, especially in providing adequate reception facilities. Mr. Rafgård reminded governments of their responsibility to provide such facilities, shipowners have spent millions and millions of dollars to upgrade their fleet without much financial encouragement from charterers, whereas governments are not fulfilling their own rules agreed in IMO.

New Publications

Lloyd's International Free Trade Zones 1991

Edited by Chris Emery (ISBN 1-85044-358-0: ISSN 0958-0573) is available, price £35. including postage and packing, from the Customer Services Department, Lloyd's of London Press Ltd, Sheepen Place, Colchester, Essex CO3 3LP, England. Tel.: (0206) 772092; Fax: (0206) 772880; Telex 987321 (LLOYDS G).

Lloyd's Ports of the World 1991

Published by Lloyd's of London Press
Editor: Brian A Pinchin
ISBN 1-85044-325-4
ISSN 0266-6197
(vii) + 824 pp. Price: £115.
North America US\$240

Directory of International Ship Registers, Ship Managers and Manning Agents 1991

A Lloyd's Ship Manager Publication published by Lloyd's of London Press
Editor: G. Paul Gunton. 96 pages.
ISSN 0265-2455

Free to registered LSM readers and subscribers. Otherwise £35.

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Lloyd's Nautical Year Book 1991

Author: Paul J. Cuny

Published on 18 October 1990

Price: £30 Postage: Inclusive. Airmail rates on application

408 pages

ISBN 1 85044 343 2

This premier maritime reference book continues to develop as an invaluable annual review of the shipping industry. While the reference sections have been carefully updated, editorial articles this year not only give an overview of the current situation, but also present the authors' perception of some future developments in subjects discussed.

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The Americas

Montreal's Gold-headed Cane to Captain Chupin

The General Manager and Chief Executive Officer of the Port of Montreal, Mr. Dominic J. Taddeo, on January 4, 1991, presented the famous Gold-Headed Cane to Captain Sergei Chupin, master of the M/V *Khudozhnik Pakhomov*, the first ocean-going vessel of the year to reach port without a stopover.

The Port of Montreal has been open for business 12 months a year since January 4, 1964, when the Danish vessel *Helga Dan* inaugurated year-round navigation in Montreal.

The first arrival of 1991, the M/V *Khudozhnik Pakhomov*, is a Soviet container carrier. Owned and operated by Balt-Canada Line, it is represented in



Mr. Dominic J. Taddeo (right), General Manager and Chief Executive Officer of the Port of Montreal, presents the Gold-Headed cane to Captain Sergei Chupin, Master of the M/V Khudozhnik Pakhomov, First ocean-going vessel in port in 1991.

Montreal by Morflot Freightliners Ltd., steamship agents.

The ship came from the port of Liverpool in England and opened the navigation year in Montreal by crossing the port's limits at Sorel at 10:51 a.m. on January 1, 1991. It then proceeded to tie up at Berth 67 of Maisonneuve Terminal, where its cargo of 450 containers was handled by Termont Terminal Inc., terminal operators and stevedores.

Captain Chupin won the Gold-Headed Cane for the first time, but it is the 10th time that the master of a Soviet vessel has captured the award since the beginning of year-round navigation in 1964.

The Port of Montreal also paid tribute to the pilots of Saint-Laurent Central Inc. who brought the M/V *Khudozhnik Pakhomov* safely into port. Pilots Robert Gagné and André Trottier were each presented with wine goblets.

Before an audience of dignitaries, among them the Consul General of the U.S.S.R. in Montreal, Mr. Evgueni Kotchetkov, Mr. Taddeo spoke of the reasons that still motivate the port to perpetuate the tradition of the Gold-Headed Cane.

Mr. Taddeo stated: "Now, in addition to honouring the master of the first ocean-going vessel of the year, the

Gold-Headed Cane also reinforces the importance of year-round navigation to Montreal.

"The Gold-Headed Cane not only acknowledges the experience, training and sound judgment of the officers and crew who bring the first ocean-going vessel safely into port each year, but it also pays tribute to the imagination, ingenuity and determination of those Canadians who have winter navigation a reality.

"For many, it still comes as a surprise to learn that we do not close for the winter. The fact that the Port of Montreal is a vibrant, bustling hub of domestic and world trade year-round is one we cannot stress enough."

In fact, winter navigation is extremely important to the Port of Montreal, which handles approximately one-quarter of its annual volume of general cargo in the winter months. Without the container traffic loaded and unloaded at its docks in January, February and March, the Port of Montreal would not have been able to attain current status as Canada's number one container port and a leader on the North Atlantic.

The Port of Montreal generates an economic impact of approximately \$1.2 billion per year for the Greater Montreal region and Québec.

Québec Contributes to PIGES Info System

The Port of Québec Corporation has contributed \$10,000 toward the production of a new geographic information system known by its French-language acronym as "PIGES" (Projet d'inventaire géocodé en environnement et santé). The project was developed by the Laval University Hospital (CHUL) public health department.

"Our goal is to increase efficiency in emergency response and reduce risks to health which may result from a major technological or natural disaster," says Mr. Daniel Godon of the CHUL. "Our success depends upon improved access to information concerning the location and management of dangerous goods stockpiled within the Québec City urban community."

Emergency response teams rely on the ready availability of such information. Evaluation of the widely publicized PCB warehouse fire which occurred at Saint-Basile-le-Grand, near Montréal, demonstrated that emergency personnel could have prevented a \$40 million disaster if information concerning the building's inventory and chemical fire extinction procedures had been available when they arrived on the scene.

Numerous organizations and government agencies have documented the location and characteristics of dangerous goods within the province of Québec. However, there has been to date little effort made to integrate this information into a coherent data bank which could be used universally in the event of a disaster.

The PIGES project will fill that void by producing a complete and integrated data bank covering the location and characteristics of toxic and inflammable products, demographic information and safety procedures, all linked to computerized maps which will be easily accessible through a simple software system designed for emergency operations.

The shipment of potentially dangerous goods such as petroleum products and chemicals is strictly regulated at the Port of Québec.

The PIGES project will provide the port with an additional asset for all stages of crisis management, including risk analysis, planning, personnel

training programs and emergency response in the event of an accident.

(Port of Québec)

Vancouver Announces Rate Structure Changes

The Vancouver Port Corporation (VPC) has announced a rate structure change that is being welcomed as 'progressive' by the shipping industry. The new structure will simplify the manner in which charges are levied on containerized cargo handled at major VPC-owned cargo terminals (Centerm, Vanterm, Lynnterm) in the Port of Vancouver.

"Wharfage" charges, currently assessed according to the value and type of cargo in containers, are being replaced with "Box Rate" charges applied per container, regardless of contents. Box Rates will be set on a 'per length' basis, with one rate applying to containers measuring 40 feet and longer, and a separate lower rate charged for containers less than 40 feet. Lower rates will also be charged for containers carrying export cargoes. Charges will apply only to loaded containers.

Captain Norman Stark, Port Manager and Port Corporation C.E.O., hailed the Box Rate structure as a forward-thinking move in the highly competitive west coast container trade. "By simplifying the rate structure, the Port has responded to industry needs," commented Mr. Stark. "We are confident that Box Rates will add to our attractiveness as a container port."

Commodity-based wharfage rates, which will continue to be charged on break-bulk or general cargo, will not be increased over 1990 levels. Pointing out that this is the second consecutive year the Port has held the line against wharfage increases, Port Manager Stark said the decision was based largely on the current status of forest product exports. "We're in constant contact with the industries which depend on the Port of Vancouver, and try to support and assist them wherever we can."

Berthage charges, assessed against the vessel, will also continue to be levied at 1990 rates.

Harbour Dues are expected to be increased to 6.4 cents per GRT (Gross Registered Ton) from 6.2 cents. Harbour Dues are charged to com-

mercial vessels on a port-wide basis to provide general harbour and port services.

New Orleans Terminal Efficiency Task Force

Improving truck turnaround times at marine terminals is one of the priority improvement projects selected by the newly formed Port of New Orleans Terminal Efficiency Task Force.

Through the task force, members of the maritime industry will use their professional expertise to study and recommend improvements to efficiency at Port terminals. The task force has also decided to review railcar loading and unloading procedures and truck access to terminals as part of its work over the next few months.

Unlike the Port customer service department, which is designed to handle individual problems, the task force will concentrate on providing solutions to challenges affecting a broader range of customers. Areas for future consideration will include the adequacy of intermodal transfers, customs clearance issues, the need for improved bulk handling logistics and a review of Port demurrage policies.

Formed by the Board of Commissioners, the task force includes members selected by the International Freight Forwarders & Customs Brokers Association of New Orleans Inc., the Louisiana Motor Truck Association and the Board. The members of the task force include representatives from marine terminal operators, steamship agents, ocean carriers, railroads, shippers, forwarders, brokers, U.S. Customs and truck lines.

Portland: Partners in Progress for 100 Years

The Port of Portland celebrates its 100th Anniversary in 1991 and a century of working in concert with the community.

"Partners in Progress for 100 Years" is the theme chosen to recognize the collaboration of Port, community and the maritime industry.

As Port Executive Director Bob Woodell points out, "Our working partnership has been key to the continued development of Portland as a

major West Coast distribution center and an international trade and transportation hub."

The Port has planned a year of events and activities, beginning February 18, 1991 (the day the Port of Portland was established in 1891) to highlight the accomplishments of the past hundred years. Public events slated for the fall of 1991 will be designed to call the public's attention to Portland's international trade and transportation heritage.

The history of Portland centers around a rich maritime tradition. The Port's creation in 1891 by the Oregon legislature came as a result of a threat to Portland's already budding reputation as a port and trading center. Its first mission was to dig and maintain a 25-foot channel to the sea.

In addition to a world seaport, what has developed is a nationally recognized aviation system, the most modern and busy commercial shipyard on the West Coast, and industrial parks accommodating many Oregon businesses and industries.

Land for the future growth is one of the Port of Portland's major assets — a product of successful planning and development.

Mr. Block President of Seattle Commission

The Port of Seattle Commission elected new officers for 1991. Commissioner Jack Block was elected president, Ms. Paige Miller was elected vice-president, Mr. Gary Grant was elected secretary and Mr. Paul Schell was elected assistant secretary. Mr. Block replaces Ms. Patricia Davis as president.

Mr. Block was first elected to the Port of Seattle Commission in November 1973, and is presently serving in his third six year term on the Commission. A Seattle native, Mr. Block is the only working longshoreman ever to serve as a member of the Commission.

Mr. Block listed as high priorities for the coming year the following; increasing our intermodal capacity, reaching a goal of moving 1.3 million TEUs through the Seattle Harbor, continuing to be an economic and job creating catalyst for King County and being a steward for maintaining and

improving our sensitive environment.

"Although we all (Commissioners) have diverse backgrounds I have never served with a more talented and committed group of Commissioners," Mr. Block commented.

The Port of Seattle is a municipal corporation created by King County voters in 1911. The Port develops and manages commerce through the Seattle harbor, Seattle-Tacoma International Airport, Shilshole Bay Marina, and Fishermen's Terminal. The Port does over \$30 billion a year in two way trade.

Africa/Europe

Port of Copenhagen Europe's Cruise Capital

The Port of Copenhagen is now taking the lead — becoming the biggest port in Northern Europe in respect of numbers of cruise vessels calling at the port.

During 1990 more than 120 vessels called at Port of Copenhagen and for 1991 the Port expects 140 calls. More and more cruise operators make Copenhagen their "home port" — which means that passengers and crew are changed, in other words making Copenhagen their turnaround-port.

From Copenhagen the cruise operators arrange cruises to Leningrad (1.5 days steaming) alternatively they schedule the ships for the Norwegian Fjords and the midnightsun area (2 days steaming from Copenhagen).

New Dunkerque Projects To Meet Developments

Like all the major ports of North West Europe, Dunkirk had launched huge investment projects. The Port of Dunkirk must keep up with the new developments in shipping and its predominant trends such as larger vessels and a reduced number of port calls.

It must also meet the new demands created by important economic changes including the elimination of barriers within the EEC, the opening up of Eastern Europe and the Introduction of the Channel Tunnel service.

The three large works stated in the Summer of 1990 are a perfect illustration of the effort being made to fulfil



Welch Medallion Presented to Mr. McKeever

Mr. W. Don Welch, executive director of the South Carolina State Ports Authority, presents the first Welch Medallion to Mr. F. Dennis McKeever, president of International Forwarders, Inc. The Medallion, established by the College of Charleston, is named for Mr. Welch and honors individuals who have made meritorious contributions in the transportation industry. The medallion recognizes Mr. Welch's contributions to the College's Intermodal Transportation Professional Training Program and to the transportation industry in South Carolina.

these objectives.

Thus, as regards containers, for which Dunkirk is considered ideal because of its location and the amount of space it has available for expansion, the Port Authority has decided to extend the container terminal's existing quays by 200 meters which added to existing quays will provide space for one additional vessel of the latest type. The idea here is to begin marketing the quay and to commence building works simultaneously, bearing in mind the amount of time the latter would require, thereby managing to meet shipowners' requirements.

By the end of 1991, the Rapid Transit Container Port will thus have a 1,300-metre quay to accommodate large container ships.

The second large works are for dry bulk goods. Dunkirk has a great deal of experience in this area and can already handle cargoes of over 170,000 tons per unit at the Western Harbour Bulk Terminal. The quay of this terminal has recently been extended and huge investments are currently being

made in terms of storage and handling facilities, with the aim of improving the quality of service and loading facilities.

Finally, the Port of Dunkirk is also a top-ranking industrial site. Among the many companies recently set up here is Pechiney which will have an aluminium production unit capacity of 200,000 tons/year. The Port Authority has undertaken to build a quay for vessels carrying alumina and a loading quay for barges used specifically by this factory, making a total of over 350 metres of quay space.

(Dunkerque News)

Port of Le Havre: 1990 Traffic Results

The total traffic of the Port of Le Havre increased by about 3.5% from 52.9 million tons in 1989 to almost 55 million tons in 1990, that is, an additional tonnage of about 2 million tons. The passenger traffic exceeded one million, viz, a 11% rise.

The bulk cargo traffic rose by 5.9%

MANAGING CHANGE IN ASIA'S PORTS

Port privatisation and the alternatives

Kuala Lumpur 30 & 31 May 1991

Asia's ports are going through a period of powerful change. Huge increases in cargo throughput in north east Asia during the mid-1980's, and in south east Asia during the late 1980's, have promoted the region's ports into a new league. The signs are that strong intra-Asian trade growth will keep up the pressure even if the rest of the world experiences trade recession during the next few years.

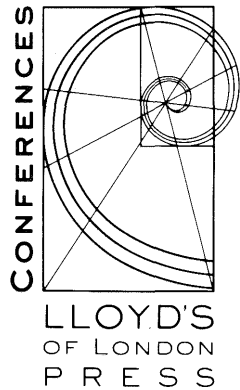
But growth has brought strain too, not just on physical infrastructure, but on management, commercial, legal and other systems.

Many ports have responded by taking a more commercial approach to the way they manage themselves, both to get more out of their existing resources and to fight off regional competition.

Complete privatisation has been the most highly publicised way of achieving this goal, but in fact remains only one option amongst many for reforming port management or refurbishing port infrastructure.

Exactly how Asia's governments and port managers should weigh up the options and pick the best policies to pursue is the subject of this practical but high-level conference.

Those who should attend include port authorities, government trade and transport officials, terminal operators, shipping lines, consultants, bankers, lawyers, and major shipper organisations.



CONFERENCE PROGRAMME

Conference Chairman: David Turner, Chief of Transport and Communications, U.N. Escap, Bangkok

DAY ONE

Keynote speech: Trade and transport predictions for Asia's ports in the 1990's

Measuring port performance: How well are Asia's ports doing and what changes are needed in the areas of management, regulation and finance.

Port reform: Public corporations - how have they worked for China and Indonesia? Privatisation sell-offs - do they boost trade or the Treasury?

Port privatisation: Where is the Value Added? What are the benefits of privatisation — and are there alternative means to the same ends?

DAY TWO

Port privatisation: Exercising the option - by open bidding, invitation to tender or first come first served?

Port finance: Paying for port improvements by equity, bonds and international development banks.

Port reform: Negotiating the pitfalls - labour redundancy, legal reforms, changing the organisational culture and dealing with vested interests.

Port communication: The EDI revolution - what role will the ports play in bringing EDI to Asia?

National port reform — lessons from the New Zealand experience

SPEAKERS TO DATE INCLUDE

Hans Peters, Principal, Trade and Maritime Industries, Transport Development Division
The World Bank, Washington DC

Barry Cable, Ports Division, UN Escap, Bangkok

Bernard Tang, Ports Division, UN Escap, Bangkok

Eric Pollock, Associated British Ports, London

Michael Bennett, Vice President,
Frederic R Harris, The Hague

Dr Sheila Farrell, Coopers and Lybrand, London

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owing to the increase in the reception of energy products, oil and coal, and to the good level of the re-shipments of crude oil (1 million tons).

The general cargo traffic reached about 12 million tons, which makes Le Havre port rank again as the biggest French port as far as this trade is concerned, a trade which is related to the foreign trade of our country and which generates employment.

The essential indicator for the port, that is the container trade with the French and international hinterland, increased by 8%, the yearly average growth being near 10% per year since 1986, which strengthens the good position of Le Havre in the highly competitive market of Northwestern Europe. Even if this rate of progression was to decrease in 1991 owing to an international situation difficult to forecast today, these results prove the adequacy of the development programme of the Rapid Turnaround Port now under construction.

The efforts towards more competitiveness being made at present as regards the container transshipment trades

(port dues, pilotage dues, negotiation dockers/stevedores) also allow to trust that there will be a very significant rise in this traffic in 1991.

Port of Cork Traffic Over 6 Million Tons

Traffic through the Port of Cork increased dramatically by 336,000 tonnes or 6% in 1990. total throughput amounted to 6.02 million tonnes or approximately 23% of total traffic through the ports of the Republic. The biggest growth area in 1990 was oil traffic which increased by 13% to 3.17 million tonnes. This was principally due to the decision by the Irish government to increase strategic oil reserves in anticipation of the Gulf war.

Non-oil traffic reached 2.85 million tonnes, the second highest figure on record. There was a major increase in car ferry traffic. While the resumption of Swansea Cork Ferries' service was the prime factor, continental services operated by Brittany Ferries to Roscoff and Irish Ferries to Le Havre showed an increase of almost 20% in passenger

numbers. This again highlighted the strategic importance of Cork as the preferred entry point to the country's premier tourist region.

Imports of L.P.G. and Caustic Soda Liquor together with exports of live cattle showed steady growth while container traffic and trade cars also performed impressively. There was a reduction in throughput of agricultural products but this was offset by increased throughput over private facilities owned by port based industries, i.e. Irish Refining, I.F.I., Pfizer and Irish Steel.

Outlook for 1991

In May of this year a new container crane will be commissioned at the Tivoli Container Terminal and this should lead to increased container throughput. Prospects are quite good for further increases in car ferry traffic to both the U.K. and continental Europe while a new bulk liquid storage terminal will become operational at Tivoli in April. These developments, together with increased offshore activity due to the planned drilling of four wells in the Celtic Sea and the linking up of the Kinsale Head and Ballycotton gasfields, will further boost traffic in 1991.



Hessenatie Receives ISO-9002 Quality Certificate

On November 19th, 1990 London-based LLOYD'S REGISTER QUALITY ASSURANCE (LRQA) officially presented HESSENATIE with the ISO-9002 certificate for two of its terminals in the port of Antwerp. This certificate means Hessenatie is now officially recognized worldwide as an organization guaranteeing quality. Hessenatie is one of the first stevedoring companies in the world to obtain this quality standard.

Tor Line Terminal to Get Piggyback Connection

From January 1991, the Port of Gothenburg will have a direct piggyback link when road trailers on rail-cars will be shunted directly through the harbour to the Tor Line terminal in the Älvsborg Harbour.

Piggyback connections already exist at Gothenburg, but it takes a tractor unit to haul the trailer from the central marshalling yard out into the harbour. With the new system, the trailer remains on the rail car until taken care of by the Port's specially-equipped forklifts. This is an environmental advantage of the system.

According to Mr. Hans Hansson, sales manager with Tor Line AB, the freight customer will benefit from the new concept in several ways. "He will save some money and some time, but most of all he will save on administration," says Mr. Hansson. An entire transport leg, the local haul, can be taken away.

Under the system, piggyback wagons will arrive at Gothenburg six nights a

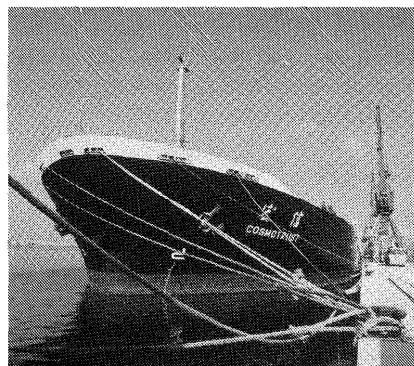
week by regular container trains from a number of inland depots.

In the early morning hours, these wagons will be towed, as part of the regular rail distribution service, to the Tor Line terminal.

The trailers are then unloaded from the wagons with the help of one of the Port's forklift trucks, fitted with a special spreader.

Terminal tractors tow the units on board one of Tor Line's roll on/roll off vessels; there are daily weekday departures for UK and continental destinations.

Trailer operators, as well as exporters, have been expressing an interest in a direct piggyback service via the Port of Gothenburg. The Port welcomes the service as a complement to its service supply. With its regular calls at Dutch and Belgian ports, Tor Line, Scandinavia's largest North Sea operator, hopes to offer a flexible way of avoiding the North German traffic situation.



Cosmotrust Enters Tarragona Port

The ship *Cosmotrust* entered the Tarragona Port on 28 November 1990. It was berthed at the new Catalonia quay. The ship has carried 90,517 tons of tapioca from the Port of Koshichang (Thailand).

It will unload 40,000 tons at the Port of Tarragona and the rest at the Port of Rotterdam.

The *Cosmotrust* is the ship with the deepest entrance draught ever berthed at the inner Port.

Its main features are:

Entrance draught: 14.35 meters.

G.R.T.: 63,303 tons.

Length: 259.85 meters.

Breadth: 39.65 meters.

D.W.T.: 111,229 tons.



ACE Group Now Sailing From Bremerhaven

The ACE consortium has begun service from Bremerhaven to the Far East with the departure of MS "Neptune Ruby." The ACE consortium is made up of the shipping companies Kawasaki Kisen Kaisha (K-Line), Neptun Orient Line (NOL) and Orient Overseas Container Line (OOCL). In Europe the ports of Le Havre, Felixstowe, Rotterdam and Bremerhaven are served. The ports called at in East Asia are Singapore, Hong Kong, Kaohsiung, Tokio and Osaka. With a total

sailing time of only 56 days and only 18 days between Bremerhaven and Singapore, ACE offers a very quick service. The line is served by eight ships.

ACE decided in November to remove Hamburg from its schedule to call at Bremerhaven as the only German port. The quick and easy accessibility of Bremerhaven, without the need for time-consuming river steamings was the main reason for this decision; it enables the consortium to meet its tight schedule comfortably.

Asia/Oceania

ADB Assistance for Papua Seaborne Trade

The Asian Development Bank has approved technical assistance in the amount of \$367,000 to strengthen the management of Papua New Guinea Harbours Board (PNGHB), the agency responsible for the operation of major seaports in Papua New Guinea.

The technical assistance will support

the development of PNG's international and domestic seaborne trade by making the ports sector more efficient. The technical assistance will address the organization and management of PNGHB, the legislative framework within which it operates, and its financial, personnel and management information systems.

The technical assistance will help correct weaknesses in the organization and management structure of PNGHB which were identified during a 1990 Management Efficiency Review (a five yearly review required by statute to be conducted for all public utilities in

PNG), implement approved institutional reforms, and establish or strengthen marketing, planning and regulatory capabilities within PNGHB.

Consultants hired under the technical assistance will prepare, with the concurrence of the National Executive Council, detailed instructions for the preparation of draft legislation to amend the Harbours Board Act as well as provide guidance and training to PNGHB Government personnel.

Corporate Planning Process for PBA

By Greg Martin

Chief General Manager

In August last year, the Board of the Port of Brisbane Authority determined that there was a need to initiate a corporate planning process to redefine the mission and objectives of the authority and, in the process, to examine the organisational structure of authority's work force.

After expressions of interest were sought from a number of leading specialist companies, the Consultancy Bureau Pty. Ltd. was commissioned to undertake the corporate planning exercise. The company assigned Mr. Rob Skerman to guide the deliberations. We were fortunate to obtain the services of such a competent and experienced performer.

The corporate planning process commenced with a work shop. Board representatives, Authority management, port service providers and unions established a consensus view on the major future issues which would impact upon the port. There followed a two-day intensive residential work shop for senior Authority management to develop (for board consideration) a mission statement, corporate aims, and operating principles.

After considerable, and extremely valuable discussion, a simple yet very important mission was identified:

"To manage an efficient port, and encourage trade growth for the continuing benefit of the region and port users."

While apparently simplistic, this mission encompasses the key elements of what the Authority's intentions will be, and who the beneficiaries should

be... i.e., the port users and the region in general.

Paramount

In establishing what the corporate aims of the Authority should be, the philosophy of being client-focused was considered to be of paramount importance.

In sharpening this focus, it was accepted that program management should be adopted within the Authority.

This means that the whole of the Authority's operations should be subdivided into a number of programs, each being a clearly identifiable activity with which the Authority's clients could readily relate.

The full implementation of the program management within the Authority will provide clear accountability of their cost and effectiveness. The six programs, and the corresponding aim of each, are listed below:

Trade Development

To maximise trade opportunities and increase port productivity.

Navigable Access

To provide cost effective, safe, and environmentally responsible access for commercial shipping.

Cargo Facilities

To develop, maintain and administer on-shore cargo facilities for the efficient movement of cargo between vessels and the consumer/producer.

Property Management

To manage property assets commercially to meet port needs.

Environmental Management

To be an environmentally responsible manager of operations within the port limits.

Business Support Unit

To provide efficient and effective support to business units and programs.

For these to be serviced effectively, it was considered essential that the organisational structure of the Authority be reviewed to ensure that the internal business units (providing input to each of these six client-based programs) were appropriately grouped.

As a result, the board has adopted a new organisational structure, but one

which is not significantly different from the previous arrangement.

However, as a result of the reallocation of responsibilities stemming from the new organisational structure and the adoption of program management, it was apparent that a number of internal anomalies needed to be addressed.

Being mindful of its corporate responsibilities, and of the government's stated desire for review of all public sector activities, the board also resolved to re-advertise the senior management positions within the Authority.

The board made it clear to the existing Authority management affected by this action that it was not a reflection of any kind on the performance of management, which collectively, had been responsible for achieving highly creditable results again in 1989/90.

However, in order to ensure the continued level of service to the port's users and service providers, the board also directed that the management positions be filled as soon as possible.

(Brisbane Portrait)

Waterfront Reform — TRADEGATE *EXPRESS

The Port of Melbourne Authority has been conducting a major initiative on Waterfront Reform, known as "TRADEGATE *EXPRESS." This initiative is a Tradegate Australia endorsed project being carried out on behalf of the Association of Australian Port and Marine Authorities.

To provide assistance with the project, Lamarian Systems Inc., an American company from the Nynex Group, were appointed by the PMA, and a Senior Officer from the Australian Customs Service seconded to the TRADEGATE *EXPRESS Project Team.

Major milestones to date have included:

March 1990: Convening of the five Industry Panels (Marine, Commercial, Land, Regulatory and Trade Associations), to gather preparatory data for Business Needs Analysis.

March/June 1990: Business Needs Analysis during which some 700 companies/organisations from the Trade & Transport Industry were interviewed to learn of the type of functions they require from a Trade Community System, and the problems

that need addressing.

July 1990: Phase III incorporated a team of people from the PMA, Larmarian and Customs, who toured the Australian Trade Community and reported on the findings of the Business Needs Analysis.

October 1990: Phase IV study to examine questions on ownership, funding, management and operation completed.

The TRADEGATE *EXPRESS Project has now reached the stage where the consultants have presented the findings of Phase II, III & IV of the TRADEGATE *EXPRESS Project to the Executive of the Australian Customs Service, the Board of the Port of Melbourne Authority, the Association of Australian Port and Marine Authorities EDI Steering Committee and the Board of Tradegate Australia Ltd. As a result of these presentations, a number of meetings are being held with the community to decide on how to progress TRADEGATE *EXPRESS towards full implementation.

Queensland Port Review

A Report on the Review of Queensland's Port Systems has made 57 specific recommendations for overhauling the administration of the State's port operations.

Transport Minister, Mr. David Hamill, said the review was based on extensive consultation with port users, the Boards, management and staff of local Port authorities, Government Departments and Local Authorities.

"The Review has identified many areas where improvement can be made to port administration," Mr. Hamill said.

Mr. Hamill said the review recommended that the present system of regionally based Port Authorities be retained as it offers the best means of complementing Queensland's regional economic and trade development needs.

"However, the system needs a major overhaul," Mr. Hamill said.

"Port Authorities will be given more autonomy in day-to-day operations but there will be more Government oversight of their strategic direction," Mr. Hamill said.

"The Government will also play a significant role in monitoring their performance."

The review examined the performance of Queensland's seven Port Authorities and the Harbours Corporation of Queensland.

The Port Authorities are Cairns, townsville, Mackay, Rockhampton, Galdstone, Bundaberg and Brisbane.

Mr. Hamill said the present composition of Port Authority Boards would be reviewed in light of the report.

"There will need to be changes to achieve an appropriate representative balance and mix of skills for each board," Mr. Hamill said.

"An implementation unit will oversee the introduction of the report's findings.

"I am aware of the talent in the staff of the Port Authorities and I am keen to ensure this talent is being directed to the State's best advantage.

"The review has also recommended that the port administration role of the Department of Transport which manages the Harbours Corporation of Queensland's ports be assigned to a special business unit.

"This will initially operate within the Department but may eventually be set up as a Statutory Authority," Mr. Hamill said.

Mr. Hamill said port users would receive a better deal under the new arrangements.

"We will establish Port Advisory bodies so users' views are taken into account in the decision making process," Mr. Hamill said.

"Many of the reforms can and will be implemented this financial year."

RECOMMENDATIONS OF REPORT ON REVIEW OF QUEENSLAND'S PORT SYSTEM ADMINISTRATION

1. The present port administration system in Queensland be retained.

2. Government control of Port Authorities be exercised through the establishment of strategic direction, approval of corporate plans and performance monitoring.

3. The existing policy of public ownership of major port facilities, regardless of capital sources, be confirmed for the purpose of future common usage. The administrative instrument for this public ownership to be a Port Authority or the Harbours

Corporation, as appropriate.

4. A detailed Charter for Port Authorities and the Harbours Corporation be developed for incorporation in legislation.

5. A new Port Management Bill be drafted replacing and consolidating existing port management legislation.

6. A State Port Strategic Development Plan be prepared by the Department of Transport in consultation with Port Authorities, relevant Government Departments and port users. The State Plan to be complemented by Port Plans prepared by each Authority.

7. Port Authorities support the Government's regional development policy primarily by promoting efficient port performance and, where appropriate, by supporting development initiatives of adjoining Local Authorities and regional development bodies.

8. Corporate plans be prepared by all Port Authorities.

9. A range of Port Authority performance indicators covering operations, customer service and finance be developed in conjunction with the corporate plans to facilitate performance measurement.

10. A program of performance auditing of Port Authorities be undertaken by the Department of Transport.

11. Responsibility for the administration of the Harbours Corporation ports be assigned, as a short-term measure, to a special business unit within the Department of Transport reporting to an Executive Director.

12. A review be conducted to assess the merits of retaining airport operations under the control of Port Authorities.

13. The administration and operations of Bundaberg and Rockhampton Port Authorities be further reviewed in three years to evaluate the options of ongoing independence or repositioning within the port administration role of the Harbours Corporation.

14. Future contractual arrangements of Port Authorities for leasing and licensing of port infrastructure be monitored by the Department of Transport to ensure barriers to entry are minimised.

15. The property management provisions of the proposed Port Management Bill allow Port Authorities to operate autonomously and commercially in their core business while

maintaining Government oversight for the protection of public interest.

16. Port Authorities be given authority to execute lease or licence agreements of up to a maximum of twenty-five years duration for purposes which comply with approved strategic plans.

17. Port Authorities include appropriate efficiency and productivity clauses in agreements for use of port facilities.

18. Lease rentals be determined by reference to market rentals, where available, or alternatively by a percentage of market valuation, with the rental policy of each Authority being subject to Government approval.

19. Port Authority leasing of port land for non-port usage be subject to explicit Government approval.

20. A Handbook for Port Administration, including a specific section on the individual responsibilities of Board members, be produced.

PORT AUTHORITY BOARDS

21. Board members be appointed by Governor in Council on the recommendation of the Minister having re-

gard to balanced representation and appropriate qualifications and experience.

22. At the earliest opportunity, the composition of Port Authority Boards should be reviewed to ensure a balance of appropriate representation and skills in each Board.

23. In making recommendations for appointments to Port Authority Boards, the Minister give consideration to suitable candidates from Local Authorities, Port Users, Trade Unions and the Small Craft Industry as well as individuals from the private and public sectors with appropriate qualifications and experience.

24. The Minister include the Director-General of Transport or another appropriate officer of the Department of Transport in the list of recommended appointments to each Port Authority Board.

25. Harbour Masters attend Board meetings in an ex-officio capacity without voting rights, except where substantial maritime experience is contributed by a Department of Transport member and appropriate liaison arrangements with the Harbour

Master are in place.

26. Port Authority Board membership be limited to a maximum of seven members with the size of individual Boards to be determined on the basis of port size and complexity.

27. A standard scale of attendance fees and retainers for Port Authority Chairmen and board members be developed for application to all Port Authorities.

28. Port Authority Board members be appointed for three-year terms.

MANAGEMENT

29. Each Port Authority Board initiate a review of management practices and organisational structures, under arrangements to be approved in advance by the Minister.

30. A central port services program be established within the Marine and Ports Division of the Department of Transport to co-ordinate and provide advice and professional services to Port Authorities, under appropriate pricing arrangements.

31. A staff interchange program be initiated between Port Authorities and the Department of Transport.

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* Represented in IMTA are: KNRV (Royal Netherlands Shipowners Association); MARIN (Maritime Research Institute Netherlands)



32. The requirement to appoint a Chief Executive Officer for each Port Authority be included in the proposed new legislation and immediate arrangements be made to create and fill such positions in those Authorities where the position does not presently exist.

33. Each Port Authority assist its port users to establish a Port Advisory Body and the report of each meeting be considered at the subsequent Port Authority board meeting.

34. Port user satisfaction be monitored formally by Port Authority Boards.

35. Risk assessment and counter disaster planning be included in the corporate planning process for Port Authorities and undertaken in consultation with users and key emergency service providers.

36. Port facilities be subject to a maintenance audit by the Department of Transport in consultation with Port Authorities to provide a base for future Port Authority repair and maintenance programs.

37. Marketing plans be prepared in conjunction with corporate plans by all Port Authorities and the Harbours Corporation and performance against these plans be routinely monitored at Board level.

38. Port Authorities monitor waterfront reform progress, assess operational and planning implications for their ports and initiate applicable reforms.

39. Port Authorities monitor shipping reform and assess operational and planning implications for their ports.

40. Port Authorities outline strategies in corporate plans for consideration and introduction of new technology including Electronic Data Interchange (EDI).

FINANCE

41. A detailed study of port pricing policies be initiated.

42. State Government charges related to port services and the private sector port charges under the influence of Port Authorities be included in the study of port pricing policies.

43. The Port Authority levy be replaced by an annual dividend to be negotiated between each Port Authority and the Department of Transport with final determination by the Minister.

44. A principal measure of Port Authority financial performance be return on assets, subject to resolution of asset identification and valuation issues and adoption of complementary pricing policies.

45. All Port Authorities adopt full accrual accounting.

46. A program be initiated to implement consistent financial information systems and accounting practices and more transparent public reporting across Queensland Port Authorities to facilitate informed comparison of Port Authority performance.

47. Port Authority budgets and annual reports to identify community service activities by item, amount and beneficiary.

BROADER GOVERNMENT INTERESTS

48. A program of corporatisation of Port Authorities and the port management role of the Harbours Corporation be instituted in accordance with emerging Government policy for Government Business Enterprises.

49. Liability for debt relating to port assets under public ownership and the responsibility for debt recovery should rest with Port Authorities, including the Harbours corporation, under arrangements to be finalised as part of the corporatisation process.

50. Port Authorities be required to report all lands held as assets at market value in their annual financial statements. Where vacant land is held for an approved strategic use, the relevant financial return on the asset be negotiated at an appropriate lesser rate.

51. Port Authorities and the Department of Transport develop an environmental policy for port operations and future expansionary plans which is multi-disciplinary in nature and sensitive to local community aspirations.

52. Joint planning studies of land transport infrastructure requirements and future trade be undertaken at all ports by Port Authorities, the State Government and other interested agencies.

53. The limits of all declared harbours in Queensland be reviewed to determine their appropriateness for present and future port purposes and Port Authorities be accorded a primary coastal management role within these revised

harbour limits.

54. The future role of the Harbours Corporation outside declared harbour limits be determined within the legislative framework for coastal management.

55. Planning for all lands under the control of Port Authorities be undertaken in consultation with the relevant Local Authorities, with only strategic port land remaining exempt from statutory Local Authority town planning requirements.

56. Port Authorities be embodied within one industry structure, subject to any further structural changes enacted for public bodies.

57. The Queensland Government establish a Waterfront Advisory Body to monitor implementation of waterfront reform for a period of two years, to coincide with the timing of the WIRA process.

HK Development Studies The Regional Context

By T.J. Frawley
Planning and Local Services Division
Marine Department
Hong Kong

Economy

Hong Kong's position at the mouth of the Pearl River places it in a position to serve the hinterland of China. The territory is also at the centre of the Asia Pacific Rim, one of the fastest growing regions in the world. Hong Kong together with Japan, Taiwan, South Korea, Thailand, Malaysia, Singapore, Indonesia and the Philippines now accounts for about 18% of the world's Gross Domestic Product (GDP). The territory forms the main gateway to southern China.

The Hong Kong economy is based almost entirely on trade. Raw materials are imported and finished products exported. The territory's main resource is the enterprising spirit and hard-working nature of its people. This entrepreneurial spirit lies behind the rapid rise in per capita GDP, which has increased at an annual average real rate of over 6% since 1978. By 1990 it stood about US\$12,100.

Manufacturing is centred on textiles, clothing, watches, clocks, toys, sporting and electrical goods. Financial, insurance, property, trade and related ser-

vices are the sectors of the economy, which are expected to show the most potential for future growth. The hotel, restaurant, wholesale, retail, import and export sector industries are also important and can be expected to continue to grow in line with the rest of the economy.

Shipping

Hong Kong's main trading partners are the United States, Japan, Western Europe and the People's Republic of China. The pattern of trade is, however, continuously changing as new opportunities are seized. In 1990, Hong Kong's port handled some 89 million tonnes of cargo. This was 4% more than in 1989. A large proportion of this trade, 34.6 million tonnes, was containerised and just over 5.1 million TEUs were handled. Besides catering for the territory's own needs, Hong Kong serves as the main port for southern China. It is also an important regional transshipment centre. Regular feeder services operate to Kaohsiung, Manila, Bangkok and all major ports along the China coast.

Air Transport

Hong Kong is at the hub of the network of air transport services to China, South East Asia, Australia, North America and Europe. It is also the most popular destination for visitors on the Asia Pacific Rim. Air passenger traffic has been boosted recently by the opening of indirect travel between Taiwan and the PRC. With the current low numbers of air trips made per head of population of the Asia Pacific Rim, and the very large distances between centres, air traffic can be expected to grow rapidly. Recent growth in traffic has been very high indeed and, in 1990, Hong Kong's airport handled 18.7 million passengers. Traffic volumes were up 31% from 1987 levels.

Surface Transport

Whilst the great majority of Hong Kong-China freight is carried by coastal and river vessels, much freight traffic between Hong Kong and Guangdong travel by road. Presently, about 95% of all rail freight traffic is to and from the provinces beyond Guangdong.

Hong Kong's road network currently crosses the border at Man Kam To and Sha Tau Kok. In 1990, about 2 million people and 9.1 million tonnes of goods

used these crossings. A new crossing will soon be opened at Lok Ma Chau with an ultimate capacity of 50,000 vehicles per day. It is considered that, when this opens, there should be sufficient capacity at the border crossings to cater for expected growth in road traffic until about 2006.

Rail is presently the main mode of transport within the PRC and, with many rail improvement works underway, is likely to remain so in the foreseeable future. Hong Kong is connected by rail to the PRC at Lo Wu. In 1990, 29.6 million people used the railway to travel to and then cross the border. In 1990, 2.2 million tonnes of goods were imported or exported by rail.

It is essential that Hong Kong develops road and railway networks to meet increasing demands arising from the economic growth in both the territory and southern China. The Second Comprehensive Transport Study has mapped out further extension of transport systems. A Rail Development Study will shortly be commissioned to identify the priority, alignment and programming of planned extensions to the railway network.

Future

In 1997, Hong Kong will become a Special Administrative Region of the People's Republic of China. Its future economic prosperity is considered to lie in three directions: —

- as a regional base for high technology, manufacturing, financial and other service industries, including tourism;
- as a main gateway for southern China;
- as a regional service centre for lower technology-manufacturing which is forecast to expand throughout those areas in the PRC which lie north of the territory.

In this context, the Hong Kong Government is committed to providing expanded port facilities, an airport with sufficient capacity to cater for projected demand and all the associated infrastructure necessary to complete these developments.

Port of Kitakyushu: Sister-Port Affiliation

Determined to strengthen its position as an important link between Japan and the rest of Asia, the Port of Ki-

takyushu plans to establish a sister-port relationship with Laem Chabang Port, Thailand's new port for international trade.

The Port of Kitakyushu handled 3.7 million tons of container cargo in fiscal 1989, a full 12-percent increase over the previous year. Trade with Asian countries was particularly robust, accounting for nearly 50 percent of the total cargo handled.

The port is now moving to strengthen relations with major ports in Southeast Asia in an attempt to expand trade with the region. The sister-port agreement with the Laem Chabang Commercial Port is a first step in this direction.

Now under construction to supplement the Port of Bangkok, Thailand's only international port at present, the Laem Chabang Commercial Port is drawing worldwide attention for its modern container facilities. A multi-purpose berth, the first of four berths to be built, became operational on January 21 of this year. Preparations are proceeding at a fast pace toward full-scale utilization of this new facility.

The director general of the Port Authority of Thailand (PAT) will visit the city of Kitakyushu this May for the sister-port signing ceremonies.

Mr. Chen Reappointed KPA Chairman for '91

Dato' Michael Chen has been reappointed as the Klang Port Authority's Chairman for 1991. This is his eighth term. Dato Chen, who is a lawyer by profession, was a former cabinet Minister.

The Chairman is appointed annually by the Yang Di Pertuan Agong.

Other private sector representatives on the KPA Board who have been reappointed are Tengku Zainal Rashid bin Tengku Mahmood, Encik Leslie Eu and Encik G. Gnanalingam.

The public sector representatives are Dato Hj. Mohamed bin Hamzah (representing the Ministry of Transport; Dato Hj. Mohamed is also the deputy chairman); Encik Azizan bin Husain



Mr. Chen

(representing the Economic Planning Unit); Encik Clifford F. Herbert (Treasury) and Encik Mohd. Karim b. Hj. Abdullah Omar (Selangor State Secretary).

The Board Members are appointed annually by the Minister of Transport.

KCT to Acquire New Prime Movers

Kelang Container Terminal Sdn. Bhd. (KCT) will be acquiring new yard prime movers to further improve its operational efficiency.

It recently signed an agreement worth 3 million ringgit with Capacity of Texas Inc., USA for the supply of 20 units of the prime movers. The units are expected to arrive in March 1991.

The purchase of the prime movers is part of the overall plan to upgrade the Internal Transport Vehicle System (ITV) in the terminal. The new prime movers will have a higher towing capacity and be equipped with hydraulic fifth wheels.

Signing the agreement for KCT was En. Abdul Samad Mohamed, the Chief Executive while Capacity of Texas Inc., was represented by its Vice President-Sales and Marketing, Mr. Mel R. Kangas.

In line with this purchase, new trailers have also been ordered from a local manufacturer.

Tax-free Importation of Capital Equipment: PPA

Cargo handlers can now avail tax-free importation of capital equipment with spare parts equal to 10% of the total equipment cost but not to exceed the required quantity until December 31, 1990, tax credit on domestic capital equipment up to August 12, 1992, and employment of foreign nationals.

The move is in consonance with the Investment Priorities Plan (IPP) of the government implemented through the Philippine Ports Authority (PPA) and the Board of Investment (BOI). A Memorandum of Agreement (MOA) dated 16 March 1990 was signed between the two agencies which provides for the equipment acquisition/modernization program of cargo handling and/or container yard-container freight station (CY-CFS) and private port operators.

These incentives are open to cargo handling contractors with existing management contracts with PPA to provide arrastre and/or stevedoring services in the ports and CY-CFS operators with existing lease contract with PPA and/or valid permit/licenses from the Bureau of Customs (BOC). Private port operators are included provided they are registered with the Authority.

PPA accredits applicants, who must submit a proposed list of equipment and spare parts for acquisition through the project with his application form.

The processing of applications starts in the province where the applicant renders services. A properly accomplished application form with all the required documents is filed at the PMO for initial evaluation.

The evaluated application is then forwarded to the Port District Office, thence to the PPA head Office where the certificate of accreditation is prepared. A copy is given to the applicant and another to the BOI.

Companies seeking BOI registration are required to maintain a 75:25 debt-equity ratio from the start of commercial operations.

However, there are certain conditions and limitations for accreditation imposed by the PPA and for registration imposed by the BOI. Tax and duty-free spare parts are limited to those normally accompanying the equipment and not to exceed 10% of the total cost of said equipment. The quantity of spare parts to be purchased should not exceed the requirements for one year.

(Port Trends)

PSA: \$5.1 Million Savings to Customers

PSA's policy has always been to make both the port and the shipping and freight forwarding community competitive in the world market. During the last recession, PSA cut its tariffs to reduce the shipping community's cost of doing business. When the economy recovered, we adjusted our tariffs to gear the port and the maritime community for growth.

This year (1990), PSA has revised the tariff to pass on productivity gains to port users in such a way that it enhances the port's efficiency and cost-effectiveness. Adjustments have been made to maximize the utilization of scarce land and sea resources and

expensive capital infrastructure. This will make the port and its users more competitive in the long run. The tariff has also been reviewed to make it more equitable for efficient port users who are in fact subsidizing the less efficient ones.

The strategy is to increase the port's handling capacity through optimal and intensive use of available resources to cater for the growing volume of cargo and ships. Resources like land, berths, container yards, freight stations, transit sheds, shipping channels and anchorages have to be maximally utilized to increase productivity and enhance efficiency as they have limited scope for physical expansion in Singapore. For example, fast turnaround of containers at the yard enables more containers to be handled by the port. The ironing out of peak periods and better use of facilities during slack periods lowers the cost of operations which can be passed on to port users in the form of tariff rebates.

This year's tariff revision package will result in lower port charges to the efficient port users. The tariff reductions come mainly from fast connection rebates and lift-on-lift-off charges. There will also be lower charges for FCL containers and reduced port dues for passenger vessels that make regular calls, and for all vessels calling on maiden voyages. This revision has also rationalized and restructured the store rent, port dues tariff and transshipment rebates.

PSA will also revise the present PORTNET charges. The PORTNET charges will be restructured to better reflect the operating cost of providing the service.

The new tariff rates and PORTNET charges will take effect from 1 Nov 90, except for the incentive for off-peak receipt/delivery of cargo and the lashing/unlashing charge for non-cellular vessels which will take effect in the first quarter of next year. A total of \$5.1 million in net savings will be passed on to PSA's customers annually in the form of rebates.

The details of the new tariff and PORTNET charges are in the attached circular. PSA will monitor the tariffs and make appropriate adjustments to ensure that the port as a whole continues to be efficient, cost-effective and highly productive.

In close cooperation with the Port Authorities of Amsterdam and Rotterdam and with the support of The Netherlands Ministry of Foreign Affairs, IHE is organizing

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Study tours	Belgium and the United Kingdom
Language	English
Application and admission	The seminar is intended for qualified candidates who are confronted with port management problems in their daily activities. Applicants should have at least five years of practical experience. The number of participants is limited to 35.
Fellowships	<p>A limited number of fellowships will be granted to participants from developing countries by The Netherlands Government. Fellowship applications should be submitted through the Netherlands Diplomatic Representative not later than 30 March 1991.</p> <p>Other fellowship granting organizations are: United Nations UNCTAD, International Labour Organization (ILO), IMO, IAPH and several other semi-governmental maritime organizations. Candidates from developing countries professionally involved in development projects funded by foreign or multilateral aid (e.g. World Bank) are advised to inquire with the appropriate executing maritime agency whether their participation could be funded from a training component of the overall project budget.</p> <p>Nationals of countries associated with the European Economic Community may apply through the Delegation of the EEC in their country.</p>
Fees and other expenses	Dfl. 4000, which includes tuition fee, travel cost for all study tours and lodging in Belgium and the United Kingdom.

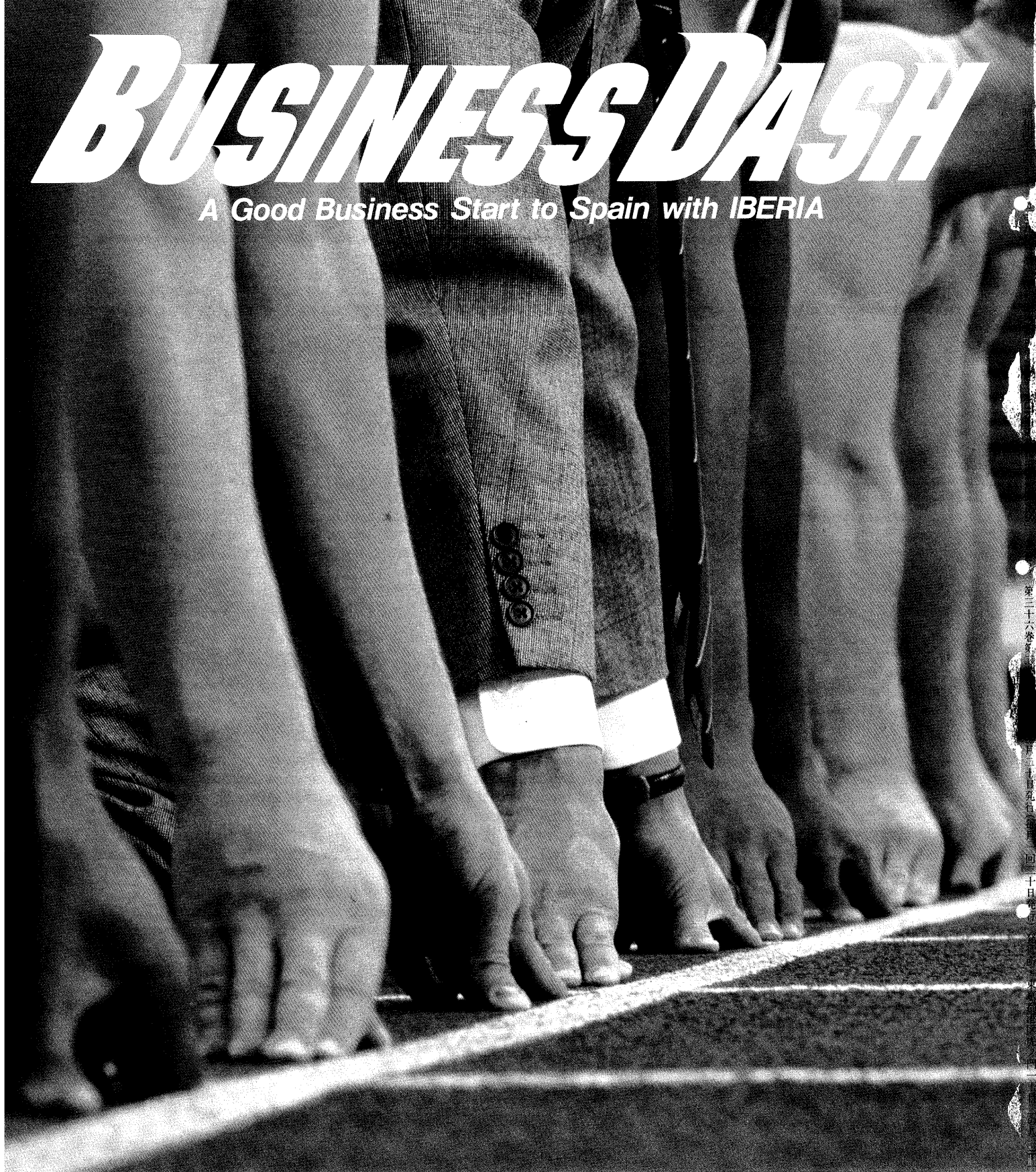
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