

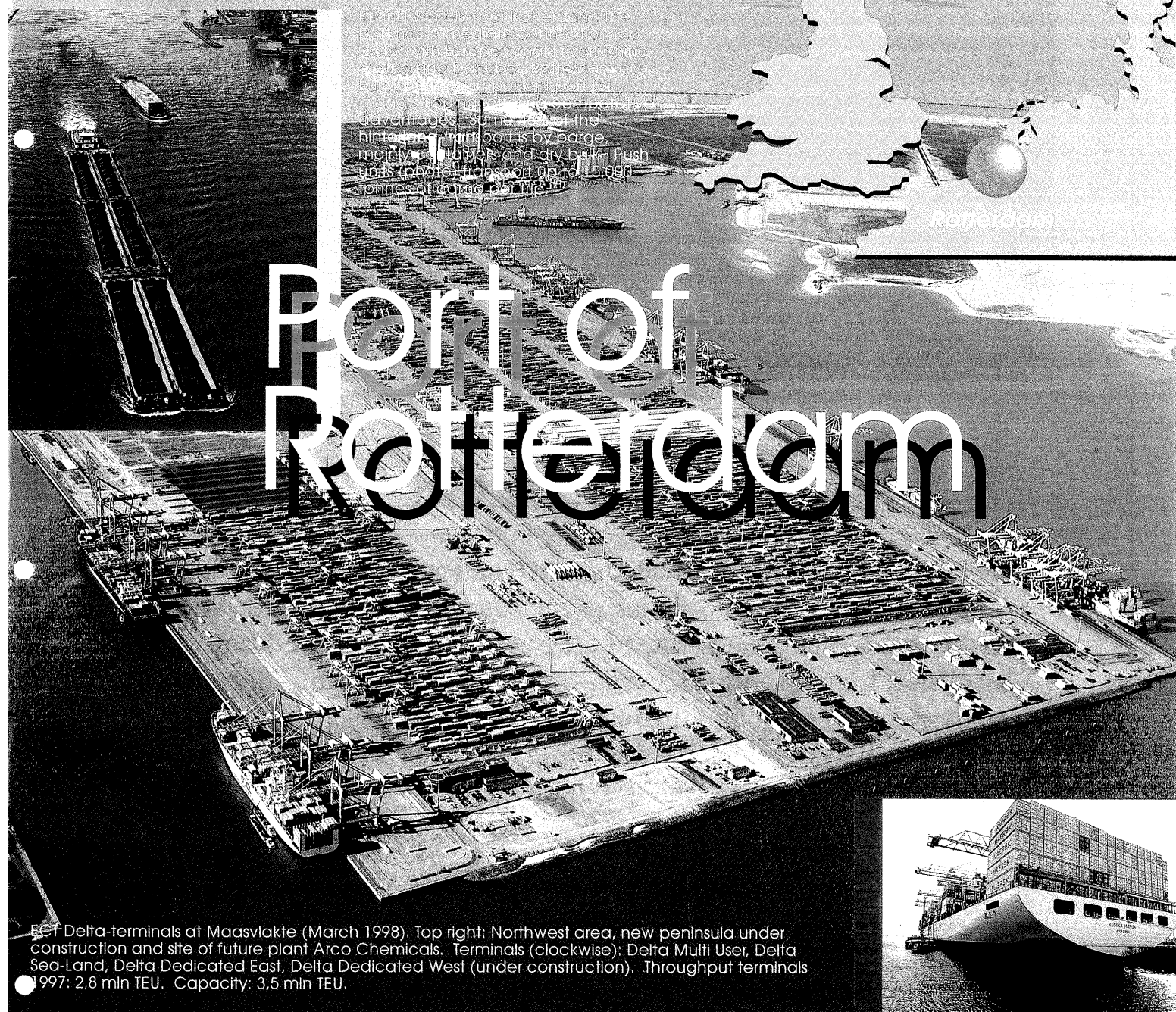


The Publisher : The International Association of Ports and Harbors

Ports & Harbors

昭和44年11月15日
第三種郵便物認可
平成10年11月号
平成10年10月20日発行
第43巻 第9号
(毎月1回 20日発行)
ISSN 0554-7555

**November
1998
Vol.43
No.9**



ECT Delta-terminals at Maasvlakte (March 1998). Top right: Northwest area, new peninsula under construction and site of future plant Arco Chemicals. Terminals (clockwise): Delta Multi User, Delta Sea-Land, Delta Dedicated East, Delta Dedicated West (under construction). Throughput terminals 1997: 2.8 mln TEU. Capacity: 3.5 mln TEU.

Inside: • IAPH Position Paper on Compensation for Pollution from Ships' Bunkers • Brief Report on the Meeting of the Steering Committee on Ballast Water Management • Port of Savannah: Record Tonnage for Fiscal 1998 • Super Containership of Maersk in Long Beach • Antwerp: Improvements to Maritime Access • 2 Giant Maersk Ships at Goteborg's Skandia Harbor • Now We Are Ten - South Port • PAT: Long and Winding Road to Privatisation

When it comes to Japan's foreign trade...



Nagoya comes out tops.

The port of Nagoya again took Japan's top spot for volume of foreign trade cargo among the 5 major ports. It's the 16th consecutive year we have attained this rank, but we never rest on our laurels. By installing high standard cargo-handling equipment, developing necessary facilities, and introducing state-of-the-art technologies, we have always striven to meet the needs of the times. Our top priority is always our customers' satisfaction.

NAGOYA PORT AUTHORITY

8-21 Irifune 1-chome Minato-ku Nagoya 455-8686 JAPAN

TEL: 81-52-654-7840 FAX: 81-52-654-7995

homepage: <http://www.port-authority.minato.nagoya.jp>



IAPH Officers

President:

Jean Smagghe
Executive Vice-President
International Affairs of
Association of French
Ports (UPACCIM)
France

First Vice-President:

Dominic J Taddeo
President & Chief Executive Officer
Port of Montreal
Canada

Second Vice-President:

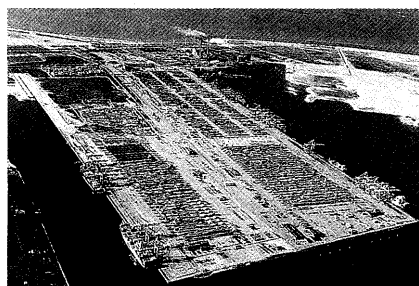
Akio Someya
Executive Vice President
Nagoya Port Authority
Japan

Third Vice-President:

Pieter Struijs
Vice Chairman/Executive Director
Shipping
Rotterdam Municipal Port Management
Netherlands

Conference Vice-President:

O C Phang
General Manager/Chief Executive
Port Klang Authority
Malaysia



PORT of Rotterdam: The allround port of Rotterdam has been the hub centre of the world trade and the intra-Europe trade, backed up by the firstclass modern physical and infrastructure services, waterways, rails, roads and air. Amongst others, ECT Delta-Terminal has been known of its leading roles in the sophisticated container terminal operations. The Port of Rotterdam has been also very keen about environments. Their Green Award System has been considered to be a textbook sample.

Contents

IAPH ANNOUNCEMENTS & NEWS

| | |
|--|----|
| IAPH Position Paper on Compensation for Pollution | |
| From Ships' Bunkers | 3 |
| UNDP/IMO/GEF Meeting on Ballast Water Management | 3 |
| 43 Years of IAPH | 7 |
| Second London Oceans Workshop | 8 |
| IMO Meeting: 26th Session of the Facilitation Committee (FAL 26) | 10 |
| Membership Notes | 11 |
| IAPH Award for Information Technology 1999 | 16 |

OPEN FORUM

| | |
|--|----|
| International Conventions Impacting on Ports and | |
| Port Operations: Part III | 12 |
| ESCAP Document: Commercialization and Private Sector | |
| Involvement in Ports | 18 |

INTERNATIONAL MARITIME INFORMATION

WORLD PORT NEWS

| | |
|---|----|
| International Ports Congress in Southampton June 1999 • Training Course | |
| for Travel Agents in Singapore • Smooth Transition to | |
| ISO 9000 Standards | 23 |

The Americas

| | |
|---|----|
| Fraser Port: Sister Port Agreement With Taichung | 25 |
| Prince Rupert: Storage Shed Near Completion • Jones Elected Chairman of | |
| Georgia Ports Authority • Port of Savannah: Record Tonnage for | |
| Fiscal 1998 | 26 |
| Super Containership of Maersk in Long Beach • Lawsuit Against Naval | |
| Complex Issue Dismissed • Long Beach: Operator for | |
| Former Shipyard Sought | 27 |
| Seattle Commission OKs NCL Home Port Deal | 28 |

Africa/Europe

| | |
|--|----|
| Lys Line Service Links Cork With Scandinavia | 28 |
| Antwerp: Improvements to Maritime Access • Largest Container Ship Ever | |
| to Call at Antwerp • 2nd Transatlantic Service by 3 Asian | |
| Ship Operators • Transshipment Volumes Down in Amsterdam Ports | 29 |
| New EWS Locomotives Off-loaded at Newport • 2 Giant Maersk | |
| Ships at Göteborg's Skandia Harbour | 30 |

Asia/Oceania

| | |
|--|----|
| Now We Are Ten—South Port | 30 |
| MPA's Second Meeting of International Advisory Group • PSA Donates | |
| \$330,000 to Cancer Foundation • New Bangkok System | |
| Reduces Turn-round Time | 31 |
| PAT: Long and Winding Road to Privatisation | 32 |

1877

Following a Tradition

We are proud of our heritage stretching back over 100 years. Moulded in the Hanseatic business tradition, we confidently face the future and embrace its new opportunities. In this spirit - full speed ahead.

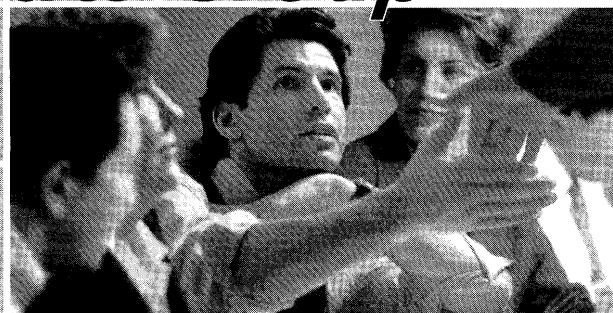
1998

Forging Ahead

Globalisation presents new challenges. We have restructured our business to recognise these demands and make us faster and more responsive in global competition. The new BLG and its subsidiaries stand for competence and service in transport, cargo handling and logistics. Serving our customers. World-wide.

BLG Logistics Group

- BLG Container
- BLG Automobile Logistics
- BLG International Logistics
- BLG Forest Logistics
- BLG Project Logistics
- BLG Technical Services
- BLG Data Services



You can find out more about the BLG Logistics Group by contacting us:

BLG Bremer Lagerhaus-Gesellschaft AG & Co. · Hafenstr. 55 · D-28217 Bremen · Germany
Phone: 49-421/398 - 3484 · Fax: 49-421/398 - 3404
<http://www.blg.de> · E-mail: 106003.3144@compuserve.com

BLG

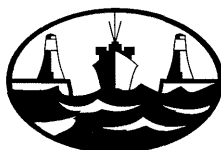
HOLDING

© UDO ZEVBSKI · HB · H1

SHIPPING GUIDES LTD

NAUTICAL ADVISERS AND PUBLISHERS

75 Bell Street
Reigate
RH2 7AN
United Kingdom



Tel: +44 1737 242255
Fax: +44 1737 222449
Telex: 917070 Shipp G
eMail: sgl@dial.pipex.com

"THE PORT INFORMATION SPECIALISTS"

Publishers of

**Guide to Port Entry
The Ships Atlas**

**Guide to Tanker Ports
The Shipping World's Map**

***NOW AVAILABLE* The Guide on CD**

Appeal to all IAPH Members

Please send us your latest port information manual in order that owners and operators may be fully advised of your current facilities and future developments.

IAPH ANNOUNCEMENTS AND NEWS

IAPH Position Paper on Compensation for Pollution From Ships' Bunkers

(IMO Legal Committee, 78th session, Agenda 5)

PORT authorities are aware of, and respond positively to their responsibilities in securing a clean marine environment. They are subject to a continuing concern, however, that even where they are themselves the victims, they are required to meet bunker spill clean-up costs, and provide damage reparations where the responsible vessels do not have adequate insurance coverage.

In the increasingly commercial environment in which ports now operate it is essential that full recovery of costs is guaranteed and prompt. Delays and the potential for litigation which are inherent in current cost-recovery systems are unacceptable.

The scale of the problem should not be underestimated. Since LEG 73 the Legal Committee has been apprised of its magnitude by various delegations who have strenuously sought approval for the development of a draft convention on liability for damage caused by ships' bunkers.

IAPH formally wishes to add its voice in support of those States which have urged that work in these respects should continue.

IAPH strongly believes that there is a compelling need for such an instrument.

Having closely followed the debate thus far, IAPH believes that it is important to restate two important facts to which the Legal Committee's attention has already been drawn.

- Many non-tankers have bunkers capacity considerably in excess of some tankers covered by the CLC/Fund regime;
- It is widely accepted that heavy

bunker fuels are much more difficult to deal with and can cause more damage than many crude oil cargoes.

Both of these facts are compelling reasons for the development of a regime that will assure full and uncontested payment of clean-up and restoration costs.

IMO, moreover has adopted the precautionary principle in its approach to

its work program. In IAPH's view, that clearly points to a need to ensure that work on a Bunkers Convention is not delayed or deferred pending the receipt of further examples of difficulties experienced by damaged parties, or worse, until a high-profile major incident occurs which adversely affects the rights of damaged parties.

A bunkers convention will evidently serve the needs of the international port community and, more generally, become a positive factor in securing IMO's widely expressed goal of achieving "Cleaner Seas". IAPH is ready to assist the Legal Committee in every way possible to progress this important work.

Action requested of the Legal Committee

The Legal Committee is invited to take note of the information provided in this document and to comment and decide as appropriate.

UNDP/IMO/GEF MEETING

Brief Report on the Meeting of the Steering Committee on Ballast Water Management

Cape Town, South Africa, 29-30 July 1998

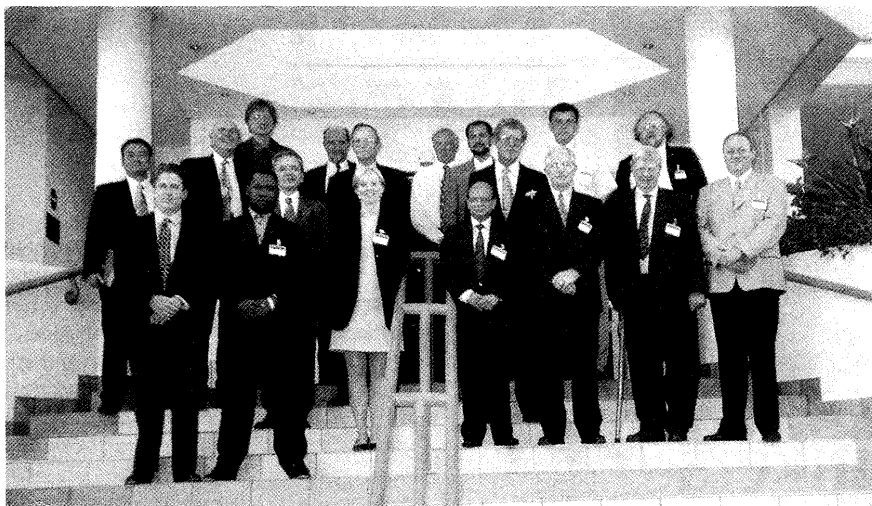
By A J Smith, IAPH European Representative

DAY 1

Opening of the Meeting

The Steering Committee Meeting was opened by Mr M Nauke, Deputy Director of IMO's Marine Environment Division. He introduced the Chairman, Mr P Reynolds, Chief of UNDP's Water Programme, and welcomed all participants of the Meeting which had been convened to finalize the brief for a GEF project proposal to minimize the risk of transferring harmful aquatic organisms

THE Meeting of the Steering Committee on Ballast Water Management, established under the UNDP/IMO/GEF project entitled "Removal of Barriers to the Effective Implementation of Ballast Water Control and Management Measures in Developing Countries", was held at Arthur's Seat Hotel, Cape Town, South Africa from 29 to 30 July 1998. The Meeting was attended by 23 participants. The list of participants is attached as Annex 1.



and pathogens with ships' ballast water. The Steering Committee comprised of representatives of the six countries which have been selected as demonstration sites for the project, representatives of port and shipping industries, the Chairman of IMO's Working Group on Ballast Water, and the group of consultants who had collaborated in preparing the draft GEF project brief.

The agenda of the Meeting is set out in Annex 2.

Session 1

Mr Reynolds noted that the participants represented an expanding and open-ended "strategic partnership", working on the central issue of ballast water management. This partnership included IMO, its Member States and observers, UNDP, GEF, six countries hosting pilot demonstration sites and external support agencies – both governmental and non-governmental.

He outlined the format and stressed that all parties should provide their frank views on and suggestions for the draft GEF project brief. The major out-

put of the Meeting would be a GEF project brief which reflected the aspirations and capabilities of the participants.

Mr Henning Brathaug gave an overview of the present Block B project which started in November 1997 and will close when the project document and the GEF project brief are sent to the GEF Council later this year. Five consultants carried out studies and fact-finding missions with a view to collecting information and material for the preparation of the full-scale GEF project document. Mr Brathaug informed the Meeting that IMO has put a great deal of effort into this project and succeeded in "delivering the goods" even though the time available was very limited.

Mr Andrew Hudson (GEF Secretariat) explained to the participants GEF's procedures and its role in the draft project proposal.

Session 2

The transfer of aquatic organisms and pathogens with ships' ballast water – where do we stand?

Mr Nauke outlined progress made within IMO since the United Nations Conference on Environment and Development (UNCED) in 1992 requested IMO to consider the adoption of appropriate rules on ballast water discharge to prevent the spread of non-indigenous organisms. In 1993 the IMO Assembly adopted Ballast Water Guidelines which were revised and updated in 1997 under Assembly resolution A.868(2) in light of increasing knowledge in the field of ballast water management, including ships' safety and risk assessment. The Marine Environment Protection Committee of IMO has also made further progress in developing legally binding provisions on ballast water management for a Conference to be convened in 2000. A GEF project proposal that would further the readiness of all IMO Member States to adopt a new legally binding instrument and assist, particularly, less developed countries in their easy ratification of new control and management procedures, has been prepared for consideration by this Committee. Mr Nauke further introduced in some detail the control and monitoring techniques and procedures to be carried out at the demonstration sites under the GEF proposal. He also provided an overview of the various ballast water and sediment management options mentioned in the current Guidelines of Assembly resolution A.868(20) that may be carried out on or before departure of a ship from a port-of-ballast water origin, while the ship was en route, and on arrival at a ballast discharge port.

Mr Roger Lankester (Friends of the Earth International) gave an overview of the two studies which he carried out for the project: one on ballast water management alternatives, and the other on human health and economy in rela-

JAPAN FREIGHTING DIRECTORY

1998-1999

Shipping and Trade News
Year Book

TOKYO NEWS

Shipping • Shipping firms and agents in Japan • Liner service networks to/from Japan • Vessels used in liner services to/from Japan • Full containerships, conventional and semi-containerships • Freight conferences • Shipping-related organizations • Japan representatives of foreign ports and railroads • Container leasing companies • Surveyors' and sworn measurers' associations, and tallymen's corporations

Forwarding • Forwarders in international multimodal service • Domestic feeder operators • Domestic car ferry operators

Aviation • International on-line carriers • Off-line carriers • Air forwarders • Public agencies and associations • International airports • Customs houses • Bonded sheds

• Please place your "Japan Freighting Directory" purchase order with us by fax or telephone.

Tokyo News Service, Ltd.
Circulation Department

Tsukiji Yasuda Dai-Ni Bldg., 3rd Floor, 5-9, Tsukiji 4-chome, Chuo-ku, Tokyo 104-8415

Phone: Tokyo 03-3542-8522 Fax: 03-3542-5086

NOW ON SALE

A4 size 256 pages

Price ¥3,500

(not including postage)

tion to the transfer of harmful aquatic organisms in ships' ballast water. He especially emphasized matters regarding human health issues.

Session 3

The focal points of Brazil, China, India, Iran, South Africa and Ukraine presented an overview of ongoing projects in their countries as follows:

BRAZIL

Cdr S Moreira gave a brief explanation of his Government's stricture to deal with IMO's issues and about the intention to create an Interministerial Committee to remove barriers to the implementation of IMO's guidelines on ballast water. He also emphasised that the issue attracted increasing attention since early year, and referred to the choice of Sepetiba Port as the demonstration site for the project. The major barriers are legal, technical and financial. He informed the Committee of the successful results of a full-scale trial of ballast water exchange of a "Petrobras" oil carrier overseas, using the so-called dilution method.

He also advised that, due to internal procedures, the Letter of Endorsement of Brazil's GEF focal point will be issued after analysis of the project proposal.

CHINA

The delegate from China, Mr Zhao Dianrong, described the general situation and the ongoing activities concerning ballast water control in China. The activities proposed to be carried out under the project are believed to be beneficial both to the country and the world. China is actively getting prepared for participation in the project and implementation of the IMO Guidelines.

INDIA

The representative from India, Mr B K Biswas, informed the Committee that no baseline biological data was available from Indian Coastal Waters with reference to the topic. Hence, in order to identify the harmful aquatic organisms in ballast water, as well as in harbor waters of Mumbai, a detailed systematic biological study becomes imminent. He advised that a guideline may be obtained from the reported selection published out by E D Goldberg in 1995.

IRAN

The representative of the Islamic

Republic of Iran, Mr Ahmad Furooghi, underlined that around 60 vessels were calling at Kharg Island monthly for loading. A rough estimate of ballast water discharged yearly in this specific port ranges at more than 40 million tons.

As the "Ballast water" issue is a rather new one, the specific logistics resources are not yet available (i.e. laboratories and sampling facilities), but considerable scientific support could be mobilized in the port of Busher at three hours distance from the terminal.

The lack of specific regulations regarding the ballast water discharges was presented as a major barrier in conducting further surveys on the issue. In the near future, this obstacle might be overcome by further action by the Ports and Shipping Organisation in close co-operation with other interested governmental agencies.

A certain concern was also expressed in regard to the delaying of vessels for accurate analysing since the loading time was usually very short.

For the time being, the Iranian Authorities are confronted with insufficient reception facilities for oily ballast and for this reason common ballast water discharges may not be seen as a priority.

SOUTH AFRICA

Mrs Lynn Jackson reported that as a result of political isolation, South Africa had only become aware of the environmental hazards of ballast water relatively recently. Information collected since 1990 indicated that some 21 million tonnes of ballast water is discharged in South Africa's coastal waters annually, the majority from bulk carriers visiting Dirchards Bay and Saldanha Bay*.

Saldanha Bay had been selected as the demonstration site for the following reasons:

- i) the mariculture industry in the bay;
- ii) the incidence of red tides in the area and the recent occurrence of previously unrecorded algae blooms in the bay itself;
- iii) the interest shown by the port authorities; and
- iv) the proximity to Cape Town.

With reference to the structures to be put in place to manage the project,

Mrs Jackson reported that the South African Maritime Safety Authority (SAMSA) has indicated its willingness to expand the objectives of an existing Inter-Departmental Committee to include the ballast water issue. This was also working on ways of incorporating the IMO Guidelines into South African legislation.

UKRAINE

The representative from Ukraine, Mr V Rabotnyov, informed the Committee that the Ministry of Transport and Maritime Administration of Ukraine is highly appreciative of the efforts of IMO and GEF with regard to preparatory measures connected with new requirements of MARPOL 73/78 on ballast water management and control.

Information was also collected on the sources of ballast water, with quite a high percentage indicating exchange at sea.

Taking into consideration the fact that the Black Sea is a particularly sensitive area for the introduction of harmful aquatic organisms and that the shipping industry of the Black Sea area countries faces definite difficulties at the present time, it was very perceptive to set up a demonstration site in this area. The port of Odessa, which has a concentrated scientific, educational and industrial potential of the Merchant Marine, Environment Protection and Tropical Medicine was appropriate to act as key port.

Session 3

The shipping industry gave their views on the problem as follows:

INTERTANKO

INTERTANKO's representative, Ms Alexandra Smith, informed the Meeting that its main concern with ballast water management was safety. It did not find that the GEF project brief considered this fundamental issue adequately, especially under objectives 2 and 5. INTERTANKO was concerned that ballast water management must remain an international issue, with practical international solutions. INTERTANKO recognised that a lot of work had been done on the issue of safety, but that the testing moment would come when a class society had to approve a ballast water management plan. INTERTANKO informed the Committee that, together with ICS, it was producing a Model Ballast Water

Management Plan, to assist ship operators in producing an individual plan for a ship in line with the IMO Guidelines.

SIGTTO

Capt Marc Hopkins, SIGTTO's representative, advised that its involvement in ballast water management has been only relatively recent. There was a sudden realisation that the proposals being discussed at IMO could have implications on the safety and traceability of its members' gas ships. In addition, SIGTTO was concerned that its members were not aware of the proposals and the problems. It therefore had issued a questionnaire to all ship owning or operating members that had the dual effect of informing them of the, then, proposed Guidelines should give SIGTTO information on the problems that could occur with ballast water exchange. Gas Carriers have a unique problem, especially large gas carriers, as the cargo is light and thus minimal space has been incorporated into their design for taking ballast.

One of the results of the questionnaire has shown that a significant proportion of LNG carriers cannot comply with ballast water exchange. Additionally, many ships cannot carry out flow through due to icing at certain times of the year. SIGTTO is keen to assist in developing a practical solution to the very real problem of ballast water management and realises that ballast water exchange was not the only solution. It would continue to support the project, but strongly believes that the requirement for ballast water exchange is a Port State rather than a Flag State requirement.

IAPH

Mr Alex J Smith, representing IAPH, emphasised the importance to ports of effective communication with their respective Governments, the scientific community and shipping interests on ballast water concerns. IAPH would continue to update members on the developing situation. He also stressed that acceptance of responsibilities flowed more readily from regulations drawn up after full consultation with all interested parties.

Mr Smith then reminded the meeting that current trends towards the commercialisation of port operations focussed the attention of port personnel to address commercially viable

issues as a main priority. Involvement with ballast water issues needs to be conducted with sensitivity. Ports generally would give all possible support to securing the integrity of port waters.

Session 4

During the discussion the view was expressed by the participants that all problems would have to be dealt with, and they welcomed the initiative provided by UNDP, GEF and IMO in this respect. A video from the USCG was shown before closing the first day of the meeting.

DAY 2

Sessions 5 and 6

Mr David La Roche (IMO Consultant) presented the Draft GEF Project Proposal in which it was suggested to seek funding for a US\$7 million GEF

project which will run for three years. The basic elements of the project will be:

- the establishment and terms of reference of a ballast water project co-ordinating unit (PCU)
- the establishment and purpose of global, regional and national advisory task forces
- implementation and evaluation system for the demonstration sites
- the role of the MEPC Working Group on Ballast Water in regard to this project
- training and capacity building
- global awareness campaign
- the budget

Sessions 7 and 8

The participants endorsed the GEF project proposal and adopted the resolution as set out at Annex 3.

The meeting was closed at 5 p.m. on 30 July.

ANNEX 3

RESOLUTION

(adopted on 30 July 1998 in Cape Town, South Africa)

THE Steering Committee on Ballast Water Management, established under the UNDP/IMO/GEF project "Removal of Barriers to the Effective Implementation of Ballast Water Control and Management Measures in Developing Countries" at its meeting in Cape Town, South Africa on 29 and 30 July 1998, RECOGNIZING that the marine environment and the living resources which it supports are of vital importance to mankind, particularly for the coastal pollution, RECOGNIZING FURTHER that invasions of non-indigenous harmful aquatic organisms and pathogens in new regions are occurring at increasing rates, threatening the conservation and sustainable use of aquatic biodiversity, NOTING that besides ecological consequences, severe economic losses and threats to human health are being faced in many countries resulting in national unilateral actions to avoid further threats, BEING AWARE that the transfer of harmful aquatic organisms and pathogens with ships' ballast water constitutes a main vector of unintentional introduction of organisms, BEING FURTHER AWARE that the safety of a ship and its crew is of paramount

importance, NOTING that action to minimize the risk of new introductions of non-indigenous species with ballast water is being taken in several regions of the world, NOTING FURTHER the support for this GEF project as expressed by the representatives of the six participating countries, the International Maritime Organization (IMO) and interested non-governmental organizations, including those of shipping and port industries, HAVING CONSIDERED the draft GEF project brief entitled "Removal of Barriers to the Effective Implementation of Ballast Water Control and Management Measures in Developing Countries" presented at this meeting:

- 1 ENDORSES the draft GEF project brief as amended at this meeting;
- 2 INVITES governments from both industrial and developing countries, international and national organizations and the private sector to support the project;
- 3 REQUESTS the Marine Environment Protection Committee (MEPC) to co-operate with the Project Co-ordinating Unit (PCU) as appropriate; and
- 4 URGES the GEF Council to approve the project brief.



43 years of IAPH under the banner of "World Peace through World Trade - World Trade through World Ports"



Jean Smagghe
President

November 7, 1998 is the day marking the 43rd anniversary of IAPH since it was established at the 2nd International Port & Harbor Conference held at the Hollywood Roosevelt Hotel, Los Angeles, California, in 1995, and attended by the 126 representatives of ports and related organizations from 14 countries, Brazil, Canada, China (Taiwan), Germany, Japan, Korea, Liberia, Mexico, Peru, Sweden, Thailand, USA, Venezuela and Vietnam.

IAPH today is represented by 230 strong regular members and 110 strong associate members spread to 83 different maritime countries and economies. Under the motto of "World Peace through World Trade - World Trade through World Ports" as well as the causes stipulated in the Constitution, IAPH's activities have constantly been supported and enhanced by the member ports and their officials for their devotion and sacrifice to the cause of IAPH.

IAPH has been an international forum of ports, where the voice of ports are accumulated collectively and reflected to the inter-governmental and international maritime community as a voice of the world port community. Subject areas are numerous and varied.



Dominic J. Taddeo
1st Vice President

Increasingly, these subject areas have become more integrated with and related to serving the global cause of "Sustainable Development".

Truly, the world today seems to have entered into a new era of uncertainty clearly at the recently emerged



Akio Someya
2nd Vice President

but still growing changes in the monetary and consequential economic systems, departing from the dominant systems existed in the past decades or less. The change is just starkly new necessitating yet another global changes to cope with the uncertainties thus far created.

These changes seem to be reflected into the ports via and through the changes in trading and shipping patterns on a global scale. No port can be left untouched by the changes yet to come. The situation gives an impression that more will come and further that we need to be braced for the potential of negative fallout.

Having said so, however, the roles to be played by ports, as an integral link of the world trade, will never cease to exist. In this context, IAPH more than ever needs to be a truly international forum where the wisdom and expertise of port professionals are concentrated and accumulated so that IAPH's voice be heard and recognized by the maritime and shipping community of the world.

At the helm of this unprecedented world situation are President Jean Smagghe (France), 1st Vice President Dominic J. Taddeo (Canada), 2nd Vice President Dr. Akio Someya (Japan), 3rd Vice President Pieter Struijs (the Netherlands), and Datin O.C. Phang as Vice President for the 1999 Conference in Malaysia. Their secretariat office is located in Tokyo and led by Mr. Hiroshi Kusaka, Secretary General, and his staff.



Pieter Struijs
3rd Vice President



Datin O.C. Phang
Conference
Vice President

Second London Oceans Workshop

10-12 December, 1998, QEII Conference Centre

In view of the significance of the matters related to the review of oceans matters by the UN Commission on Sustainable Development (CSD '99) and its potential implications to the regime of varied other international tools, this office takes the liberty of reproducing the invitational letter of 01 October 1998, sent from Mr A J C Simcock, Marine, Land and Liability Division, Department of the Environment, Transport & the Regions, UK.

IAPH will be represented by Mr Peter van der Kluit, IAPH Liaison Officer Designate at the Workshop scheduled to take place at the Queen Elizabeth II Conference Centre, London. (IAPH Head Office)

This letter is to invite you to nominate a representative to attend the Second London Oceans Workshop on 10-12 December 1998. The Workshop will be co-hosted by the United Kingdom and Brazil and will form part of the preparation for the 1999 review of oceans matters by the UN Commission on Sustainable Development (CSD '99). It will also mark 1998 as the International Year of the Ocean. It will be held at the Queen Elizabeth II Conference Centre in London.

Using a similar format to the first London Oceans Workshop (held in December 1995, in preparation for the CSD '96 review of Chapter 17 of Agenda 21, Oceans and All Seas), this Workshop aims to bring together representatives of Governments (both policy-makers and scientists) from a wide range of developed and developing countries, intergovernmental organisations and international non-governmental organisations (both environmental and industrial) to discuss what needs to be done to improve the management of the global marine environment. The workshop is intended to produce material which will once again inform the debate at CSD. The material is intended to take the form of joint conclusions by the UK and Brazilian co-chairmen, which we hope can be put to the workshop in draft and discussed (but not formally agreed) by the workshop.

The main aim of the Workshop is how to promote the integrated policy approach to the marine environment that is set out in Chapter 17 of Agenda 21. It is hoped to develop ideas on what CSD can usefully include in its decision on oceans by way of requests to UN agencies and other intergovernmental organisations and suggestions to national governments. An international mix of chairpeople, authors, speakers and delegates is intended to promote an informed

debate on global problems. The main themes to be discussed are:

(i) What lessons can be learnt for integrating policy at the international level from what has been done to integrate policy at the national level on the conservation and sustainable use of the seas, as set out in section A of Chapter 17 of Agenda 21?

(ii) How, in accordance with the conclusions of CSD 1998, can we best generate, share and utilise science for improving marine environmental policy in different fields and in integrating those fields?

(iii) What are the chief pressure points within the coastal zone, especially those on coastal ecosystems and arising from coastal and land-based activities? How can international action best be focused to support local, national or regional action to deal with these pressure points? Among other points, attention is expected to be focused on the implementation of the Global Programme of action for the Protection of the Marine Environment from Land-Based Activities and on promoting integrated coastal zone management.

(iv) What are the chief pressure points arising from maritime activities outside the coastal zone, including shipping, offshore fisheries, and the exploration and exploitation of sea-bed minerals? How can we best develop an integrated approach to international action to deal with these pressure points? A particular aspect will be how to follow up the Netherlands-Brazil Workshop on offshore oil and gas, held at Noordwijk from 17-19 November 1997.

(v) How can we improve our understanding of the marine environment and its uses so as to address more

effectively the problems currently under discussion and to predict future problems? Are current mechanisms for observing the marine environment and analysing the results sufficient? How can we improve the generation, sharing and utilisation of scientific and technical advice, which integrates economic and social perspectives, in order to support international action?

We hope that the Workshop will build upon the outcome of CSD '96, and help to identify what still needs to be done to improve the way in which the global marine environment is managed. With this in mind, you are invited to nominate a representative with appropriate expertise to participate in the Workshop. Unfortunately, space constraints mean that we are unable to accommodate more than one representative per organisation. Similar invitations are going to around sixty states and some thirty inter-governmental agencies and international non-governmental organizations. A list of those invited is attached.

There will be no charge for participation in the Workshop. Participants will, however, be responsible for arranging their own travel and accommodation.

I appreciate that this invitation comes at relatively short notice for a Workshop of this significance. I do hope however that you will be able to give the matter your urgent consideration and will let us know whether you will be sending a representative, so that we can proceed with the more detailed arrangements for the Workshop. We would appreciate a response by Friday 16 October if at all possible.

I look forward to hearing from you.

A J C Simcock
Head of Marine, Land
and Liability Division

List of Proposed Invitees to Second London Oceans Workshop

STATES

Africa

- Algeria
- Benin
- Côte d'Ivoire
- Djibouti
- Egypt
- Gabon
- Mauritania
- Mauritius
- Mozambique
- Ghana
- Republic of South Africa

- Senegal
- Seychelles

Asia & Oceania

- China
- Democratic People's Republic of Korea (North Korea)
- Hong Kong Special Administrative Region
- India
- Indonesia
- Iran
- Japan
- Pakistan
- Philippines
- Republic of Korea (South Korea)
- Samoa
- Saudi Arabia
- Sri Lanka
- Thailand

Eastern European Group

- Bulgaria
- Poland
- Russian Federation

Latin American and Caribbean Group

- Antigua & Barbuda
- Argentina
- Bolivia
- Brazil
- Chile
- Colombia
- Guyana
- Jamaica
- Mexico
- Nicaragua
- Panama
- Peru
- Venezuela

Western European and Others Group

- Australia
- Belgium
- Canada
- France
- Germany
- Greece
- Iceland
- Ireland
- Italy
- The Netherlands
- New Zealand
- Norway
- Portugal
- Spain
- Sweden
- United Kingdom
- United States of America

Inter-Governmental Organisations and Agencies

- UN Secretariat – Department for Economic and Social Affairs (CSD Secretariat)
- UN Secretariat – Division for Ocean Affairs and Law of the Sea
- Food and Agriculture Organisation of the United Nations (FAO)
- Intergovernmental Oceanographic Commission (IOC)
- International Maritime Organisation (IMO)
- UN Development Programme (UNDP)
- UN Environment Programme (UNEP)
- World Health Organisation (WHO)
- World Meteorological Organisation (WMO)
- World Trade Organisation (WTO)
- Global Environment Facility (GEF)
- International Atomic Energy Agency (IAEA)

- World Bank
- International Council for the Exploration of the Sea (ICES)
- International Whaling Commission
- International Union for the Conservation of Nature and Natural Resources (IUCN)
- North Pacific Marine Science Organisation (PICES)
- Commonwealth Secretariat

Non-Governmental Organisations to Be Invited

- Birdlife International
- Friends of the Earth International
- Greenpeace International
- Seas at Risk
- World Wide Fund for Nature International (WWF)
- Commission for the Conservation of Antarctic Marine Living Resources (CCAMLR)
- Europêche
- International Association of Ports and Harbours (IAPH)
- International Chamber of Shipping (ICS)
- The Oil Industry International Exploration and Production Forum (E&P Forum)
- Union of Industrial and Employers' Confederations of Europe (UNICE)
- World Business Council for Sustainable Development
- International Collective in Support of Fishworkers (ICSF)
- International Transport Workers Federation
- Advisory Committee on the Protection of the Sea (ACOPS)
- International Ocean Institute
- Marine Stewardship Council



21st World Ports Conference

Kuala Lumpur, Malaysia

REGISTRATION FEES

(as approved by the IAPH Board at its meeting by correspondence on 1st July 1998)

IAPH Members

| | |
|---------------------------|---------|
| Before 31 March 1999 | RM4,500 |
| On or after 31 March 1999 | RM5,700 |

Non-IAPH Members

| | |
|---------------------------|---------|
| Before 31 March 1999 | RM5,700 |
| On or after 31 March 1999 | RM7,000 |

Additional Accompanying Person(s)

RM1,300

Honorary Members

Free Registration
(FOC)

RM: Ringgit Malaysia (US\$1=RM4.028 as of 16 June 1998)

Report on the 26th Session of the Facilitation Committee (FAL 26)

By A J Smith, IAPH European Representative

FAL 26 was held from 7 to 11 September 1998 at IMO Headquarters, London, UK under the chairmanship of the Mr L Barchue (Liberia).

Delegations were present from 49 Member States and one Associate Member together with observers from 4 inter-governmental organisations and 15 non-governmental organisations.

IAPH's principal interest in FAL's agendas continues to lie in the topics covered by the item Ship/Port Interface. On this occasion, as before, a Working Group (SPIWG) was established to deal with these topics. Details of conclusions reached are reported below. Ports do, however, have an operational interest in other matters dealt with FAL 26. These included:

Formalities connected with the Arrival, Stay and Departure of Ships

The subject is a regular but important inclusion in FAL agendas in so far as its aim is standardisation of FAL forms and their implementation at ports. 52 Member States plus 1 Associate Member had already supplied information on the extent of their compliance. Other replies were awaited.

Facilitation Aspects of the Intermodal Transport of Dangerous Goods

Having developed a standard format for a dangerous goods manifest as FAL Form 8 and a corresponding EDIFACT message, it was agreed to issue a circular encouraging their use. The relevant implementation guide (PROTECT), to which reference was made in my report on FAL 25, is now seen as compliant with the harmonisation recommendations of the International Transport Implementation Guidelines Group (ITIGG). Its use will be recommended to all governments and ports.

EDI Messages for the Clearance of Ships

Modifications were made to the draft implementation guides for FAL FORM 1-General Declaration, FORM 2-Cargo Declaration, FORM 5-Crew List, FORM 6-Passenger List. An Inventory Report

Message was agreed for FORM 3-Ships' Stores Declaration. FAL 26 does not believe that an electronic replacement will be used for FORM 4-Crew Effects Declaration, in the foreseeable future.

FAL 27 will take a definite decision on the Berth Management (BERMAN) message implementation guide, which is seen as an EDI tool for port management, after receiving a report on its use interessionally.

Piracy and Armed Robbery Against Ships, regrettably, is on a consistent upward trend judging from reports of incidents in areas of the South China Sea, Strait of Malacca, Indian Ocean, East and West Africa and South America.

Related developments on **Illegal Migration** will likely lead, in due course, to the subject's inclusion in a comprehensive convention against transnational organized crime.

Stowaways are a continuing concern. The subject will be considered at FAL 27 when it is expected that statistical data on relevant incidents and experience gained in the application of Resolution A871(20) – Guidelines on the allocation of responsibilities to seek the successful resolution of stowaway cases, will point to the direction to be taken including the possibility of a binding relevant instrument.

Technical Cooperation

The committee's 2 thematic priorities for the biennium 2000 to 2001 for inclusion in the Integrated Technical Cooperation facilitation sub-program are:-

- 1 Introduce and accept electronic data processing and interchange techniques based on Electronic Data Interchange Maritime (EDIMAR) standards to facilitate the clearance of ships, crews, passengers and cargo, effective port operation and vessels' turnaround.
- 2 Train personnel involved in ship/port interface activities with the aim of raising awareness and understanding of their responsibilities, and improving communication and cooperation between all parties involved at the

ship/port interface including administrations.

Ship/Port Interface Working Group (SPIWG)

Delegations from 17 Member States, 1 Associate Member and observers from 10 Non-governmental organisations participated in the meeting of the SPIWG from 7 to 11 September 1998 under the chairmanship of Captain H-J Roos (Germany).

Matters dealt with are reported on as they arose in discussion, as follows:-

• Establishment and Operation of Reception Facilities including Funding Mechanism

SPIWG considered the draft revised chapter 11 of the Comprehensive Manual on Port Reception Facilities developed by the Netherlands Government with support from a Correspondence Group of which IAPH was a member. The draft's contents met all IAPH's concerns. It was therefore possible to support SPIWG's commendation of its acceptance by the 42nd session of the Marine Environment Protection Committee (MEPC 42) in November 1998. A Swedish Government leaflet entitled "The Baltic Strategy for Port Reception Facilities for Ship-generated Wastes and Associated Issues" will also be made available to MEPC 42.

• Unwanted Aquatic Organisms in Ballast Water

SPIWG has offered to provide MEPC with advice, on request, on those aspects of the planned regulations on ballast water management, currently under development, which will affect or are likely to affect port/terminal operations.

It was noted that MEPC hoped to finalise work on the draft regulations by June 1999 as a preliminary to an International Conference in 2000.

• Minimum Standards for Education and Training of Port Marine Personnel

SPIWG noted a foreseeable shortfall of qualified seafarers in the long run and also changed requirements as

respects education and training for port personnel due to rapid technological developments at ports and in the marine industry and public perceptions of their roles and responsibilities. On request, the IAPH representative agreed to consult with IHMA, EHMA, IMPA, IALA and ICFTU organisations and to prepare a basic discussion document for FAL 27 on areas and personnel which should be covered within the definition of port marine personnel together with an evaluation of the need for recommended minimum standards for their education and training.

• Implementation of IMO Instruments

Currently, there are no legally binding IMO instruments relating to the port sector. That is perhaps due to the fact that an enforcement regime would be necessary and capable of being applied which is, to say the least, unlikely at this time. SPIWG has noted however that there is an increasing tendency within IMO to develop instruments which do place obligations on ports and terminals. IMO bodies engaged in such activity have therefore been asked from their respective perspectives to consider implementation aspects of these perceived obligations as a matter of priority.

• Training requirements for cargo-related matters

In considering its work on training as complementary to that of the Subcommittee on Dangerous Goods Solid Cargoes and Containers (DSC), SPIWG has recommended members to take part in DSC's activities.

Priorities have been assigned to listed IMO instruments which appear to have training implications. More specifically, SPIWG noted FAL 26's request that priority should be given to the IMDG Code in the context of multimodal training requirements, and to the bulk cargo-related instruments. Discussions therefore focused on these matters and associated papers submitted by a number of delegations. Allocated work will be dealt with interessionally by nominated delegations for general discussion at the next SPIWG meeting.

A Circular was also prepared requesting Member States to submit any material relevant to the development of training requirements in connection with the transport of packaged dangerous goods under the IMDG Code to help the discussions of DSC 4 and SPIWG.

• Updating of Bibliography

SPIWG prepared a list of publications to be added to the existing list. It was felt that the bibliography could be better used by grouping publications by origin under each subject area giving IMO the prefix 1 and continuing the numbering alphabetically for each organisation responsible for the publication.

• Developments in Container Handling

ICHCA presented a paper on recent developments in lifting containers and reported that TC 104 of ISO had included the matter in its work programme to 2000. TC 104 was also developing new standards of twistlocks. This was welcomed by SPIWG in the light of concern with lifting boxes linked vertically using twistlocks not designed for that purpose. SPIWG has therefore urged terminals, as an interim measure, to adopt procedures to ensure that only one type of

twistlock is used on a ship, and only lifting gear with weighing devices is used in this type of operation.

• Availability of Tug Assistance

IAPH submitted the paper attached as Annex 1 to this report. A fuller discussion of the subject will take place at the next SPIWG meeting when members will have had the opportunity to examine the detail of Captain H Hansen's publication "A Practical Guide into Tug Use in Port" which had been endorsed by IAPH. In the meantime, and agreeing with IAPH that a single assessment method is impractical for ports, SPIWG will collect data on the various assessment methods which may be in use at ports worldwide.

The FAL 27 Agenda

The agenda of FAL 27 to be held from 6 to 10 September 1999 is set out in Annex 2 to this report.

Membership Notes:

New Members

Associate Members

Rolls-Royce Materials Handling Ltd. [Class A-2-2] (U.K.)

Address: P.O. Box 9, Saltmeadows Road, Gateshead Tyne and Wear NE8 1SW
Mailing Addressee: Mr. E.B. Morgan, Managing Director
Tel: +44 0191-4772271
Fax: +44 0191-4786509

The World Bank [Class B] (U.S.A.)

Address: 1818 H Street, NW, Washington, D.C. 20433
Mailing Addressee: Mr. Marc H. Juhel
Senior Port Specialist
Tel: +1 (202) 473 2392
Fax: +1 (202) 522 3223
E-mail: mjuhel@worldbank.org



Changes

City of Osaka [Regular] (Japan)

Address: 39F, WTC Bldg., 1-14-16, Nanko-Kita Suminoe-ku, Osaka 559-0034
Tel: +81-6-6615-7764/65
Fax: +81-6-6615-7769

Portnet [Regular] (South Africa)

Mailing Addressee: Mr. R.W. Childs, Managing Director
Tel: 2711242-4032
Fax: 2711242-4054
E-mail: robcc@portnet.co.za

International Conventions Impacting on Ports and Port Operations

By **Captain Peter Heathcote**

*Regional Maritime Legal Advisor, Secretariat of the
Pacific Community, Suva, Fiji*

PART III
**Prevention of Marine
Pollution**

THE first part of this paper introduced the subject of how ships and shipping influence the development of ports and impact their operations, and how ports must react to new influences to remain competitive. Conventions dealing with the safety of ships were described. In the second part, those Conventions dealing with maritime commerce were identified and described, especially the manner in which they might affect port operations. This final part deals with those international conventions dealing with marine pollution and how they must be taken into account by port managers.

• **International Convention for the Prevention of Pollution from Ships, 1973 and Protocol of 1978 (MARPOL 73/78)**

The most important international marine pollution convention in maritime history (so it is described in some literature) came about as a result of increasing awareness of the potentially harmful effects of severe pollution to the marine environment. It addressed not only marine pollution caused by oil (Annex I), but also by other harmful substances such as noxious liquid substances in bulk (Annex II), harmful substances in packaged form or in containers (Annex III), Sewage (Annex IV) and Garbage (Annex V). The Convention consists of 20 Articles, two Protocols, and five annexes, which set out the actual preventative regulations.

The Convention applies to all tankers over 150 gross tonnage and all other vessels over 400 gross tonnage. "Ship" includes hydrofoils, air-cushioned vehi-

cles, submersibles, fixed or floating platforms, but the Convention excludes warships, naval auxiliaries, and government-owned vessels on non-commercial service.

Tankers are to be built with certain characteristics including, crude oil washing systems, segregated ballast tanks, holding tanks, inert gas systems. Vessels are to be equipped with oily-water separators, oil filtering equipment, an oil discharge monitoring and control systems. Vessels are required to keep an Oil Record Book and tankers to record all cargo/ballast operations.

The master or person in charge of a ship is to report any of the following incidents:

- (a) a discharge of oil or noxious liquid substance resulting from damage

- to the ship or its equipment; or
- (b) a discharge or probable discharge of harmful substances in packaged form including freight containers, portable tanks of vehicles; or
- (c) a discharge during the operation of the ship of oil or noxious liquid substances in excess of the quantity permitted.

The report shall be made to the nearest Coastal State by the fastest method and include name of the ship; time, type and location of the incident; quantity and type of harmful substance.

An International Oil Pollution Prevention (IOPP) Certificate in the prescribed form certifies that the ship had been surveyed in accordance with the Convention and the structure, equipment, systems, fittings, arrangements and material of the ship are in all respects satisfactory and the ship complies with all applicable requirements.

All parties to the Convention are required to provide adequate facilities for the reception of residues and oily mixtures at oil loading/discharging terminals. This represents a problem in developing countries, exacerbated by the lack of funds to construct facilities (Sources: IMO 1991 MARPOL 73/78; Gold 1985, 60).

Ports and port operators are going to be on the front line in respect of the

requirement to provide reception facilities under the provisions of MARPOL 73/78. Some seem to have been able to provide the necessary facilities, while others seem to feel it is a difficult, if not impossible, task. The important thing to remember that the Convention merely says they should be provided - not that they should be provided *gratis*.

• **International Convention on Oil Pollution Preparedness, Response and Co-operation (OPRC), 1990**

The purpose of this Convention, adopted in November 1990, is to establish precautionary measures and effective preparation for combating oil pollution incidents involving ships, offshore units, seaports, and oil handling facilities.

The Convention imposes upon State Parties the obligation of requiring that ships of any type operating in the marine environment have on board a shipboard Oil Pollution Emergency Plan. States Party to the Convention shall ensure that authorities or operators in charge of sea ports and oil handling facilities under their jurisdiction also have Oil Pollution Emergency Plans or similar.

The Convention does not apply to warships and ships owned by the government on non-commercial service. However, each Party is to ensure (by the adoption of appropriate measures not impairing the operation or operational capabilities of such ships) that such ships act in a manner consistent, so far as is reasonable and practicable, with OPRC.

Parties are required to ensure that shipmasters report without delay any event involving the discharge of oil or probable discharge of oil, either on their own ship, or observed at sea. Furthermore, any persons ashore having charge of seaports or oil handling facilities should report any incidents to the competent national authority. Pilots of civil aircraft should report without delay any discharge of oil or presence of oil at sea.

Oil Pollution Emergency Plans required to be carried aboard ships shall be subject to inspection by Port State Control officers in accordance with existing international agreements or national legislation (refers to Articles 5 and 7 of MARPOL 73/78).

The Convention requires parties to establish national systems for respond-

ing promptly and effectively to oil pollution incidents by designating:

- (i) a competent national authority;
- (ii) national operational contact points for receiving reports;
- (iii) an authority designated to act on behalf of the State to render or request assistance; and
- (iv) a national contingency plan for preparedness and response.

• **The Convention on the Prevention of Marine Pollution by Dumping of Wastes and Other Matter, 1972 (the London (Dumping) Convention)**

Port operators should have more than a passing knowledge of this convention, known just as the London Convention, which deals with dumping. Dumping is defined as the deliberate disposal of wastes, other than operational discharges from vessels and aircraft, including vessels and aircraft themselves. The Convention establishes categories of substances that are prohibited from being dumped or restricted in the manner, quantity or location of dumping. "Wastes or other matter" is defined as, "material and substance of any kind, form or description" and includes dredged material, industrial wastes including heavy metals, sewage sludge, radioactive wastes. The Convention deals with the problems of incineration of garbage and noxious wastes at sea. It entered into force 30 August 1975, 30 days after the fifteenth deposit of ratification or accession. IMO is responsible for the Secretariat duties.

Annex I - outlines the "black list" - the dumping of these "highly hazardous" substances or other matter is prohibited. Includes persistent plastics and other persistent synthetic materials such as netting or ropes which float or

The Convention requires each party, either individually or through bilateral or multi-lateral co-operation agreements to establish:

- (a) A minimum level of pre-positioned oil-spill combating equipment;
- (b) programme of exercising and training of organizations and personnel;
- (c) communications plans and appropriate equipment; and mechanisms to co-ordinate the response to an oil pollution incident.

(Source: *ESCAP Guidelines 1991, 107 and OPRC 1990*)

Although the Convention covers important issues, it primarily exhorts States to follow the measures suggested rather than prescribing specific action. It is dependent on the State to legislate new statutes or make regulations under existing Acts to give effect to this Convention.

remain in suspension in such a manner as to interfere materially with fishing, navigation or other legitimate uses of the sea; crude oil and its wastes, refined petroleum products and distillates; and high level radioactive wastes. This does not apply to substances which do not (i) make edible marine organisms unpalatable or (ii) endanger human health or domestic animals.

Annex II - specifies the "gray list" - prior special permits are required for waste and other matter listed, which includes arsenic, lead, copper, zinc and their compounds, cyanides fluorides and pesticides not covered on the "black list"; beryllium, chromium, nickel and vanadium; and containers, scrap metal and other bulky wastes liable to sink to the sea bottom which may present a serious obstacle to fishing or navigation. The dumping of all other wastes or matter requires a prior general permit.

Annex III - the "white list" describes the provisions to be considered in establishing criteria governing the issue of permits for the dumping of matter at sea, which include the total amount and average composition of the matter

dumped; the form; physical, chemical and biological properties; the toxicity and persistence of the substance; the probability of the substance affecting marine life; the location of the dumping

site and bottom characteristics; as well as consideration of the possible effects on amenities, and on marine life (Source: IMO, London, 1991 and Nauke, 1995).

• **1996 Protocol to the 1972 Convention on the Prevention of Marine Pollution by Dumping of Wastes and Other Matter ***

The Protocol to the 1972 Convention on the Prevention of Marine Pollution by Dumping of Wastes and Other Matter was adopted at a diplomatic conference at the International Maritime Organization (IMO) in London, November 1996. The Protocol, formally called "the 1996 Protocol to the Convention on the Prevention of Marine Pollution by Dumping of Wastes and Other Matter, 1972," is a free-standing agreement to which both contracting and non-contracting parties to the LC may become party. It represents the culmination of a multi-year process of revising the LC which began in 1992 (the 20th anniversary of the LC's adoption).

The Protocol embodies a major structural revision of the LC – the so-called "reverse list" approach. Under Article 4.1, Contracting Parties are obliged to prohibit the dumping of any wastes or other matter that are not listed on Annex 1 ("the reverse list") to the Protocol. Dumping of wastes or other matter on the reverse list requires a permit. Contracting Parties to the Protocol are further obliged to adopt administrative or legislative measures to ensure that the issuance of permits and permit conditions for the dumping of reverse list substances comply with Annex 2 (the Waste Assessment Annex) of the Protocol.

This "reverse list" approach contrasts with the "black list/gray list" approach set forth in the LC. The LC specifies those materials that may not be dumped ("the black list") and those that require a special permit ("the gray list"), and those that may be dumped under a general permit. While the Protocol's "reverse list" approach differs from the approach of the LC, it protects port interests by including dredged material on the reverse list of

substances that may be disposed at sea.

Annex 2 of the 1996 Protocol contains a unified framework for evaluating the acceptability of dumping of material on Annex 1's reverse list. This framework calls for prevention of pollution and stresses the need to consider alternatives to ocean dumping in addition to evaluation of potential dumping impacts. Annex 2 also explicitly recognizes the role of management techniques, e.g. capping, for the sea disposal of dredged material.

The Protocol includes general provisions relating to the "precautionary approach" and the "polluter pays principle." Article 3.1 of the 1996 Protocol provides that in implementing the Protocol, Parties are to apply a precautionary approach whereby "appropriate preventive measures" are to be taken when dumping of wastes or other matter is "likely to" cause harm. The language of Article 3.1 does not, however, directly address the relationship between the "preventive measures" it envisages and the substantive obligations set forth in the rest of the Protocol. Article 3.2 recognizes the "polluter pays principle" and provides that Parties are to promote practices whereby those it has authorized to engage in dumping

are to bear the costs of meeting the pollution prevention and control requirements associated with their authorized activities "giving due regard to the public interest."

The existing LC requires the Parties to develop procedures for the assessment of liability associated with dumping at sea, although no such procedures have ever been adopted. In the Protocol, the Contracting Parties similarly undertake to develop procedures regarding liability arising from the dumping or incineration at sea of waste or other matter, but have put off for future deliberations the complex and controversial issues as to the nature that an ocean dumping liability scheme should take (including whether it should focus on state responsibility or private liability).

The Protocol provides a transitional period to encourage participation by countries which have not ratified the LC. It allows such countries, when ratifying the Protocol, to delay compliance with certain of its provisions for up to five years. The ban on incineration at sea and the dumping of radioactive matter are excepted from this transitional period. The Protocol also calls upon Contracting Parties to promote and support scientific research and technical assistance among themselves, including the availability of relevant information to other Contracting Parties upon their request and access to environmentally sound technologies.

The 1996 Protocol was open for signature at IMO headquarters from April 1, 1997, through March 31, 1998. Before the Protocol may enter into force, 26 States must consent to be bound, and 15 of the 26 must be among the 75 current LC Contracting Parties.

• **International Convention on Civil Liability for Oil Pollution Damage, 1969 (CLC)**

The main aim of the CLC was to facilitate the recovery of compensation for oil pollution damage against the responsible vessel. This is achieved by setting out relatively easy legal procedures. The Convention bases its liability regime on the principle that the shipowner is strictly liable up to a limited ceiling. This obviates the requirement to prove fault or negligence on the part of the shipowner, which may often be very difficult. The shipowner only loses his right to limit if proven to be at

fault or in privity. The CLC entered into force on 19 June 1975. It applies to seagoing vessels of any type carrying oil in bulk as cargo. This means that vessels in ballast are not covered. Nor are the bunkers of vessels other than those capable of carrying oil in bulk. Pollutants include persistent oil, including whale oil, cargo, and bunkers. Bunkers only covered if oil cargo is carried. Dirty ballast is not covered. Neither are polluting substances other than oil, such as hazardous and noxious

* This portion has been added by the Head Office secretariat in the hope of supplementing the text.

chemicals, etc.

The Convention covers the damage resulting from the escape or discharge of oil as well as the costs of preventative measures to mitigate damage. Pollution damage occurring in the territory or territorial sea of a Contracting State is covered regardless of where the initial spill occurred. In general, all quantified damage resulting from oil contamination, including costs of preventative and clean-up measures and further damage resulting from preventative measures are covered.

Defences available include war, hostilities, exceptional nature phenomenon (Act of God), intentional act or omission by third party, negligence of any government or other authority responsible for the maintenance of lights and other navigational aids.

The relevant government agencies of

Contracting States are responsible for ensuring that the provisions of the CLC are enforced. They must ensure that ships carry certificates of insurance/financial responsibility confirming that insurance exists. Such certificates are issued by the Administration of the Flag State.

Claims must be brought to the appropriate court of a Contracting State(s) where the damage has occurred. The shipowner must establish a limitation fund with this court in order to limit his liability under the CLC. Court has sole competence over apportionment of fund amongst claimants.

If no actual fault or privity by the shipowner, liability can be limited to approximately US\$160 per net registered ton, up to a ceiling of US\$16.8 million. These figures are approximate (Source: Gold 1985).

of a Contracting State where damage has occurred - against the FUND itself - not later than three years after damage and in any case not more than six years after the incident.

The maximum amount of liability is US\$54 million, aggregated with CLC compensation (if any). The FUND Assembly can decide to increase this limit to US\$72 million. The shipowner is indemnified for CLC liability over US\$120 per net registered ton or US\$10 million, whichever is the lesser, but not to exceed US\$160 per net registered ton or US\$16.8 million, whichever is the lesser. These figures were changed to SDRs of the IMF under the 1976 Protocol (Source: Gold, 1985, 115).

• Conclusions

This paper has briefly outlined the International Maritime Conventions deemed to apply to ports and port operations. Descriptions of the Conventions have been brief. Some, such as the International Convention on Safe Containers - international regulations maintaining a high level of safety by providing generally acceptable test procedures and related strength requirements - have not been mentioned, and neither have Customs Conventions or conventions regarding other modes of transport. What has been attempted is an overview of the highlights of international maritime conventions which Port Managers, Members of Board of Directors of Port Corporations and Marine Administrations should be aware of and investigate more fully depending on the nature of their operation and the law in their particular jurisdiction.

• **International Convention on the Establishment of an International Fund for Compensation for Oil Pollution Damage, 1971 (FUND)**

The basic purpose of the FUND Convention is to establish an international fund, financed by a levy on imports of oil by oil companies and designed to provide additional compensation in cases where damage claims exceed the shipowner's liability under the CLC or where the case falls within one of the exceptions of defences under the CLC. The FUND Convention came into force on 16 October 1978. This Convention supplements the CLC and indemnifies tanker owners for part of their CLC liability. It is required that a Party to the FUND Convention must also be a Party to the CLC. Furthermore for a shipowner to receive indemnities under the FUND the Flag State of the ship must be a party to the Convention. Pollutants include persistent hydrocarbon mineral oil, whether carried as cargo or bunkers, provided the vessel is carrying oil in bulk as cargo.

The Fund covers damage occurring in the territory or territorial sea of Contracting States even though the initial spill may be elsewhere. The FUND also covers pollution damage not adequately compensated under the CLC: i.e. no CLC liability, financial incapacity of the shipowner; damages exceed CLC limits.

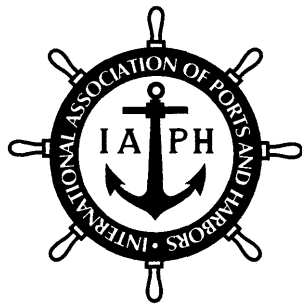
Defences allowed include war, hostilities, and exceptional phenomenon. Pollution damage resulting from dis-

charge by a non-commercial State-owned vessel. Lack of proof that the damage is a result of a ship-generated incident.

The FUND is administered by a FUND Convention Secretariat acting on behalf of and Executive Committee and a General Assembly. The Assembly is representative of all Contracting States. Contributions to the FUND are made by crude oil and fuel oil cargo receivers in Contracting States on a *pro rata* basis.

Claims must be brought in the courts

CAPTAIN Peter Heathcote, B. Comm. (cum laude), LL.B., MBA, Ph.D., FNI is the Regional Maritime Legal Advisor with the Secretariat to the Pacific Community, based in Suva, Fiji. His primary mandate is to assist Pacific Island Countries review and update their maritime law in respect of shipping and navigation, prevention of marine pollution, carriage of goods, salvage, maritime liens and mortgages, and ports. He has assisted the Cook Islands, Federated States of Micronesia, Fiji, Kiribati, the Marshall Islands, Nauru, Niue, Palau, Papua New Guinea, Samoa, Solomon Islands, Tonga, Tuvalu and Vanuatu in developing new shipping legislation and regulations dealing with registration, safety, small vessels and maritime training. He has assisted in the development of ports authority legislation for Tonga, Samoa and the Cook Islands. He also provides legal advice to all Pacific Island Countries on an on-going basis. This is an edited version of a paper presented to the South Pacific Ports Association Conference in Cairns, Australia in November 1997.



IAPH Trade Facilitation Committee

IAPH Award for Information Technology 1999



NAME OF AWARD: The Award is known as the International Association of Ports and Harbors Award for Information Technology.

CONCEPT: IAPH demonstrates its commitment and leadership in promoting the use of information technology in ports and maritime transport by presenting the award for outstanding research and application of information technology in ports and maritime transport, as decided by a distinguished panel of judges. The award is composed of two different categories.

Award Criteria

FIRST CATEGORY: Any Regular or Associate Member of IAPH will be eligible to submit an entry for the award. Any application of information technology within a port may be submitted, whether purely internal to the port authority or involving other outside organisations in such areas as EDI. The winner will be the entrant whose project or application, implemented in the previous two years, has resulted in the greatest benefit to the port judged by the Selection Committee on the following criteria:-

"Lower costs and increased revenue, improved safety, environmental protection and enhanced efficiency."

It is explicitly envisaged that these criteria will enable ports in less developed countries, with limited resources and different circumstances, to compete for the award alongside those who already use the available technologies extensively. Relative improvement for a port will be the key factor for comparison. Gold, silver and bronze plaques will be presented.

SECOND CATEGORY: Universities, institutes of transport, Non-Governmental Organisations and

any other non-commercial institution dedicated to investigation, study and research in the field of maritime transport and the port industry will be eligible to submit an entry for the award. Any project of research, survey or investigation within the maritime transport sector may be submitted. The winner will be the entrant whose project, research or study, developed in the previous two years, is considered most interesting and valuable judged by the Selection Committee on the following criteria:-

"Innovation, interest for maritime transport and the port industry and possible potential for implementation."

Gold, silver and bronze plaques will also be presented for the best entries submitted to this category of the award.

SELECTION COMMITTEE: The Selection Committee of four will receive, review and judge the merits of all entries. The Selection Committee will comprise:-

- The Chairman, IAPH Trade Facilitation Committee;
- a representative of the host port organisation at which the award will be presented (Port of Klang, Malaysia);
- a representative of the IAPH Secretariat; and
- a member of the Trade Facilitation Committee from a region not represented by the other three members.

NOMINATION PROCESS: Nominations for the award are to be directed to the IAPH secretariat, which will ensure distribution to all members of the Selection Committee. The nomination must take the form of a written document substantiating the reason for the nomination, along with supporting evidence. Should there be more than one entry nominated per organisa-

tion, these entries will be considered separately.

CONTACTS: For both nominator and nominee, supply name, address, telephone number, fax number and e-mail address of organisation and person.

Description of Information Technology Application:

FIRST CATEGORY:

- Summary - Briefly describe (up to 400 words) the application, including the business problem, the technology solution, the time taken to achieve results and date of implementation.
- Results (up to 400 words) - Provide specific performance measurements which show the improvement brought about through the IT application, e.g. increase in revenues, decrease in costs, percentage change in results, time savings, operating impact, increase in port capabilities.
- Technology or Services used (up to 200 words) - List hardware, software and services that were used in the application.
- Obstacles Overcome (up to 300 words) - Explain the primary problems (technological, organisational, human or other) or difficulties overcome or avoided that threatened the success of the project, and the measures used to overcome these problems.
- Technology Base (up to 300 words) - Give an indication of the level and extent of technology in use within the organisation before implementation of the project or application submitted.

SECOND CATEGORY: The application for the second category of the award should include the whole project, paper or report along with all the existing supporting evidence.

LANGUAGE: English

DEADLINE: Entries in quadruplicate (4 copies) must be received at the IAPH Head Office secretariat by 4 p.m., Japan time, 31 December 1998. To allow the judging to be carried out effectively entrants must adhere to this deadline. Entries received after the deadline will not be judged.

WINNERS: Winners of the gold, silver and bronze awards of both categories will be notified in good time to allow presentation of the awards to be made during the 21st World Ports Conference of IAPH in Kuala Lumpur, Malaysia (15 - 21 May 1999).

PUBLICITY: Any entry and/or related presentation material submitted for the award may be published in the IAPH magazine, Ports and Harbors.

Entry submission by mail to:

Information Technology Award

c/o The International Association of Ports and Harbors

Kono Building, 1-23-9 Nishi-Shimbashi, Minato-ku,
Tokyo 105-0003, Japan

Tel: +81-3-3591-4261

Fax: +81-3-3580-0364

E-mail: iaph@msn.com

Economic and Social Commission for Asia and the Pacific

Committee on Transport, Communications, Tourism and Infrastructure Development

First session
18-20 November 1998
Bangkok

Document: E/ESCAP/CTCTID/3

Major Issues in Transport, Communications, Tourism and Infrastructure Development: Commercialization and Private Sector Involvement in Ports

SUMMARY

Traditionally, the supply of port infrastructure has been the responsibility of governments. However, many governments now have difficulty in allocating adequate resources for the development of port infrastructure. This situation has been aggravated by the recent economic turmoil in the region, which has had a negative impact on public sector infrastructure budgets and reduced private sector investor confidence. These developments, along with the poor performance of the public sector in supplying port services, has compelled many countries to encourage greater involvement of the private sector in the financing, management and operation of ports.

Despite the increasing experience of public/private sector partnerships in the region, governments, the private sector, the general public and particularly labor unions, still have considerable reservations when considering the formation of new partnerships, and misunderstandings prevail. These factors together demonstrate the need to take a fresh look at privatization issues.

The Committee is invited to review the findings of the secretariat study contained in the present document and provide suggestions as to how the recommended action may be implemented to enhance port performance effectively.

INTRODUCTION

Globalization and economic liberalization have led to a marked shift in production to countries which have significant comparative advantage. These developments have been the major determinants in the rapid industrialization and economic growth of the ESCAP region. However, along with the new prosperity, a whole range of problems and issues have arisen which need to be dealt with urgently if development is to be sustained. One of these problems, which has been highlighted through the recent economic turmoil in the region, relates to the provision of adequate and efficient port services to support growing international trade.

Traditionally, the supply of infrastructure has been the responsibility of governments. However, many governments

now have difficulty in allocating adequate resources for the development of infrastructure and a huge gap exists between infrastructure demand and available public sector financing resources. Additionally, the poor performance of the public sector in supplying infrastructure services has compelled many developing countries to look for alternative ways to develop and operate infrastructure. It is now generally agreed that, under appropriate circumstances, and with adequate support and control, commercialization and/or private sector involvement can be a solution.

In the port sector, the successful experience of privatization, initially in Australia, Hong Kong, China, Malaysia, New Zealand and the United Kingdom of Great Britain and Northern Ireland has encouraged other countries to formulate policies for private sector participation to

help in overcoming a wide spectrum of problems.

Even so, despite the increasing experience of public/private sector partnerships in the region, governments, the private sector, the general public and particularly labor unions, still have considerable reservations when considering the formation of new partnerships, and misunderstandings prevail. The Commission, at its fifty-second session, held in April 1996, recognized this problem and suggested that "to facilitate private sector participation, the governments of the region should consider the need for transparency in the decision-making process".¹

As a follow-up to this proposal, the secretariat has taken several initiatives to assist countries in formulating approaches which can help harness the potential strengths and benefits of private/public partnerships. Included in these have been the formulation of guidelines for private sector participation in ports and the application of stakeholder analysis to ensure that interested parties have the opportunity to participate in the process, thereby ensuring commitment, ownership and transparency.

¹ Report of the Commission on its fifty-second session, Official Records of the Economic and Social Council, 1996, Supplement No.16 (E/1996/36-E/ESCAP/1044), para. 224.

I. Public-Private Partnerships in Infrastructure

Experience has shown that the private sector can, very successfully, finance, develop, manage and operate infrastructure that would traditionally have been solely within the domain of the public sector.

Countries and areas in the region that have been most successful in establishing public-private sector infrastructure partnerships include Australia, Hong Kong, China, Malaysia, New Zealand and the Philippines, where a considerable amount of groundwork was undertaken prior to initiating the privatization process. This included a clear identification of objectives, legislative and institutional changes, selection and prioritization of specific project opportunities, parallel public sector investment in supporting infrastructure, upgrading of existing in-house management, establishment of political commitment and, importantly, support of the general population for change expressed in dominant public opinion. In some of the cases where an existing operating entity has been privatized, the preparatory work has also involved a reduction in the number of people working in the sector prior to the privatization process, and not as a result of it. Such was the case in New Zealand,

when staffing of the national railway was reduced by 50 percent prior to privatization.

Although private sector involvement in infrastructure development has been criticized, many regional examples illustrate the significant progress that would either not have been achieved, or alternatively, could only have been financed within available public sector budgets at the expense of other competing investments. Some of these projects which have created new infrastructure and services include the provision of an additional two million metropolitan telephone lines and one million provincial telephone lines in Thailand (US\$2,800 and US\$1,250 million respectively), the North-South Expressway in Malaysia (US\$2,400 million), power plants in the Philippines, a mass transit system in Guangzhou, China (US\$1,200 million) and a national sewage system in Malaysia (US\$2,500 million). In the port of Hong Kong, the world's largest container port, the private sector has financed, developed and equipped every terminal.

In addition to these projects designed to develop new infrastructure, governments have encouraged the private sector to take over the operation of existing public sector infrastructure and facilities, the aim being to increase capacity through efficiency gains while ensuring future private sector investment streams for expansion and modernization. Such an approach has been followed with the privatization of ports in Malaysia. Other countries, including China, the Republic of Korea and Thailand, have also been successful in involving the private sector in specific areas of infrastructure development. However, even with proved demand and declared political commitment, progress in these and other countries of the region has been much slower than originally anticipated.

In hindsight, this is perhaps not surprising considering the scale and complexity of the projects and the major changes in philosophy required to be institutionalized by governments in the privatization process. Similarly, the learning curve for the private sector, which relates to commercial project implementation, has been a steep one in understanding the pressures that governments and the public sector have to accommodate in their national decision-making process. It is anticipated that, for the future, competition between projects will make it increasingly difficult to attract private sector financing for all but the most promising projects with clearly demonstrated viability and limited risk.

To meet this requirement, governments wishing to involve the private sector should undertake realistic feasibility studies to assess the commercial viability and risks that will be confronted. The

results of such a study will assist governments in establishing their negotiating position and clearly indicate their commitment to and understanding of the commercial needs of the private sector. Fortunately, much of the investment sunk in this essential preparatory study can be recouped through the sale of the study reports to potential investors who will have to go through a similar process in formulating bids. Importantly, this approach will effectively contribute towards transparency of the privatization process.

A. Available options for privatization

There is now sufficient worldwide experience in privatization to illustrate that there are numerous approaches which, under the right circumstance, will be successful. The approach chosen would reflect the policy and legal setting and the unique characteristics of the particular opportunity on offer.

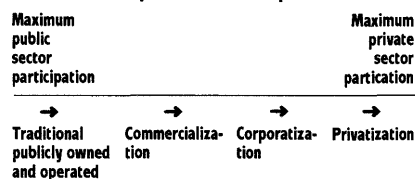
The activity commonly labeled "privatization" actually encompasses a broad range of options with many variations, each with varying levels of public and private sector participation and control. These include:

Commercialization: Under the commercialization approach, the port entity remains under public sector ownership, management and operation; however, commercial management practices are introduced, similar to those encountered in the private sector.

Corporatization: Corporatization involves the transformation of the port from its status as a government department to an independent but government-owned entity under a Companies Act or similar national legislation.

Privatization: Privatization is the transfer of ownership of all or certain parts of a port's existing land, infrastructure and/or equipment to the private sector to own in perpetuity.

Figure. Spectrum of commercialization/privatization options



B. Regional approaches to port privatization

Ports can be classified by the type of cargo handled, for example, bulk or container, and by the scale of operation, as in India, where ports are classified as major

ports if they have handled in excess of one million tonnes in any one year of operation. More important within the privatization process, however, is the classification of ports in terms of their contribution to a wide range of national objectives, such as strategic security, economic growth, local development, and employment creation. This role, as defined by the government, will have a significant bearing on the potential for commercializing the activity and in selecting the approach to involving the private sector.

An explicit definition of the role of the port, or part of the port, to be privatized creates confidence and helps in establishing the type and level of risk that may be associated in any long-term commitments. It therefore directly assists in attracting greater private sector interest in participation and establishes realistic expectations as the basis for negotiations.

Within the region, many examples exist that illustrate the alternative approaches which can be successfully employed in creating public/private partnerships to accommodate particular issues. For example, in Malaysia, when the Ministry of Defence decided to privatize the Royal Malaysian Naval Dockyard at Lumut, it raised several national security issues related to the ongoing maintenance and repair of the naval fleet; the prospect of foreign ownership of this sensitive facility; and the prospect of foreign vessels being berthed adjacent to one of Malaysia's principal naval harbours. These considerations were taken into account in designing the privatization programme, and the Ministry ultimately decided to proceed with corporatization of the facility through a process which ensured that it remained under domestic control. A new Malaysian private sector operator was then awarded a contract to service the Navy, with the proviso that this would be done on a priority basis whenever necessary.

In India, private investors are viewed as essential participants in the drive to expand infrastructure and promote economic growth. In such a large and divergent country, several different models have been tried. The various state governments have begun to promote development at their intermediate and minor ports (major ports fall under the jurisdiction of central government) to serve as magnets for industrial investment. Several of the maritime States have exhibited a significant commitment to finding port investors and providing a commercial framework within which they can operate. The Maharashtra state government has stated that it will do everything in its power to ensure that port projects are commercially viable. This intent has been corroborated by

Maharashtra's published guidelines, which define: a 30-year period for build-operate-transfer (BOT), which can be extended for a further 20 years; the government's preparedness to take up to an 11 percent equity share and provide back-up infrastructure; freedom for the private sector to set tariffs for all services; and limiting the levy collected by the government to only 3 rupees (US\$0.09) per ton on the cargo handled, a rate which can be no more than doubled every five years.

This approach to partnership between Maharashtra State and the private sector has been an important ingredient, as many of the projects planned for development are in areas where little or no port infrastructure exists and are characterized by high development costs and, initially, uncertain revenue streams. The investments are, therefore, designed as catalysts to encourage industrial development.

In China, the Ministry of Communications in Beijing has decided that ports provide critical services to support the nation's trade flows, and wholesale privatization to a private party has been ruled out. The alternative adopted is to encourage joint ventures. The Shanghai Container Terminal Company Limited is one such joint venture, involving the Port of Shanghai and Hutchison Whampoa Limited of Hong Kong, China on an equal share basis. The joint venture covers both existing container facilities in the port and future developments.

The 50-50 share not only reflects the principle of equality and mutual benefit but also means that both sides are equally committed to achieving success. The agreement offers several benefits for all parties. It allows for the upgrading of existing operations through the immediate introduction of new equipment and modernization of management and operating schemes. This has already resulted in a rapid increase in productivity at existing facilities. Current capacity constraints have thus been attacked in the short term rather than waiting until entirely new construction of terminals could be completed, therefore benefiting trade expansion directly. Additionally, the Port of Shanghai received a large inflow of the capital it needed for the construction of new container-handling facilities. Furthermore, as an equal joint-venture partner, the Port of Shanghai benefits from technology transfer and training while continuing to have a major say in the commercial decisions regarding the container business. It will also benefit over the 50-year life of the agreement by sharing equally in earnings derived from traffic growth through the port.

The private investor benefits through access to an immediate revenue stream while undertaking large-scale invest-

ments in the new developments. The investor also benefits from sharing the operational and developmental burden with a partner who can represent the joint venture before the Government of China. The Government has already decided to release the joint venture from price controls and to give it independence in setting tariffs.

These examples, while not comprehensive, provide an impression of the range of options that are available to governments and the private sector in forming successful and sustainable partnerships. Together, they provide an insight into the preparatory planning and consideration which are essential elements of the privatization process.

II. Equity and Protection in the Privatization Process

Involvement of the private sector provides the opportunity to share risks and, in times of rapid economic change such as those recently experienced in the region, to respond quickly to market demands and opportunities. In this process there is a need for equity between the public and private sector partners. There is also an evident need for a continuing role of government related to the ongoing regulatory aspects of port operations, which will depend on the form of the newly commercialized/privatized entity. Defining the precise role ensures that all is in place to protect the public, and clearly informs the private party of the regulatory environment in which it is expected to operate. This will include compliance with safety and environmental rules and with enforcement of contractual conditions (e.g. performance standards).

By comparison with the complex framework within which government operates, the private sector functions within a commercial environment. This in itself is one of the strengths of the private sector and, given adequate freedom to operate, allows it to focus resources on specific criteria of success. An overriding aim of the private sector is to make an appropriate return on its investment. It is this consideration that is the driving force in a competitive environment which encourages attainment of the highest levels of efficiency. The objective of the private sector in involving itself in infrastructure development is, therefore, to identify opportunities where its skills and resources can best be employed to maximize returns within an environment of manageable risk. Government actions, therefore, to control tariffs or cap profits and institute other restrictions have a direct impact on the primary objective of the private sector and may make projects unattractive, unless clearly predefined.

Investors are invited to participate in the port sector because government has decided it is in the public interest that the activity take place in a more commercial environment and be less constrained by government control. It may also be that it is anticipated that the private sector will supplement limited public sector resources, install more efficient management systems, and attract additional cargo (e.g. from a shipping line investor). For each of these areas of potential benefit to the public sector, government will need to define measures of success.

Some governments have deemed it appropriate to provide certain safeguards for investors (e.g. Hong Kong, China, with its "trigger point" mechanism in which new projects to provide additional capacity are only approved when a predetermined level of traffic over existing facilities has been reached, thereby preventing oversupply of capacity). In other locations, especially in the case of privately generated proposals, prospective investors will usually propose a particular set of supports or guarantees which they consider appropriate to ensure no more than a reasonable level of risk. Some governments have declined to interfere at all in the market, placing the entire risk on the private sector.

Obviously the level of risk to be borne by all parties is a key factor in determining the attractiveness of a particular project. In particular, there is need for a balance between creating an environment in which the private sector has sufficient confidence and flexibility to perform effectively while at the same time maintaining minimum safeguards to ensure that overriding government objectives and responsibilities are met. In general, this requires that the party which has control over the risk will take the responsibility. Specific concerns which the government has to decide and communicate will need to include the following:

Protection of port users, particularly where there is the possibility that a private operator may exploit a monopoly position and the commercial competitiveness of an established port could be adversely affected. Similarly, where government has chosen privatization as the preferred option, there may be some essential services within the overall package (e.g. ferry operations) which are economically marginal or non-remunerative but which the government considers should continue to operate. Such services should be identified at the outset and will be factored into the agreed price. The contract should stipulate the level of service which will continue to be provided by the private operator. A clear statement is necessary, for several reasons:

(a) To reassure current and prospec-

- tive users, thereby avoiding public opposition to privatization;
- (b) To inform prospective bidders, so that the parameters of the opportunity are clear and the proposal can be properly priced;
 - (c) To establish the foundation for the government's future regulatory framework.

Protection of port labor. Many public ports are overstaffed and it can be anticipated that the private sector will introduce capital-intensive cargo-handling technologies creating redundancies, but in many countries, alternative employment opportunities are limited. A number of different approaches to overcome this problem have been considered and several have been implemented with varying degrees of success. In some settings, sufficient employment alternatives exist and early retirement or "the golden handshake" have been welcomed. In other locations, where employment in the port is not only prestigious and well-paid but also provides guaranteed employment for future generations of the family, it is not surprising that such offers have met with little response.

In Malaysia, guarantees of "the same or better conditions" for a minimum period of five years after transfer to the private sector have met with majority labor acceptance, whereas elsewhere there is considerable skepticism that this period of commitment would suffice.

Some countries have tried to focus private sector investment in new port infrastructure at locations away from existing ports so that there is no direct impact on existing employees. This has been successful in Thailand at the port of Laem Chabang; however, in other countries, national labour unions have felt threatened by the possible future consequences of the development and have ensured that old employment practices have been followed in the new ports. In still other locations (e.g. the United Kingdom) little specific labour protection has been offered, in view of the existing social safety nets which were already in place.

Experience has shown that issues related to safeguards for labour and the responsible party for meeting the financial cost must be addressed at the earliest stages of the privatization process since it directly affects:

- (a) The political acceptability of the privatization initiative;
- (b) Associated costs to government if it is to bear the cost of redundancy, relocation and retraining programmes;
- (c) The possible cost to prospective private investors if they must

either employ all existing labour or pay for some resolution to over-stuffing.

Pricing and tariff control is one of the most sensitive issues on both the public and private sides of the negotiating table. Governments in industrialized countries ordinarily impose no control over port pricing. The Port of Rotterdam, for example, assumes that competition within and between terminals and ports will keep tariffs in line with actual costs and that the operators' profit motivation will serve to enhance efficiency and minimize costs. Many Asian governments have been more inclined to retain pricing control; however, in India, for example, it has been recognized that this is a critical issue in crafting a successful privatization programme. The Ministry of Surface Transport has now established an independent port-pricing board to review requests for tariff increases. The intention is to remove politics from the process, and provide a clear basis for price-setting.

Another concern in many locations is the currency in which tariffs are denominated. A large percentage of the expenses of a private sector operator may be denominated in hard currency (e.g. for capital and interest payments, for equipment purchases and for selected management personnel salaries), whereas local legislation may mandate tariffs in domestic currency. Rapid movement in exchange rates, as recently witnessed in the region, therefore, represents a considerable risk. Some jurisdictions have amended regulations in order to permit tariffs to be set in another currency (e.g. US dollars), while others have allowed denomination in dollars but payment in the local currency equivalent.

While it is recognized that the economic, social and cultural setting in individual countries will dictate the details of port privatization policies, the sharing of regional experience on issues related to protection of port users, protection of port labour and pricing and tariff control can provide useful guidance for consideration in the decision-making process. Unfortunately, such information is not widely available, for example, few comparators relating to tariff control pricing, and rate-setting mechanisms exist.

III. Public Opinion and Transparency

The privatization process requires strong government commitment and public support if all of the operational, institutional and social challenges are to be addressed. This has been demonstrated in all of the successful transitions that have been made throughout the region.

Ports play a critical role in the economic and social development of every country in the region. As such, their performance has a direct impact on the economic development of their hinterlands, the creation of job opportunities in industry and agriculture and the well-being of society as a whole.

Positive public opinion for the privatization of ports can only be fostered through the provision of information which helps the public recognize the involvement of the private sector in ports as an instrument to enhance performance. The existing problems confronted by governments, including operational, management and investment shortfalls and the benefits that can accrue to the wider population through the involvement of the private sector, should be publicized widely. In particular, the impact of port development on local, national and regional economies should be highlighted.

The involvement of the stakeholders in decision-making can make a vital contribution to ensuring transparency in the process of privatization. This approach has been successfully employed in the port of Chittagong, Bangladesh, where a stakeholder analysis was undertaken to identify potential areas in which efficiency could be further improved and, within this process, review the pros and cons of private sector participation. The recommendations are now receiving the active consideration of the Government, for implementation.

The methodology was to interview representatives of key stakeholder groups, representing government, customs, the port authority, shipping, cargo-owners, freight forwarders, clearing agents, stevedores, chambers of commerce, banks, labour unions and potential private investors to obtain their personal responses to the following questions:

- What will be the important future global developments with respect to commerce, transport and trade?
- What are the major problems confronting the Chittagong Port Authority?
- What is the fundamental and most important problem facing the port?
- What are the underlying causes of the problems facing the port?
- What can you do personally to help?

Through this approach, it was possible to obtain sincere and practical suggestions from local experts who were familiar with the specific problems confronted by the port. Not surprisingly, a wide range of problems and constraints were identified; however, and most importantly, considering the divergent background and interests of the stakeholder representatives interviewed, there was a remarkable level of consensus as to the

problems and their possible solutions. This factor alone was a major finding of the study. It indicated that in some important areas there exists an opportunity, even in the short term, to make significant progress in improving the port's productivity and involving the private sector at least in the less contentious areas of port operations. Involvement of the stakeholders effectively addressed one of the crucial issues within the privatization process in that it created transparency and ownership of the recommendations which emanated from the exercise.

IV. Impact of the Regional Economic Crisis

It is now more than one year since the first outward signs of the regional economic crisis surfaced. During that time, a number of significant impacts on the infrastructure and port sector have occurred. The first and currently most troublesome impact has been the loss of investor confidence. Prior to the crisis, governments of the region had adopted various policies and incentives to build confidence and facilitate private sector investment in infrastructure. At the macroeconomic level, there is clearly a need to restore confidence in the Asian economies affected. There is also a considerable amount of work to be done in creating an environment which is conducive to private sector participation in infrastructure development.

At the same time, the currency devaluations have resulted in a mismatch of project investments, many of which have been financed in foreign currencies, while revenue streams are largely denominated in local currencies. This has exposed both the public and the private sectors to many problems, particularly as infrastructure projects have a long pay-back period but were financed using short-term loans with the expectation of rolling them over on maturity. The crisis has now made all lenders more conservative and, with interest rates rising sharply for those that can find financing, costs have escalated. For the private sector to return to the region, a means of dealing with exchange rate fluctuation needs to be developed.

The factors enumerated in the present document demonstrate the need to take a fresh look at privatization issues.

V. Issues for the Consideration of the Committee

It is evident that the privatization process is complex and that the potential implications can be wide-ranging. To be successful, policy aims need to be translated into quantifiable operational objectives so that the government's intention

and purpose is made transparent from the outset. At this time of increasing competition for funds and with the large number of potential projects from which private investors can choose, preparatory planning and packaging of project offers is an essential requirement.

To address the priority issues, the following recommendations have been formulated for action at the national level by governments, authorities and the private sector, with possible supporting initiatives from international and regional organizations.

- (1) In view of the critical importance of supporting public opinion for the privatization process and the need for transparency in decision-making, countries should provide information on the port problems to be addressed and the benefits of private sector involvement in the provision and operation of infrastructure. This can be effectively achieved by publishing materials and analysis, including constructive comparisons with neighboring countries, in the national press and other media, including television. This should be supported through public debate, the organization of seminars and stakeholder analysis to provide the opportunity for a positive exchange of views.

International and regional organizations could be requested to provide study materials, including examples of impact assessments of port development on local, national and regional economies, to be used as the basis for informing policy makers and the public of the potential benefits of involving the private sector. In particular, a presentation package could be developed with individual modules designed to address issues of concern to policy makers, port workers, port users, service providers and the general public. Additionally, assistance and advisory services could be provided to member countries wishing to employ the stakeholder methodology in the privatization process.

- (2) To encourage the involvement of the private sector in the financing and operation of ports, particularly at this time of intense competition between projects and the limited availability of financing, countries should publicize their policy intentions along with a clear indication of how these are to be translated into commercial, operational and contractual requirements. This activity can be undertaken in parallel with a review of legislative and regulatory controls which may have a negative impact on the attractiveness of investment projects.
- (3) To assist countries in this process, international and regional organiza-

tions could play an important role in collecting, analyzing and distributing available national privatization policy statements, along with a checklist of the essential scope and coverage required.

- (4) Many public ports are overstuffed, and privatization initiatives which involve the introduction of capital-intensive cargo-handling technologies are likely to create redundancies. In preparation for the privatization process, governments, in consultation with labor representatives, need to identify the potential impact of such developments, and formulate appropriate strategies for alternative employment or equitable compensation.
- (5) In this context, international and regional organizations can provide details of successful experience in the port and other sectors, and can be invited to monitor/arbitrate negotiations.
- (6) To gain a clear understanding of the viability of port privatization projects and prioritize the privatization programme, governments should undertake a financial and economic evaluation of individual projects. Such an evaluation can then form the basis of the governments' financial and risk negotiating position with the private sector. Provision of financial economic planning models and training/advisory services on their application to specific port projects could be provided by ESCAP, subject to the availability of funding.
- (7) The setting and control of tariffs for port services play a central role in the viability and attractiveness of potential projects for privatization. Unfortunately, the cumbersome process for tariff revision in many countries, owing to outdated controlling legislation, prevents a speedy response to rapidly changing economic circumstances. As a result, obsolete formats and an absence of cost/price relationship persist. With the recent economic turmoil in the region, there is an urgent need for countries to review existing tariff controls, formats and pricing systems if the private sector is to be attracted to invest. Guidelines such as the ESCAP/UNDP Model Port Tariff Structure can assist member countries which have not done so in simplifying tariff formats.
- (8) In this context, international and regional organizations could also be requested to undertake a comparative analysis of regional port charges and evaluate approaches to establishing independent tariff-setting bodies to assist countries in the pricing process within a competitive environment.

WORLD PORT NEWS

Int'l Ports Congress in Southampton June 1999

THE Institution of Civil Engineers, in conjunction with PIANC and IAPH, is hosting this major two day International Ports Congress 14-15 June 1999, Southampton, UK to bring delegates up to date with the most recent developments in the design and construction of ports.

Expert speakers with considerable experience in their fields will address the Congress.

Topics will include:

- the rapidly changing environment
- the effects of new legislation
- developments in cargo handling
- measures necessary to meet the needs of modern high speed ships
- how ports may diversify to make best use of land resources
- modern methods of procurement
- integration with other modes of transport

Provisional Programme:

- Environment – protecting it within development
 - the environmental line for ports
 - how consultants deal with the issues
- Modern cargo handling techniques
 - cargo handling
 - container handling
- Changing ship types
 - fast ferries
 - RO/RO
- Ports are for more than shipping– road and rail links – other uses
 - intermodal issues
 - port diversification
- Port design and construction – the structures and the ships using them
 - new techniques in port design
 - construction techniques
 - ship handling and pilots
- Procurement of port facilities – financial and contractual
 - forms of contract
 - project administration/procurement
 - funding issues

For further information, please contact:

Rachel Coninx, Thomas Telford Conferences, The Institution of Civil Engineers, One Great George Street, London SW1P 3AA, UK.

Tel: +44(0)171 665 2314

Fax: +44(0)171 233 1743

E-mail: coninx_r@ice.org.uk

Internet:

www.t-telford.co.uk/co/conflist.html

Training Course for Travel Agents in Singapore

SEATRADE Asia Cruise Convention '98 will take place 1-4 December 1998 at the Raffles City Convention Centre, Singapore.

The Travel Agents' Training Programme will provide cruise counselors, or travel agents, with an opportunity to hone their salesmanship skills and enhance their understanding of the cruise industry and its product. The Travel Agents' Training Programme will be carried out at the Intermediate and Advanced levels. The Intermediate level, conducted by Ms Karen Christensen, aims to equip the travel agent with basic product knowledge and effective sales tactics to educate and counter traditional mental blocks to the cruise holiday product. The Advanced level, conducted by Mr Scott Koepf, is tailored for travel agents who want a deeper understanding of the overall cruise industry, its directions, potential and trends over the next few years and how these affect cruise holiday sales.

In addition, delegates will get to attend Conference Session I ("The Outlook for the Cruise Industry in Asia") and Session V ("A Partnership for Growth"), and join the exciting Ship Visits!

For further information, please contact Janet Gan, project manager, Miller Freeman Exhibitions at +65 3934325 (tel), +65 2999782 (fax) or janet_gan@mfasia.com.sg (email).

Smooth Transition to ISO 9000 Standards

CHANGEOVER to the improved ISO 9000 standards, which ISO aims to publish in November 2000, will be a smooth one for the businesses around the world which are implementing the current versions.

"A major requirement of the ISO 9000 revision process is that organizations which have implemented the current ISO 9000 standards will find it easy to transition to the revised standards," says ISO, adding, "Transition planning guidance is being produced."

ISO (International Organization for Standardization) gives the assurances in a recent document, "Introduction to the revision of the ISO 9000 standards" (see attached). An estimated 200,000-plus ISO 9000-based quality management systems are being operated worldwide by organizations of all types in order to ensure their efficiency and their ability to meet their customers' requirements. As a result, interest in the Year 2000 revisions of the standards is intense and ISO is keen to keep current and future ISO 9000 users up to date on developments.

The Introduction document summarizes the reasons for revising the ISO 9000 standards and outlines the direction the revisions are taking. In fact, all ISO standards (currently more than 11,500) are reviewed at least every five years to ensure that they remain the state of the art. The ISO 9000 series was published in 1987 and lightly revised in 1994. The Year 2000 revisions will be much more thorough-going, taking into account the considerable international experience of implementing them.

However, ISO says that the revised standards, like the current ones, will impose no rules on the presentation of a quality manual. It states, "This will allow organizations to continue to document their quality management systems in a manner which reflects their own ways of doing business. The revision of the ISO 9000 standards will not require the rewriting of an organization's quality management system documentation."

In order to ensure that the revised standards will be of maximum benefit, ISO has conducted an international survey of user requirements. In addition, it has an ongoing process which allows for direct feedback from users and customers at key points during the development of the revisions. This is helping to determine how well user requirements are being met in the documents under development and to identify opportunities for improving them further before publication as ISO standards.

The revised standards, ISO 9001 and ISO 9004, are currently at the stage of "Committee Drafts" (CD's), which normally are internal documents circulated for comment only to the ISO members directly participating in their development, before their release to ISO's membership as a whole as Draft International Standards, which are publicly available documents. Due to the huge interest in the ISO 9000 revisions, orders for the CD's of ISO 9001 and ISO 9004 may be addressed to ISO national members and to ISO Central Secretariat. However, it should be understood that the documents are dynamic ones which will certainly evolve before they reach the status of International Standards.

ISO/TC 176/SC 2, the ISO technical body responsible for developing the revised standards, has established a WWW site to provide information. Users who would like to give input or to participate in the validation of the standards may contact ISO/TC 176/SC 2 directly via the WWW site:

<http://www.lsi.org.uk/iso-tc176-sc2/>

Information may also be obtained from ISO's national members, as well as being posted on ISO's own WWW site, ISO Online:

<http://www.iso.ch/>

1. Introduction to the revision of the ISO 9000 standards

Objective

The objective of this paper is to summarize the reasons for revising the ISO 9000 standards along with the directions the revisions are taking.

Formal standards review

Under ISO protocols, all standards are required to be reviewed at least every five years to determine whether they should be confirmed, revised or withdrawn.

In 1990, ISO/TC 176 adopted a two-phase revision process. The first phase allowed limited change to the stand-

ards and was completed in 1994. In 1996, ISO/TC176 reaffirmed the two-phase revision process. The second, more thorough revision phase is ongoing at this time.

Reasons for a more thorough revision of the ISO 9000 standards

Customer needs are the force driving the revision of these standards. In 1997, ISO/TC 176 conducted a large global survey of 1,120 users and customers to better understand their needs. This was accomplished using a questionnaire covering:

- attitudes towards the existing standards
- requirements for the revised standards
- the relationship of the quality management system standards to the environmental management system standards.

The following significant user and customer needs were determined from the analysis of these questionnaires:

- The revised standards should have increased compatibility with the ISO 14000 series of Environmental Management System Standards
- The revised standards should have a common structure based on a Process model
- Provision should be made for the tailoring of ISO 9001 requirements to omit requirements that do not apply to an organization
- ISO 9001 requirements should include demonstration of continuous improvement and prevention of non-conformity
- ISO 9001 should address effectiveness while ISO 9004 should address both efficiency and effectiveness
- ISO 9004 should help achieve benefits for all interested parties, i.e. customers, owners, employees, suppliers and society
- The revised standards should be simple to use, easy to understand, and use clear language and terminology
- The revised standards should facilitate self-evaluation
- The revised standards should be suitable for all sizes of organizations, operating in any economic or industrial sector, and the manufacturing orientation of the current standards should be removed

To ensure that the revised standards satisfy these user and customer needs,

a validation process has been implemented. The validation process allows for direct feedback from users and customers at key milestones during the revision process to determine how well these needs are being met and to identify opportunities for improvement.

Re-structuring and consolidation of the ISO 9000 family of standards

The current ISO 9000 family of standards contains some 20 standards and documents. This proliferation of standards has been a particular concern of ISO 9000 users and customers. To respond to this concern, ISO/TC 176 has agreed that the year 2000 ISO 9000 family of standards will consist of four primary standards supported by a number of technical reports. To the extent possible, the key points in the current 20 standards will be integrated into the four primary standards, and sector needs will be addressed while maintaining the generic nature of the standards. The four primary standards will be:

- ISO 9000: Quality management systems – Concepts and vocabulary
- ISO 9001: Quality management systems – Requirements
- ISO 9004: Quality management systems – Guidelines
- ISO 10011: Guidelines for auditing quality systems

The current ISO 8402 Quality vocabulary standard is being revised to become the future ISO 9000 standard. This standard will include an introduction to quality concepts, as well as a revised vocabulary. The revised vocabulary is being developed using a formal approach to the definition of terms.

The current ISO 9001, ISO 9002 and ISO 9003 standards will be consolidated into the single revised ISO 9001 standard. Tailoring of the ISO 9001 requirements will be permitted to omit requirements that do not apply to an organization. Tailoring may be used by those organizations who would today seek registration to ISO 9002 or ISO 9003.

The revised ISO 9001 and ISO 9004 standards are being developed as a "consistent pair" of standards. Whereas the revised ISO 9001 more clearly addresses the quality management system requirements for an organization to demonstrate its capability to meet customer requirements, the revised ISO 9004 is intended to lead beyond ISO 9001 towards the development of a comprehensive quality management

system. In particular, the revised ISO 9004 will not be an implementation guide to the revised ISO 9001. The revised ISO 9004 is based on eight quality management principles: customer focus, leadership, involvement of people, process approach, system approach to management, continual improvement, factual approach to decision making, and mutually beneficial supplier relationships.

A draft of the revised ISO 10011 is not available at this time.

Structure of the revised standards

The revised ISO 9001 and ISO 9004 standards are being developed using a simple process-based structure. This is a departure from the current 20-element structure used in ISO 9001. The new process-based structure is more generic than the current 20-element structure and adopts the process management approach widely used in business today. Also the new process-based structure is consistent with the Plan-Do-Check-Act improvement cycle used in the ISO 14000 standards on environmental management systems. The 20 elements in the current ISO 9001 will be clearly identifiable in the new processed-based structure. The major clause titles in the revised standards will be:

- Management responsibility (policy, objectives, planning, quality management system, management review)
- Resource management (human resources, information, facilities)
- Process management (customer satisfaction, design, purchasing, production)
- Measurement, analysis and improvement (audit, process control, continual improvement).

ISO 9001 does not specify requirements on the layout or structure of an organization's quality management system documentation (e.g. it imposes no rules on the presentation of a quality manual), and neither will the revision. This will allow organizations to continue to document their quality management systems in a manner which reflects their own ways of doing business. The revision of the ISO 9000 standards will not require the rewriting of an organization's quality management system documentation. A major requirement of the ISO 9000 revision process is that organizations which have implemented the current ISO 9000 standards will find it easy to transition to the

revised standards. Transition planning guidance is being produced.

Compatibility with the ISO 14000 environmental management system standards

Enhanced compatibility with the ISO 14000 standards is an important customer need. Significant improvements in compatibility of structure, content, language and terminology have been achieved to date, and further improvements will be achieved during the remainder of the ISO 9000 revision cycle and during the upcoming ISO 14000 revision cycle. The goal of this effort is to ensure that common elements of the two series of standards can be readily

implemented in a shared manner in whole or in part by organizations without unnecessary duplications or the imposition of conflicting requirements.

Next steps

The revision work has now produced formal Committee Drafts of the revised standards. These are being circulated to the members of the committee for review. Further formal drafts will be issued during 1999. Information related to the introduction of these revised standards will be provided throughout the remainder of the revision process. Publication of the revised standards is planned for the second half of the year 2000.

The Americas

Fraser Port: Sister Port Agreement With Taichung

FRASER Port has established a Sister Port Affiliation with the Port of Taichung. At the signing ceremony held on August 17, 1998 representatives of the two ports agreed to proceed with the affiliation based on traditionally established objectives of mutual understanding and friendship.

Fraser Port Chairman Michael Jones noted that: "The port has been studying opportunities for sister port agreements

in the Pacific Rim for some time. We are fortunate to have found a port that is similar to ours. We want to strengthen our mutual understanding of the two economies to promote and develop trade and maritime business."

An exchange of gifts between



At a ceremony held in New Westminster, B.C., Chairman Michael Jones of Fraser River Harbour Commission and Director Ching-Tern Huang exchanging port flags as a symbol of friendship as they look ahead to their ports sharing information and experience.

Director Huang from the Port of Taichung and Chairman Michael Jones concluded the signing ceremony.

Background

- The Government of Canada declared 1997 as the Year of the Asia Pacific. The port began exploring the potential for sister port agreements with ports in the Pacific Rim. Fraser Port was a member of the Team Canada trade mission to Asia in January 1997.
- In March 1997, the Commission visited the Port of Taichung and were impressed by their rapid growth. The two ports have in common cargoes such as automobiles and forest products.
- In June 1997, after a meeting with Director Huang at the International Association of Ports and Harbors conference in London, the Commission decided to enter into a sister port relationship with the Port of Taichung.

Port Similarities

- Port Restructuring: Taichung is restructuring from an operating port to a landlord style of administration. Fraser Port is a landlord port and will have new legislation – the Canada Marine Act.
- Dredging Programs: Taichung is responsible for its own dredging and operates its own fleet of dredging equipment. Fraser Port is responsible for dredging the main navigation channel on the Fraser River since Coast Guard withdrew from the program in early 1998.
- Property Administration: Like Fraser Port, Taichung is in the land leasing and developing business.
- Port Access from Sea: Taichung has long breakwaters stabilizing the entrance to their port not unlike our training structures. There is potential for both ports to share maintenance and construction knowledge.

Prince Rupert: Storage Shed Near Completion

THE new storage shed being constructed at the Port of Prince Rupert's Fairview Terminal is nearing completion. The \$2.3 million, 70,000 square foot facility is anticipated to be complete by the beginning of October. It will increase the Port's storage capacity substantially, providing customers ample weatherproof storage at dockside while awaiting incoming

ships. The design will provide for rail car unloads in a weatherproof covered receiving area and allow for 7 cars to be spotted for unload at any given time. The Port anticipates that the trend toward specialty wood products will continue, increasing the need for such facilities. J.D.G. Construction is the builder.

Jones Elected Chairman of Georgia Ports Authority

ALFRED W. (Bill) Jones, III, of St. Simons Island, Ga., was elected Chairman of the Georgia Ports Authority by members meeting on July 27, 1998 in Macon. A member of the Authority since 1995, Jones previously served as Secretary-Treasurer. He is a graduate of Valdosta State College and is actively involved in numerous civic and business activities in Georgia.

Authority members also elected Denmark Groover, Jr. of Macon Vice-Chair. Elected Secretary-Treasurer of the Authority was Arthur M. Gignilliat, Jr. of Savannah.

The Georgia Ports Authority is governed by a nine-member board appointed by the governor from the state at large to serve four years staggered terms. Other members of the Authority include Thomas J. Dillon of Savannah; Keith W. Mason of Atlanta; Herman J. Russell of Atlanta; Hugh M. Tarbutton of Sandersville and Steve W. Wrigley of Athens.

Port of Savannah: Record Tonnage for Fiscal 1998

THE Port of Savannah enjoyed another record performance in Fiscal Year 1998, ending June 30. A record total of 8,799,637 tons of containerized, general cargo and bulk cargo was handled via the deepwater port during the 12 month period, representing a 4.3 percent increase over the previous fiscal year.

Container tonnage moved ahead 8.4 percent to 5,768,853 tons, marking the tenth consecutive year of growth for container operations at the Port of Savannah. The number of TEU's transiting port facilities rose by 5.4 percent as compared to the previous corresponding period. Specifically, 734,866 TEU's

were handled via the Port of Savannah during Fiscal Year 1998 versus 697,146 TEU's handled in Fiscal Year 1997.

General cargo tonnage, though declining by 8.6 percent for the year on a comparative basis, was nevertheless the second highest level recorded for a single 12 month period at 2,102,443 tons. Primary general cargo handled via the Port of Savannah included iron and steel, clay, linerboard, woodpulp, machinery and foodstuffs.

A total of 928,341 tons of bulk cargo also moved through the Port of Savannah during FY98, resulting in a 13.6 percent increase over the previous 12 month period.

The Georgia Ports Authority has undertaken numerous improvement projects statewide to enhance facility infrastructure. At the Port of Savannah, projects include the development of a seventh container berth, the addition of two post-panamax container cranes and two RTG's, and expansion of berthing and warehouse space for general cargo.

New or expanded services via Savannah during FY98 include Evergreen's new weekly fixed-day North/South service to the East Coast of South America; Contship/CGM/Marret commenced a new ten day frequency round the world service; CMA/Italia/Evergreen/Croatia commenced a new joint service calling the Mediterranean every 9 days; and Crowley/Ivaran began a weekly container/general cargo/reefer service to South America. In addition, the formation of the ICA (Independent Carrier's Alliance) consisting of Zim/Pan American/DSR-Senator/Cho Yang/Di Gregorio/Hanjin resulted in a consolidation of services and a weekly itinerary to/from South America. OOCL also joined the PAX service in providing weekly service to the Far East, the Mediterranean, Africa, Red Sea/persian Gulf and North Europe.

Georgia's public and private marine terminal operations directly or indirectly support 80,100 jobs, are responsible for \$1.8 billion in wages, generate \$23 billion in revenue and account for \$565 million in state and local taxes each year.

The Georgia Ports Authority operates modern and efficient deepwater facilities in Savannah and Brunswick, Georgia and provides value added services to facilitate international trade. Inland barge terminals operated under the auspices of the Georgia Ports Authority are located in Bainbridge and Columbus, Georgia.

Super Containership of Maersk in Long Beach

THE *Regina Maersk*, equal in length to 3.5 football fields, will sail into the nation's busiest seaport at noon, Friday, September 11 when she arrives at the Port of Long Beach. Built in 1996, the vessel represents the newest generation of containerships that can carry more than 6,000 20-foot cargo containers on a single voyage. The vessels are being deployed worldwide by Denmark's Maersk Line, one of the largest shipping lines in the world.

Powered by one of the world's most powerful diesel engines of 74,600 horsepower, the vessel is 1,043 feet long, 137 feet wide and operates at a cruise speed of 25 knots, or 29 mph. The ship can carry 700 refrigerated containers – designating her one of the world's largest refrigerated vessels and ideally suited to California's produce markets.

"The superships of the future are here today, and they are reshaping the container trade," said Tommy Thomsen, president, Maersk Inc., located in Madison, New Jersey. "World container trade is forecast to grow about 8 percent annually for the next three years, and larger ships will carry an increasing share of the global container trade."

"We are delighted to be the *Regina's* first port of call on the U.S. West Coast," said Long Beach Harbor Commission President John W. Hancock. "Thanks to the new superships calling Long Beach, combined with soaring Asian trade, the volume of containers moving through the Port of Long Beach has more than doubled since 1990. We can thank customers such as Maersk Line for making Long Beach the busiest seaport in the United States."

The *Regina Maersk* is deployed in Maersk Line's services that span the U.S. West Coast and Asia. From Asia the vessel will proceed to the Middle East and via the Suez Canal to the Mediterranean, Canada and U.S. East Coast.

'Regina Maersk' and Port of Long Beach

- During the course of a year, the *Regina Maersk* will sail around the world 7.5 times.
- The ship has one main propeller that stands 30 feet tall. The six-bladed propeller rotates 90 revolutions per minute.
- Her anchor weighs 37,479 pounds/17 metric tons. Her anchor chain is 2,526 feet/770 meters in

length. Each link is four inches/102 mm.

- Her fastest speed with favorable currents/winds is 30 knots or 35 mph.
- The vessel is longer than the *Queen Mary* which measures 1,018 feet.
- During 1997, the equivalent of 3.5 million 20-foot cargo containers passed through the Port of Long Beach – a half million cargo units more than any other seaport in the United States.
- During the past decade, the Port of Long Beach has built larger terminals, added larger shop-to-shore cranes and dredged deeper channels to accommodate ships such as the *Regina Maersk*.
- Long Beach will be the first seaport on the U.S. West Coast to receive a vessel the size of the *Regina Maersk*.

Lawsuit Against Naval Complex Issue Dismissed

U.S. District Court Judge Dean D. Pregerson has dismissed a lawsuit filed by a group of Long Beach residents including Anne Cantrell, which sought to stop the Port of Long Beach from redeveloping the former Long Beach Naval Station.

Pregerson also denied their motion for a preliminary injunction seeking an immediate halt to development.

In a ruling dated Sept. 2, the judge said the plaintiffs had failed to show they had the right or "standing" to sue the port. In this case, standing is a legally protected personal stake in the Naval Station that would be harmed by the port project.

"We're very pleased, not only with the results but with the judge's careful reasoning," said Long Beach Principal Deputy Attorney Richard L. Landes, who represents the port. "This ruling is solidly in our favor."

To make way for more trade, the port is developing new shipping terminals at the closed Naval Station and Naval Shipyard complex. The project includes the development of about 300 acres for cargo containers, a ship repair facility, and space for the storage of steel, lumber and petroleum products. The temporary construction jobs and the permanent terminal jobs would replace some of the 20,000 jobs lost with the closing of the Naval Station in 1994 and the

shipyard in 1996.

Pregerson cited the Navy's closing of the Terminal Island complex in his ruling.

He said the plaintiffs have no legally protected stake in or the right to use buildings on a closed military base. "Missing from the plaintiffs' complaint are allegations of current and imminent use of the Naval Station, or even aesthetic enjoyment of the Naval Station and its historic district," he said. "The plaintiffs are not able to make such allegations because the Naval Station is closed to the public."

Cantrell and the other plaintiffs had argued that the port project should be stopped because it was a waste of taxpayers' property to replace the abandoned naval complex with shipping terminals. City and port officials, however, say the port project would help the local economy.

This is the eighth lawsuit seeking to block the port project to be dismissed by state and federal courts. Another suit filed by a group headed by Cantrell was dismissed Sept. 2 by a state court. State and federal lawsuits filed by television host Huell Howser were dismissed earlier this year. Earlier this year, the California Court of Appeal rejected consolidated cases brought by the preservation group Long Beach Heritage, the cities of Vernon and Compton, and the Audubon Society.

Long Beach: Operator for Former Shipyard Sought

THE Port of Long Beach on Tuesday, Sept. 15 issued a Request for Proposal, launching a worldwide search for an operator to lease and reuse a portion of the former Long Beach Naval Shipyard including Dry Dock No. 1 – one of the largest dry docks on the West Coast.

Copies of the inch-thick document were mailed to 40 companies that had expressed interest or had been identified as a potential shipyard operator. The companies included nearly a dozen overseas ship building, repair and dismantling firms in Denmark, Finland, France, Germany, Italy, Japan, Korea and Singapore.

The port's reuse plan sets aside about 18 acres of the closed Naval Shipyard for a new ship repair facility around Dry Dock No. 1, which can accommodate a vessel with a draft of 40 feet, a beam of 137 feet and a length of

1,076 feet. Proposals will not be limited to facilities of 18 acres. Proposals should specify acreage based on economic viability. The deadline to submit proposals is Oct. 30, 1998.

The proposals will be evaluated by a selection committee. A short list of candidates is expected by early next year. The port staff will then negotiate a preliminary lease agreement with one or more parties, and then will make a recommendation to the Harbor Commission for approval. The commission is expected to make a decision during the first half of 1999.

The Naval Shipyard was ordered closed in 1995 by the Base Realignment and Closure Commission, and actually closed in September 1997.

The shipyard had been one of the region's largest employers. As recently as 1991, the shipyard employed more than 4,000 workers. The Navy agreed in May 1998 to transfer the shipyard and the adjoining closed Long Beach Naval Station properties to the port after completing an environmental cleanup that is expected to take about two years. Meanwhile, the Navy agreed in August to lease much of the land to the port for its immediate use.

Seattle Commission OKs NCL Home Port Deal

THE Port of Seattle Commission on September 22, 1998 unanimously approved a four-year agreement allowing Norwegian Cruise Line (NCL) to use the Port's Pier 66 to launch summer cruises to Alaska beginning in May 2000.

The commission also unanimously approved a request for authorization to spend \$225,000 on permitting, planning and initial design of the 35,000-square-foot space at Pier 66 that will become a two-level cruise ship terminal to handle more than 2,000 passengers per ship for NCL. The terminal space will include such improvements as baggage handling, customs and immigrations facilities, and other passenger services.

"Years ago, we invested in Pier 66 with the idea that if we build it (a cruise ship terminal) they (the cruise lines) will come," Commission President Gary Grant said. "We took a risk and it paid off. The economic benefits of NCL's commitment to this community will be tremendous."

Earlier, NCL announced it wants to become the first major cruise line to use

the Port of Seattle's Pier 66 as a home port to offer summer cruises to Alaska's Glacier Bay. NCL's fast and environmentally friendly new ship the *Norwegian Sky* is expected to bring 38,000 passengers to the Seattle area during the season. The four-year commitment from 2000 to 2003 will lead to the creation of 400 new jobs and an infusion of about \$74 million into the local economy.

Representatives from business and

labor testified in favor of the Port's agreement with NCL.

"I am very happy about this cruise line coming to Seattle," said Joe Toro, a member of International Longshore and Warehouse Union Local 98. "It will create a lot of new jobs for us."

The impact on local retailers will be equally dramatic, said Michael Brotman, owner of Simply Seattle. "Conservatively, we estimate it will boost our sales by 20 percent."

Africa/Europe

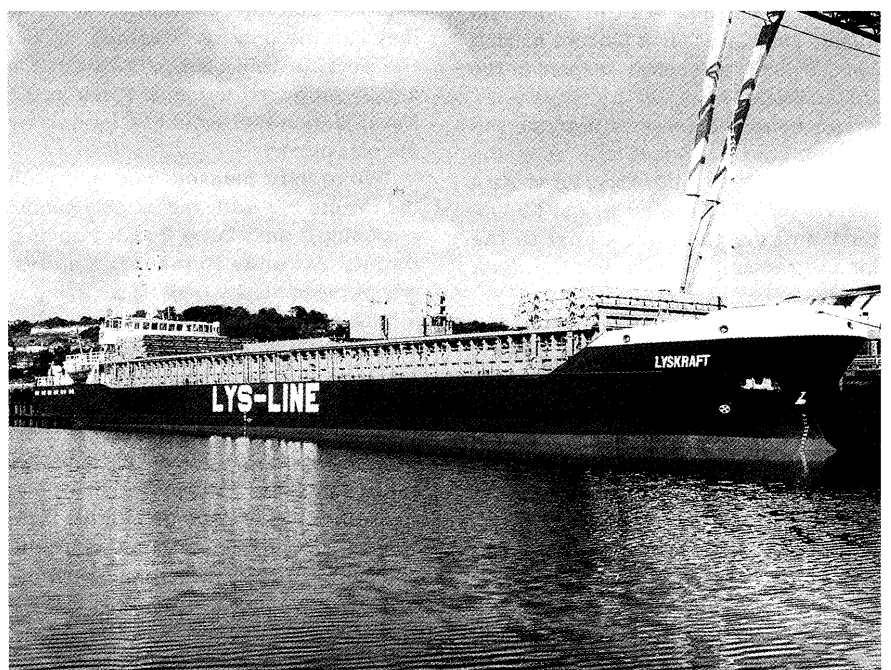
Lys Line Service Links Cork With Scandinavia

THE Port of Cork is pleased to welcome the introduction by Lys Line (Ireland) Ltd., of a new lift-on lift-off and general cargo service linking the Port of Cork with Scandinavian ports. Lys Line, a well established and highly regarded operator on Irish/Scandinavian routes, has introduced new direct connections to the Danish port of Hustedest, which is close to Copenhagen, Falkenberg in southern Sweden and Lysekil, north of Gothenberg.

In addition to containerised imports, it is envisaged that there will be size-

able imports of timber and paper while exports will be primarily in containerised form. The new Lys Line service represents the first direct lo-lo connection between southern Ireland and Scandinavia and Friday departures are expected to prove particularly attractive to Irish exporters.

The new service will contribute to the remarkable growth in containerised throughput which the Port of Cork has



been enjoying in recent times. During the first eight months of 1998 containerised traffic has grown by 17% and it is expected that total throughput will show further growth for the remainder of this year. At present a new gantry type container crane is under construction at the Liebherr plant in Killarney and is due for delivery in May of next year. Continuing investment in improved facilities at the Tivoli Container Terminal will help to confirm the Port of Cork's position as the principal lo-lo port on the south coast of Ireland.

Antwerp: Improvements To Maritime Access

FOLLOWING the 1995 Scheldt Convention between Flanders and the Netherlands, deepening works finally started on 30 June 1997. In just a year's time the fairway in the Scheldt was deepened by four feet (1.2 metres), taking the maximum depth from 12.5 metres to 13.7 metres at mean low water.

As a result ships with much greater draughts can now use the port of Antwerp without having to consider the state of the tide.

For container ships the operational tide-independent draught could be increased to as much as 12 metres or even more.

Both the Antwerp Municipal Port Authority (phone +32/3/205.22.46) and the Pilotage Service at Antwerp (phone +32/3/222.08.68) are permanently available to inform ship owners and agents about the improved conditions of navigation in the Scheldt.

These deepening works are considered to be a vitally important aspect of ensuring that the port of Antwerp remains fully accessible to the largest container ships.

Later this year dredging works will start in the estuary of the Western Scheldt. These works will enable significant improvements to the tide-bound sailing of bulk carriers and tankers up to Antwerp. These works should be completed in the year 2001, and will allow ships with draughts of up to 52 feet (15.8 metres) to call at Antwerp.

(Port News)

Largest Container Ship Ever to Call at Antwerp

THE arrival of the *Yunhe* at the North Sea Terminal of Noord Natie set a new record for Antwerp. Indeed the *Yunhe*, owned by the Chinese shipping company Cosco, is the largest container ship ever to call at Antwerp.

Built by the Kawasaki Heavy Industries yards in Japan, the *Yunhe* is 280 m long, has a 39.8 m beam and can carry 5,446 TEU stowed fifteen wide. Her fully laden draught is 14 metres.

The *Yunhe* is one of the ships operating Cosco's weekly China – Northwest Europe service and will call at Antwerp every eight weeks. The company is represented in Antwerp by its Cosco Belgium subsidiary. (Port News)

2nd Transatlantic Service By 3 Asian Ship Operators

– Liner news from Antwerp –

• In October three Asian ship operators Cosco, Yangming and "K" Line will start a second transatlantic service. The trio has decided that this service will call twice at Antwerp, namely as first and as penultimate port of the European rotation.

Cosco, Yangming and "K" Line started plying the Atlantic in early 1997. Antwerp was a direct port of call from the very outset. Every Monday one of the service's four ships can be seen at Hesseantie's Europe Terminal.

The three partners will operate five ships on this second service. A fifth ship is necessary because the service reaches as far as the Gulf of Mexico. The units used all have a capacity of roughly 2,000 TEU, and include the m/v *Dover Bridge*. Ports of call include Charleston, Miami, Houston and New Orleans. As Antwerp is the penultimate port of call (on Thursdays), transit times to Charleston will be only eleven days. Houston will take fifteen days. The service returns to the Europe Terminal ten days after calling at Charleston.

• Conti Lines recently started a new conventional monthly service to Southern and Eastern Africa. The vessels of the new Conti Africa Line are handled in Antwerp by Seaport Terminals at berth 474 of the Churchill Dock.

Conti Lines carries roughly 2.5 million

tonnes of cargo every year. Half of this is loaded on board in Antwerp. From its base in Antwerp Conti Lines offers services to the Red Sea, the Middle East, the Indian sub-continent, the Caribbean, Central America and the eastern and western coasts of South America. These services are represented in Antwerp by ACSA '92.

• Transportacion Maritima Mexicana (TMM) and Tecomar, both Mexican shipping companies, have doubled the frequency of their service between Europe and the Gulf of Mexico. The North Sea Terminal is the only terminal in the Benelux used by Lykes. Noord Natie also handles the services operated by TMM, Tecomar, and Hapag-Lloyd. Tmm and Tecomar are represented in Antwerp respectively by ACSA '92 and John P. Best.

• A new conventional and breakbulk liner service between Antwerp and Tunis will be started in mid-September. The service makes use of the *MWS Express*, a multipurpose vessel operated by Noordwest Shipping Lines. The 6,100 dwt ship is equipped with two heavy derricks, giving her a lift of 50 tonnes. She has a single hold with a grain capacity of 8,200 m³ and can also take up to 284 TEU on board. Initially one sailing every three weeks is offered.

Transshipment Volumes Down in Amsterdam Ports

ALTHOUGH this year's second quarter figures once again indicate growth against 1997's second quarter, the past six-month transshipment volumes fell in the Ports of Amsterdam, which include IJmuiden, Beverwijk, Zaanstad and Amsterdam, ending a long series of records. Half year transshipment volumes fell by five percent in comparison with the same period of 1997 to 27.4 million tons. Liquid bulk dropped by 6.7 percent to 5.3 million tons and general cargo by almost a quarter to over 3 million tons. Dry bulk was stable at 19 million tons.

According to Amsterdam Port Authority it is container and cattle feed volumes that are primarily responsible for the fall. Another factor was the inclusion last year of several large but incidental cargoes which pushed up 1997 volume. These included piping, sand, gravel and scrap. Port Authority expects to make up the fall in the course of the year via growth in the coal and ore sector.

Port Authority Executive Director Godfried van den Heuvel feels volume alone is not the most important factor in an industrial port like Amsterdam. "Also important is that new companies are attracted and existing ventures expand as they ensure the employment and added value. We continue to be successful in these terms. Negotiations are currently ongoing for 137 hectares of which we should be able to issue between 20 and 30 hectares this year.

New EWS Locomotives Off-loaded at Newport

THERE new-class 66 heavy-freight locomotives, custom-made for English Welsh & Scottish Railway (EWS), were recently off-loaded from the m.v. *Stellamare* at Associated British Ports' (ABP) Port of Newport.

The consignment marks the start of the arrival in Britain of 250 newly-commissioned locomotives, which is part of an overall investment by EWS of over £600 million in new equipment. It is the biggest single investment in rail freight trains in the UK in decades.

Robert Smith, ABP's Regional Ports Manager for South Wales, says ABP is delighted that EWS has chosen the Port of Newport.

"We are delighted to win this prestigious work to handle the new locomotives. We anticipate that over the next two years, there will be a shipment every month of around 11 locomotives. This is

clearly good news for ABP Newport and for rail-freight all over Britain," said Mr Smith.

Ian Braybrook, EWS Managing Director, said:

"We have waited a long time to introduce the new locomotives to our fleet. Placing the order was an act of faith that

rail-freight in Britain would grow and expand into new markets. That growth is already happening and we have now reached a stage where we need more locomotives to cope with the growth in the traffic. These locomotives are the best money can buy and will allow EWS to grow our business further," he said.

2 Giant Maersk Ships at Göteborg's Skandia Harbour

ARARE, maybe unique, concentration of container-carrying capacity on a half-mile berth at the same time was recorded at the Port of Göteborg, Sweden recently. Two of the world's largest container carriers met at the Port's Skandia Harbour for ten hours on September 24, together representing 12,600 TEU container-carrying capacity.

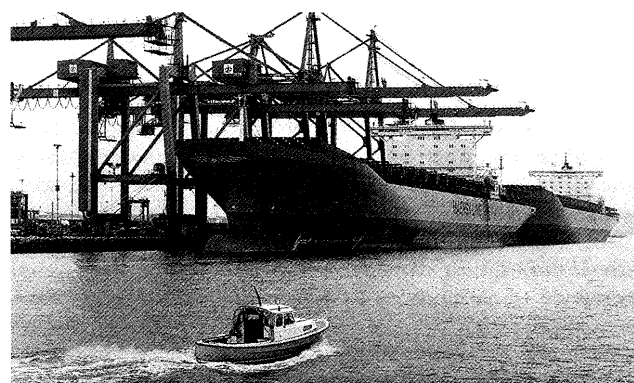
Göteborg is a regular Maersk Line direct-call port for the carriers' Mediterranean and Far East Services.

This day, the m/s *Kate Maersk* made a regular call at the Port's Skandia Harbour to unload Far East cargo. The vessel is of 6,000-TEU capacity and has port-panamax measurements (length 318 metres, width 43 metres).

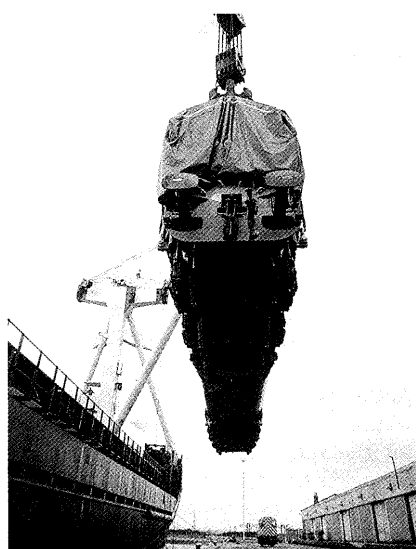
Further down the berth, the m/s *Svendborg Maersk*, fresh from the ship-builders, was under-

going the last preparations before starting to load its first cargo for the Far East. This vessel is even bigger than the *Kate Maersk* with its 347-metre length and 6,600 TEU capacity.

The Maersk vessels make good use of the Port's post-panamax container cranes, commissioned earlier this year and officially inaugurated in early September. The cranes have their crane arms set 8.5 metres higher than older cranes at the port, reach 10 metres further over the ship and are between 20 and 50 percent faster than the older cranes.



Tow Maersk Line post-panamax vessels, the *Kate Maersk* and the *Svendborg Maersk*, lined the best part of Göteborg's Skandia Harbour on September 24, 1998.



Associated British Ports' (ABP) Port of Newport is handling English Welsh & Scottish Railway's new-class 66 heavy-freight locomotives.

Asia/Oceania

Now We Are Ten - South Port

THIS year marks the tenth anniversary of South Port New Zealand Limited, which took over from the Southland Harbour Board in 1988. At that time the company was solely involved in port operations but has since developed into an industrial group with interests in farming, wool processing and vehicle sales, although port operations remain the core business.



Externally the most obvious indication that the port had entered a new era ten years ago was the appearance of South Port signs replacing those of the Southland Harbour Board and new funnel colours for the

tugs.

Internally the changes were more far reaching. Changed work practices were developed, ancillary operations sold off and increased mechanisation introduced. The result was a more efficient operation with a substantial gain in productivity. A less desirable but necessary result was a considerable reduction in the work force.

Appropriately enough for an anniversary year the throughput of cargo in 1998 was a record for the port at over 1.9 million tonnes.

(The Bluff Portsider)

MPA's Second Meeting of Int'l Advisory Group

THE International Advisory Group of the Maritime and Port Authority of Singapore (MPA) met for the second time on 1 and 2 Sep 98 at the Regent Singapore. On the first day, IAG members were given briefings by the MPA and the Singapore Trade Development Board (TDB). The purpose of these briefings was to update IAG members on the strategic issues facing Singapore as hub port and international maritime center (IMC).

During the two-day meeting, the IAG members reviewed the recommendations that arose from the inaugural IAG meeting last year. Some of these recommendations were aimed at helping Singapore further develop as a premier global hub port and international maritime center. In addition, the IAG discussions focused on the likely scenarios that would face Asia and in particular, their impact on the container shipping industry in view of the present economic downturn.

In spite of the present economic situation, the IAG members felt optimistic about the longer term growth prospects for the region and that it would retain its place as one of the fastest growing container markets.

The Group also discussed trends affecting the container shipping industry such as increasingly larger container ships and their impact on ports. It was felt that ports would need to anticipate and prepare themselves to meet these trends.

Looking beyond the immediate economic crisis, the Group exchanged views on the Malacca and Singapore Straits. One of the points raised was on the cost of maintaining the Straits safe and clean for international shipping.

With the anticipated growth of vessel traffic in these Straits, the IAG members were confident that the littoral states (Indonesia, Malaysia and Singapore) would be able to manage this expected increase in light of the various existing and new initiatives including the Traffic Separation Scheme and the mandatory ship reporting system approved by the International Maritime Organisation (IMO). The use of new technologies such as the use of ship transponders was encourage to further enhance navigational safety and prevent marine pollution.

In summing up, Professor Tommy Koh, Chairman of the IAG, said, "The discussions in the last two days have provided important insights into the key issues facing Singapore as it strives to be even more competitive. The IAG members have provided valuable feedback on trends in the shipping and port industries, and how Singapore could respond to such trends. We are confident that the feedback gathered would benefit and help the MPA in its strategic planning and implementation of policies."

PSA Donates \$330,000 To Cancer Foundation

PSA and its staff have donated \$330,000 to the Children's Cancer Foundation (CCF). More than 7,000 members of the PSA group and its subsidiaries and associated companies took part in the fund-raising exercise to support the CCF. PSA matched dollar-for-dollar the sum raised. The effort is part of PSA's commitment to being a caring corporate citizen.

The money raised will go towards bone marrow transplants for young cancer patients, therapy and counselling services, support groups for families, financial assistance to the families of patients under the care of the CCF, and training, research and promoting public awareness of cancer.

Dr Yeo Ning Hong, Chairman, PSA Corporation, will present the cheque to Dr Tan Hiang Khoo, Chairman, Children's Cancer Foundation, at the start of the Charity Walk-A-Jog organised by PSA on 27 September 98. About 500 staff members from PSA group of companies and their families will participate in the 5.8 km Walk-A-Jog at 7.30 am, beginning at the PSA Club, Bukit Chermin Road.

Dr Yeo Ning Hong, Chairman, PSA Corporation, said, "As a responsible corporate citizen, PSA believes in encouraging staff to do their bit for charity. I am most pleased with the generosity and support given by everyone to this project, in addition to their donations to the SHARE programme. It is heartening to note that our people are forthcoming with their contributions despite the economic slowdown. We commend the Children's Cancer Foundation for their selfless work in improving the lives of cancer patients. The Walk-A-Jog is also a simple reminder to our people of the importance of keeping themselves fit and healthy through regular exercises."

Dr Tan Hiang Khoo, Chairman, CCF, said, "I would like to thank PSA for its kind donation. In this time of economic crisis, fund-raising for charitable organisations is getting increasingly difficult as corporate sponsors are more conservative in their financial planning. At the same time, we are anticipating an increase in the applications for financial assistance from our children and families for they, too, are experiencing harder times.

"It is therefore heartening to see an established organisation like PSA motivating your staff to help a charitable cause. Involving every one of your staff in this fund-raising effort, plus a dollar-for-dollar pledge from the company, is a clear reflection of your commitment to help the less fortunate ones in our society. On behalf of our children and families, I thank you."

The Children's Cancer Foundation (CCF), PSA's adopted charity organisation, is an independent organisation fully funded by public and corporate donations. Every year about 80 new cases of childhood cancer are reported. Among cancers that affect children, the most common are leukemia, lymphomas, brain tumors and solid tumors. As a new organisation, the CCF looks into the needs of over 200 cancer-stricken children by providing them emotional, medical or financial support. It is also the only organisation in Singapore working with children with cancer and their families.

New Bangkok System Reduces Turn-round Time

FOUR months ago, on April 1 a new container system was introduced at Bangkok Port (BP). Mr

Payoongkick Chivamit, Managing Director of Bangkok Port, viewed that the new system is proving its worth. Using computers to systematically plan and control container service has reduced ship turn-round time to less than 23 hours. At the same time, the speed of loading and unloading has been increased to 20 TEU/gang/hour.

Customs clearance now takes place in the terminal, helping make the process less time and expense consuming for the cargo owner.

According to Payoongkick, the change could have been smoother if delivery of the additional 12 RTGs had not been delayed. The cranes are considered indispensable to the container yard. However, the cranes were already delivered in June and the drivers had been trained to control the cranes expertly. The cranes are now equipped with computers at the container terminals, along with the 24 already in service. Thus, it is expected that the container service system will be up and running – and up to the highest standards of performance in October.

In addition, PAT has ordered two Rail-Mounted Shoreside Container Cranes, which will be delivered some time in early 1999. This means that BP will no longer have to depend on the ships' cranes. (PAT)

PAT: Long and Winding Road to Privatisation

WHILE a parliamentary committee is considering privatisation of state enterprises to improve efficiency and tackle with the country's economic crisis, Port Authority of Thailand (PAT) has already taken some steps in its own privatisation scheme.

PAT is seeking ways to be self-sustained and effective in providing services and facilities to vessels and cargoes, as sooner or later the government will be spending less on state enterprises, one of the conditions laid down by the International Monetary Fund.

Under the Action Plan for Privatisation, PAT will transform the Port Authority to a holding company and enlist it on the Stock Exchange of Thailand two years later. Subsidiaries will be established to run major businesses currently under PAT's control to ensure more flexibility of port services.

Change will take place not only in management but also in the ownership of the

organisation as local investors will be encouraged to hold shares in these companies. A consortium of four companies, the Industrial Finance Corporation of Thailand (IFCT), IFCT Advisory Co, Ltd, Babbie B M T (Thailand) Co, Ltd and SVS Consultants Co, Ltd, is now working with PAT counterpart staff on the two-year privatisation project. Port users and exporters do not have to wait that long, however, as the process is being implemented along with the study.

As Mr Pitak Piseth, General Manager of Wan Hai Lines Ltd, put it, "PAT is gradually making significant improvements in its service."

The Transport and Communications Ministry recently approved the Action Plan of PAT privatisation before seeking Cabinet approval. Decisions to be made include appointing a regulatory body to supervise port operations and services, the new share holding structure and insurance for employees.

Mr Pitak seems to have no worries about the form of new organisation. "It could be in any form," he said. "Maybe a lease to private operators like the LCP. It's the quality of management that matters."

He believes that the management of the new structure should be independent, flexible and free from bureaucratic constraints.

However, the Wan Hai Lines manager expressed a few concerns on the scheme generally. Firstly, would the labor association be persuaded to accept privatisation? And once the new management steps in, could they move on with the remaining personnel?

Secondly, what would be offered to private investors? They might be interested in managing a port but not in the dredging operation or maintenance of the bar channels and basins. If this is the case, would the PAT resume its responsibility for the dredging?

Whatever the answer, Mr Pitak still praised the effort towards privatisation, while noting that it would take time.

"I'm looking forward to more efficiency after the change," he said, "particularly in the speed with which decisions are made."

As the task proceeds at a snail's pace, talks with the Association of port employees have only just begun. So far, feedback has been neutral, but once the picture is clearer, they will move to seek further clarification of the impact on their status.

"Their jobs are secure and there will be no layoffs under the new management", said a senior member involved in the privatisation plan. "However, some may have to be reassigned to new, more appropriate positions, and that will require retraining at all levels."

PAT may also look for new business opportunities for the remaining personnel, or launch an early retirement programme so that a new generation could be brought in to suit the new management style. There are many ways to handle the labor issue and the people involved are giving it their utmost consideration.

On the financial front, the PAT is hiring SGV-Na Thalung and ARTHUR ANDERSEN to reassess the assets, an initial step towards transparency for international investors once its shares are offered on the market.

Captain Chatchawan Ghettalae, General Manager of TIPS Co, Ltd, the first operator at LCP, said he did not feel concerned about the impact of privatisation on LCP's contracts with private firms. On the contrary, he applauded the move, he said, as "the private sector knows best how to serve its own needs."

Captain Chatchawan, whose company has run a container terminal B4 since 1991, believes that privatisation will mean improved efficiency for importers and exporters alike, and that market forces will take care of the pricing and services of the operations.

The PAT's main task is to facilitate import-export processing and reduce red tape in public utilities, he said.

President of the Thai Food Processors' Association, Charuayporn Tantipatpong expected at least two advantages to follow from privatisation: improved service and lower prices.

"Whoever controls the port's service should help importers and exporters and reduce the hard-currency earner's burden," said Ms Charuayporn, whose association has seen an increase in export value early this year of nearly 100,000 million baht.

It's not the port authority's work alone that needs to be reorganised, she said. Customs procedures must be drastically cut for the convenience of exporters.

She also maintained that certain costs should not be increased, notably the terminal handling charge whose current rate is 1,500 baht per container.

"Compared with the BP, LCP seems to be more user-friendly perhaps because there's less congestion than at Klong Toey," she added. "But in future once privatisation has borne fruit, it should benefit exporters whichever ports they use."

It may be a long and winding road to privatisation, but now the first steps have been taken, all concerned are looking forward to moving ahead to a better life for the Thai economy. (PAT)



Since 1955

Join us in IAPH's endeavours to pursue

World Peace Through World Trade World Trade Through World Ports

IAPH supports all efforts to prevent illegal trafficking of drugs!

Drug Trafficking through seaports is a global problem requiring vigilance and the co-operation of the World's Port Communities.

World Ports must accept their responsibility to the World Community by working together to enhance security measures and improve communication of information to fight the illegal movement of drugs through ports.

The *International Association of Ports and Harbors* (IAPH) fully supports the efforts and initiatives of the World Customs Organization (WCO) in their fight against the illegal trafficking of drugs through ports.



**IAPH will meet in Kuala Lumpur Malaysia
from 15 to 21 May, 1999.
at its 21st World Ports Conference**

**Conference Theme: Global Trade Through Port Co-operation
Conference Host: Port Klang Authority**

IAPH Head Office
Kono Building
1-23-9 Nishi Shinbashi
Minato-ku
Tokyo 105-0003
Japan

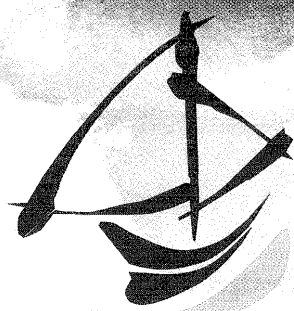
Tel: +81-3-3591-4261
Fax: +81-3-3580-0364
E-mail: info@iaph.or.jp
E-mail (alternative): iaph@msn.com
Web site: <http://www.iaph.or.jp>

Discover... Nature's Magic

at the

21st World Ports Conference of The
International Association of
Ports and Harbors

May 15-21, 1999 Kuala Lumpur



IAPH '99
Port Klang

Journey into the world of magical Malaysia... a world enshrined in the beauty of nature, a tapestry of attractive and vibrant colours. We cherish this gift and in preserving this treasure, we take every step and measure to ensure that its splendour endures through the journey of progress, a legacy bequeathed unto generations to come.

Like our dedication to the preservation of our natural flora and fauna, we constantly strive to provide you, our esteemed partners and customers - services and facilities of international standards.

Discover The Journey - IAPH '99

Kuala Lumpur, Malaysia
May 15-21, 1999

Klang Port Authority

Mail Bag Service 202,

Jalan Pelabuhan, 42005 Port Klang, Malaysia

Tel : 603 - 368 8211 • Telefax : 603 - 368 9117/ 03 - 367 0211

