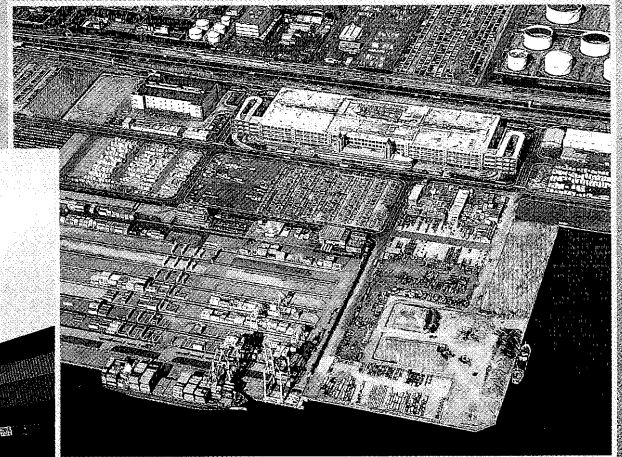


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**1999 Vol.44 No.10**

# Ports & Harbors



## PORT OF KAWASAKI

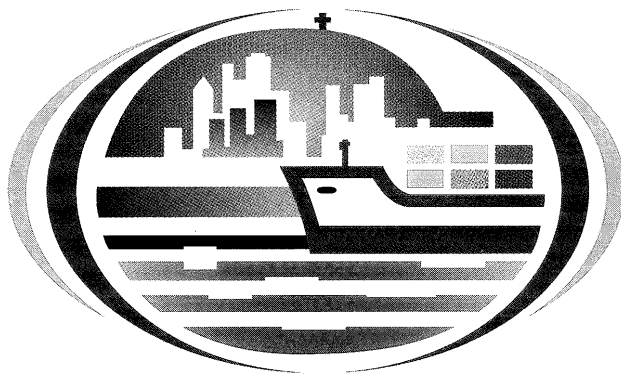


### Inside:

•IAPH Executive Committee Meets in Montreal •PKA General Manager Phang Represents IAPH at INMEX '99 in Goa •Green Award Helps Ports to Keep Their License to Operate •Legal Challenges for Ports in the New Millennium •World Maritime Day 1999: Message from IMO Secretary-General •August US Trade Deficit Decreases to \$24.1 Billion •Rio de Janeiro Offers Wide Scope of Service •Panama President Discusses Canal Transfer at UN •Rotterdam as Transit Point for Famine Relief •Kawasaki Growing as a Hub for International Logistics •PSA Updates Shipping Lines on Y2K Plans

**We've  
started  
counting  
the days  
to May 19,  
2001!**

That's when the  
Port of Montreal  
will have  
the honour  
and pleasure  
to play host  
to the  
IAPH 22<sup>nd</sup>  
World Ports  
Conference.



*C'est un rendez-vous in Montreal,  
from May 19–26, 2001.*

We're so eager  
to greet you in Montreal,  
we've started counting the days.

Montreal is a major  
North American  
international port city,  
but its European flair  
and rich and varied  
cultural life make it  
truly unique.  
Clean and safe, Montreal  
offers guests a wealth  
of attractions. And  
Montrealers speak  
French and English  
fluently.



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**Canada** 

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(1999 - 2001)

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Montreal Port Authority  
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Japan

### Second Vice-President

Pieter Struijs  
Vice Chairman/Executive Director  
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Netherlands

### Third Vice-President

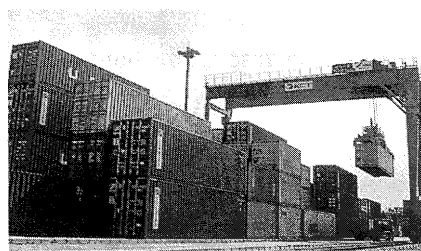
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Executive Vice-President  
International Affairs of  
Association of French  
Ports (UPACCIM)  
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### Secretary General

Satoshi Inoue  
IAPH Head Office  
Tokyo  
Japan



**P**ORT of Kawasaki: Located in Kawasaki, a core city of the Keihin industrial zone, the Port of Kawasaki has developed in conjunction with the growth of Japanese economy. Kawasaki has left its mark as an industrial city playing a major role in the Tokyo metropolitan area. The Port of Kawasaki now projects a global vision as it seeks to serve as a focal point for the interchange of people, goods and information. A variety of plans to enhance the Port's function as an international port open to the world are being proceeding. Related article on page 38.

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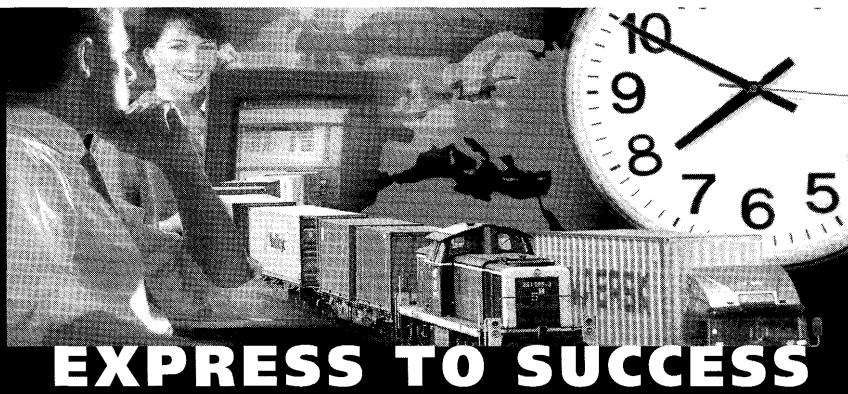
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## EXPRESS TO SUCCESS

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*Launch of*

## Tokyo News Service's Website

**50** Challenge 21  
 Anniversary  
 Shipping and Trade News

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

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



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

### Information posted:

#### 1. Sailing schedules

a. Liner shipping schedules (export/import) to and from Japan b. Liner schedules (export) from Asian countries other than Japan c. Feeder schedules to and from Singapore

#### 2. Ship details

#### 3. Telephone and fax numbers of shipping firms and agents

#### 4. Surcharges

#### 5. News (in preparation)

**Tokyo News Service, Ltd.**



# IAPH ANNOUNCEMENTS AND NEWS

## EXCO Meets in Montreal

Report by **R. Kondoh**  
Deputy Secretary General, IAPH

1. President Taddeo presided over the Exco Meeting held for the two days of Tuesday and Wednesday, 26 and 27 October, 1999, at the Queen Elizabeth Hotel, Montreal, Quebec, Canada. The main tasks of the meeting were to review the state of progress of activities since the Kuala Lumpur Conference, where major steps for organizational change had been taken to set the courses for the new millennium.

2. Preceding the Exco Meeting, on Monday, 24 October, 1999, the following meetings took place.

The **Constitution & By-Laws**, chaired by Mr. Hugh Welsh, Deputy General Counsel, the Port Authority of New York and New Jersey, USA; the **Joint Meeting of the Finance Committee & Membership Committee**, co-chaired by Mr. R.P. Snodgrass, Chief Executive Westgate Transport Limited, New Zealand, and Datin O.C. Phang, General Manager and CE, Port Klang Authority, Malaysia; the meeting of the **Long Range Planning/Review Committee** chaired by Mr. C. Rowland, Executive Director, Canaveral Port Authority, USA; the meeting of the **Communication & Networking Committee**, chaired by Mr.



*Delegates go on board the "Maisonneuve"*

José Perrot, International Relations, Port of Le Havre, France; and the **IAPH/IMO interface Group** chaired by Mr. Taddeo and Mr. Pieter Struijs. Furthermore, in the afternoon hours of Tuesday, 26 October, 1999, the meetings of each of the three regions were held.

3. Amongst other matters, this report highlights the results of selected items of importance as the culmination of the extensive deliberations of the two-day Exco meeting as follows:

**3.1 Relocation of the Head Office:**  
As reported in the November issue of the journal, the Secretary General has been giving on this matter his urgent attention. Dr. Inoue reported that the move would be feasible financially and was scheduled to take place in December, with the new office begin-

ning operations on Monday, 13 December, 1999. The meeting accepted the report and expressed the hopes of all present that the move would be completed successfully. President Taddeo mentioned that he would be visiting the new office to attend the opening.

**3.2 Finance Committee matters:**  
Chairman Snodgrass reported on the findings of his committee meeting on the Monday. Major points: a) Despite the acute appreciation of the yen since July 1999, the financial status of the Association was deemed to be stable for the time being; b) The Committee agreed to proceed with contributing to the IMO initiative for the organization of the Workshop on the Prevention of Marine Pollution in

### *Message from President Taddeo on the 44th Birthday of IAPH*



Dear Inoue-san:

I would like to take this opportunity to extend to you and everyone at IAPH my heartfelt congratulations on the forty-fourth anniversary of the foundation of IAPH.

Forty-four years is an excellent record of longevity and efficiency achieved through the efforts of many fine and talented people associated with the Association.

Founded in 1955, IAPH, as a worldwide association, has always promoted and increased the efficiency of ports and harbors while protecting the legitimate interests and rights of its members.

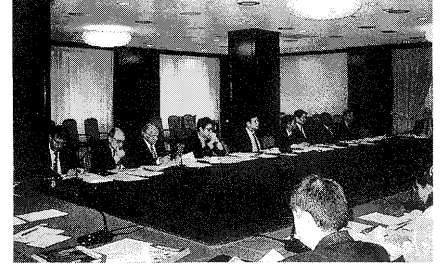
It has also developed and fostered good relations and co-operation among all ports of the world in respect of its motto: "World Peace Through World Trade" - "World Trade Through World Ports".

Once again "Congratulations", "Félicitations", "Anguri" and may the next 44 years be successful and prosperous.

Dominic J. Taddeo  
President of IAPH



*EXCO in session*



the Asia-Pacific Region; c) Financial support was to be provided for the initiatives, to be taken by the President, Vice-Presidents and Immediate Past-President; d) Financial support was to be provided for the membership campaign and funding support for various technical committees was to be provided.

**3.3 Long Range Planning/Review Committee affairs:** Exco felt that the need still exists to streamline the terms of reference of various committees in order to avoid duplication and overlapping so that the framework of the activities of IAPH can be better presented. It was noted that the studies and coordination should be pursued continuously.

**3.4 Membership Committee affairs:** Chairperson O.C. Phang stressed the need for a systematic approach to the membership campaign and reported that a campaign letter had been sent to 211 ports which are not yet associated with IAPH. She had attended the first INMEX Conference and Exhibition in Goa, India in October, where she spoke for IAPH in an effort to obtain more members from India. She further mentioned that the forthcoming meeting of the ASEAN Ports Association to be held in Bali, Indonesia, in the last week of November would be yet another chance to pursue the campaign. In her action plans, she suggested bulletins and fliers on IAPH activities to keep the port community at large disseminated through communications and networking.

**3.5 Communication & Networking:** Attending Chairman José Perrot suggested the improvement of the IAPH homepage to accommodate the increased capacity available for internet communications, to which the Head Office answered that efforts had been made in this regard. He also suggested consideration of the possibility of creating a new logo as well as the that of having the working name of IAPH reflect the contemporary status of the Association as a "World Ports Association". In sup-

port of his suggestion, the Head Office noted that the currently used wording of "World Ports Conference" to signify the IAPH biennial conference had been adopted at the recommendation given by Mr. Rommerskirchen, then Conference Vice President on the occasion of the Hamburg Conference in 1985, and further indicated that the Head Office would consider Chairman Perrot's suggestion. The Head Office also explained the steps being taken to improve the journal "Ports and Harbors". As a first step, the Secretary General asked Exco Members to consider stepping up their contribution to the journal.

#### 4. Calendar of major IAPH events:

- **\*January 20/22, 2000: Asia/Oceania Regional Meeting of Exco Members** in conjunction with a **Global Sea-Port Network for International Automotive Complex Symposium in Mikawa, Aichi Prefecture, Japan**
- **February 22/26, 2000: Africa/Europe Regional Officers' Meeting** (21 February) and **2nd African Port Seminar** (February 22/24) in conjunction with **the 50th anniversary of the Port of Abidjan** (February 25/26): An announcement will be circulated shortly. President Taddeo expressed his preparedness to attend.
- **May 13/18, 2000: Mid-Term Board Meeting of IAPH in Marseilles** (Note: A letter announcing the program and requesting notice of who will attend was sent to the Board Members and others.)
- **October 29/Nov 01, 2000: Mid-Term Exco Meeting** in Tokyo in conjunction with a Japanese function to promote the Montreal Conference.
- **May 19/26, 2001: 22nd World Ports Conference in Montreal, Canada:** President Taddeo assured the meeting that the preparation work was being pursued energetically and expressed his strong wish to welcome all IAPH members in 2001.
- **2003: 23rd World Ports Conference in Durban, South Africa:** A presenta-

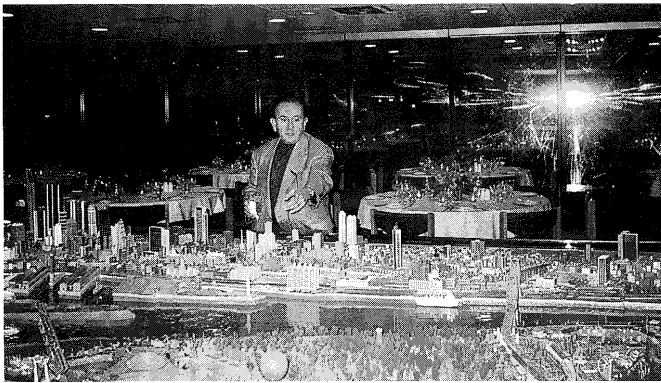
tion on the current state of progress was made by Ms. Phumzile Sithole, General Manager, Marketing, Portnet, South Africa. The dates are to be announced.

- **2005: 24th World Ports Conference:** Invitation addresses were made by the representatives of the two candidate ports of Kobe, Japan, and Shanghai, China, respectively. The presenters were Mr. Toshiaki Ono, Seattle Office of Kobe Port on behalf of the Mayor of Kobe City, and Mr. Nobuyuki Yamamoto, Director General, Kobe Port, and Mr. Lu Haifu, Director General, Port of Shanghai Authority.

5. On the Monday evening, a welcome reception was held by Mr. Raymond Lemay, Chairman of the Board and a Member of the Board, Montreal Port Authority. In his welcome speech, he noted that it was a great pleasure to meet again with many people with whom he had established friendships on the occasion of the IAPH World Ports Conference in Kuala Lumpur, and he concluded his address by urging those present to meet once again in Montreal in 2001.

6. On the evening of Sunday, 24 October, 1999, the delegates were invited to visit the Port of Montreal Building to receive a personal explanation by President Taddeo about the Port of Montreal in front of a 30-meter long scale model of not only the port facilities but also the buildings and parks of Montreal located on both banks of the Saint Lawrence River. The afternoon hours of Wednesday, 27 October 1999 were dedicated to a technical visit to the Port of Montreal on board the official launch "Maisonneuve."

7. The meeting adjourned at 1700, on Wednesday, 28 October by cutting the planned morning session on Friday. Before the adjournment, as an expression of the sincere appreciation to the Host, prior to the adjournment of the meeting, Dr. Akio Someya, 1st Vice President, delivered a speech of thanks to Mr. Raymond Lemay, Chairman of



Mr. Taddeo speaks about his City and Port in front of a precision scale model



Delegates admiring the presentation by Mr. Taddeo as well as the scale model

the Board, Mr. Dominic J. Taddeo, President & CEO of the Montreal Port Authority and his able staff, Mr. Jean Mongeau, Vice President, Legal Affairs and Secretary, Mrs. Marie Jose Moo-Sang, and Mr. Jacques Paradis.

## The officers and Exco members present were:

### Officers:

- President: **Dominic J. Taddeo** (Montreal Port Authority, Canada)
- 1st Vice-President: **Akio Someya** and Coordinating Vice President for the Group of Committees for Sustainment & Growth (Nagoya Port Authority, Japan)
- 2nd Vice-President: **Pieter Struijs**, Chairman, IAPH/IMO Interface Group, and Coordinating Vice President for the Group of Committees for Technical Affairs (Port of Rotterdam, the Netherlands)
- 3rd Vice-President: **H. Thomas Kornegay**, Coordinating Vice President for the Group of Committees for Port Industry Research and Analysis and Member, IAPH/IMO Interface Group

(Port of Houston, USA)

- Immediate Past President: **Jean Smagghe**, (Conseil General des Ponts et Chaussées - CGPC, Paris, France)
- Secretary General: **Satoshi Inoue**, Tokyo

### Exco Members:

- **David Bellefontaine** (Port of Halifax, Canada)
- **Aliou Diallo** (Port of Konakry, Benin)
- **John Hayes**, Chair of the Port Planning and Construction Committee; Member, IAPH/IMO Interface Group (Sydney Ports Corporation, Australia)
- **Patrick Keenan**, Member, IAPH/IMO Interface Group (Port of Cork, Ireland)
- **Larry A. Keller** (Port of Los Angeles, USA)
- **Lu Haifu**, Member, IAPH/IMO Interface Group (Port of Shanghai, China)
- **O.C. Phang**, Chair of Membership Committee (Port Klang Authority, Malaysia)
- **Sumardi** (Indonesia Port Corporation III, Indonesia)

## Last minutes regrets were received from:

- **Errol L. Bush**, Cayman Islands,
- **Choi Lark-Jung**, Pusan Regional Maritime & Fisheries Office, Korea
- **D.G. Cowie**, Port of Napier, New Zealand
- **Goon Kok Loon**, PSA Corporation, Singapore
- **B.S. Groseclose**, South Carolina State Ports Authority, USA,
- **S.M.E. Luhigo**, Tanzania Harbours Authority, Tanzania
- **Sheh, Ming-Hui**, Keelung Harbor Bureau, China and
- **G.C.G. van den Heuvel**, Port of Amsterdam, the Netherlands

## Also present at the Exco Meeting as Legal Counselor, Committee chairs, reporters and observers were:

- **Hugh Welsh**, Chairman, IAPH Legal Counselors (The Port Authority of NY & NJ, USA)
- **R.P. Snodgrass**, Chairman, Finance Committee (Westgate Transport Limited, New Zealand)



Delegates at ease on board the "Maisonneuve"

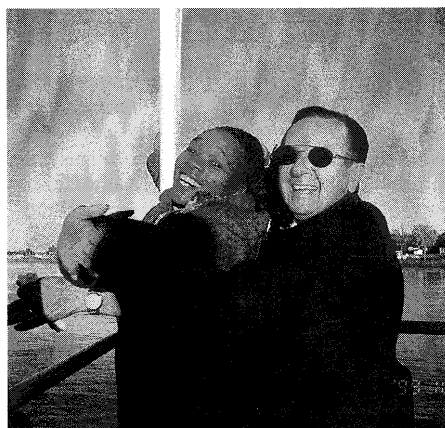


On Friday, 29 October, Secretary General Inoue and Deputy Secretary General Kondoh (extreme right) visited the Port Authority of New York and New Jersey, where the IAPH officials were welcomed by Ms. Lillian C. Borrone, Director, Port Commerce Department (center), Mr. Hugh Welsh (extreme left) and Mr. Pat Falvey (second from right), the current and former chair of the IAPH Legal Counselors.

- **Bernard Coloby**, Chairman, Ship Trends Committee and Member, IAPH/IMO Interface Group (Port of Le Havre, France)
- **Charles M. Rowland**, Chairman, the Long Range Planning/Review Committee Chairman (Canaveral Port Authority, USA)
- **Peter van der Kluit**, IAPH Liaison Officer with IMO, and Chairman, Port Safety and Environment Committee, and Member, IAPH/IMO Interface Group (MRS, Rotterdam, the Netherlands)
- **F.M.G. van de Laar**, on behalf of Chairman van den Heuvel of the Trade Policy Committee (Port of Amsterdam, the Netherlands)
- **I. D.K. Jangana**, Member of the Long Range Planning/Review Committee (Gambia Ports Authority, Gambia)
- **Susumu Naruse**, Member of Port Planning and Construction Committee (Overseas Coastal Area Development Institute of Japan - OCDA, Tokyo)
- **Phumzile Sithole**, General Manager, Marketing, Portnet, South Africa
- **Mdu Nene**, General Manager, Marine and Technical, Portnet, South Africa
- **Ngcobo Lunga**, Senior Corporate Communications Manager, Portnet
- **Ritsuko Oharu**, Port of Nagoya, as Assistant to Dr. Someya
- **Cao Dayou**, Foreign Affairs Department, Shanghai Port Authority,



Delegates at ease on board the "Maisonneuve"; behind is a famous unitized apartment.



A Titanic syndrome?

## The First IAPH Asia/Oceania Regional Meeting Scheduled for 19-22 January 2000 in Mikawa, Japan

**F**OLLOWING deliberations at the Exco Meeting in Montreal in October, 1999, Dr. Akio Someya, First Vice President of IAPH, has recently sent to a letter to the Exco and Board members of the Asia/Oceania region on the first IAPH Regional Meeting.

The meeting is scheduled from January 19 through 28 in Nagoya and the Mikawa region, which is just east of Nagoya. The meeting will be held in conjunction with an automobile complex tour and a symposium on the automobile industry and logistics.

### The tentative schedule is:

January 19	Arrival of Delegates Tour of the Port of Nagoya (optional)
January 20	Regional Meeting Sessions
January 21	Tour of Automobile Industry and Logistics
January 22	Committee Meetings (if required) Departure of Delegates

Committee chairpersons who are interested in holding their meetings on this occasion are invited to contact Dr. Someya by Fax at 81-52-654-7995 or by e-mail at: [npa-iaph@port-authority.minato.nagoya.jp](mailto:npa-iaph@port-authority.minato.nagoya.jp)

- as Interpreter to Mr. Lu
- **Dong, Wenjun**, Port of Shanghai
  - **Mao Guoha**, Port of Shanghai
  - **Zhengeng, G**, Port of Shanghai
  - **Toshiaki Ono**, Seattle Office of Kobe Port, Japan

### Port of Montreal staff and the Head Office secretariat were:

- **J. Mongeau**, Port of Montreal
- **J. Paradis**, Port of Montreal
- **Marie José Moo-Sang**, Port of Montreal
- **R. Kondoh**, Dy. Secretary General

### A Provisional Program of the African/European Regional meeting of IAPH members, and the 2nd African Ports Seminar, in conjunction with the 50th Anniversary of the Port of Abidjan

**Monday, 21 February 2000**  
African/European Regional Officers' Meeting

**Tuesday, 22 February 2000**  
African Ports Seminar

**Wednesday, 23 February 2000**  
African Ports Seminar

**Thursday, 24 February 2000**  
African Ports Seminar

**Friday, 25 February 2000**  
50th Anniversary ceremonies of the Port of Abidjan



"Thank you, Mr. Taddeo!" Secretary General Inoue presents President Taddeo a cloisonne plate.



# IAPH Head Office Moves to Tokyo's Waterfront!

**Effective from 13 December 1999, the IAPH Head Office is to be located on:**

5th Fl. North Tower New Pier  
Takeshiba, 1-11-1 Kaigan, Minato-ku,  
Tokyo 105-0022, Japan

Tel: +81-3-5403-2770

Fax: +81-3-5403-7651

E-mail (same as before):

[info@iaph.or.jp](mailto:info@iaph.or.jp) or

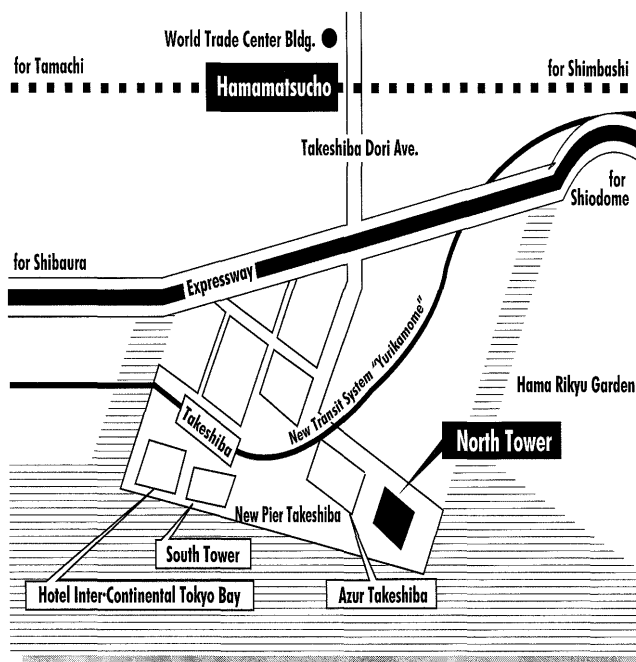
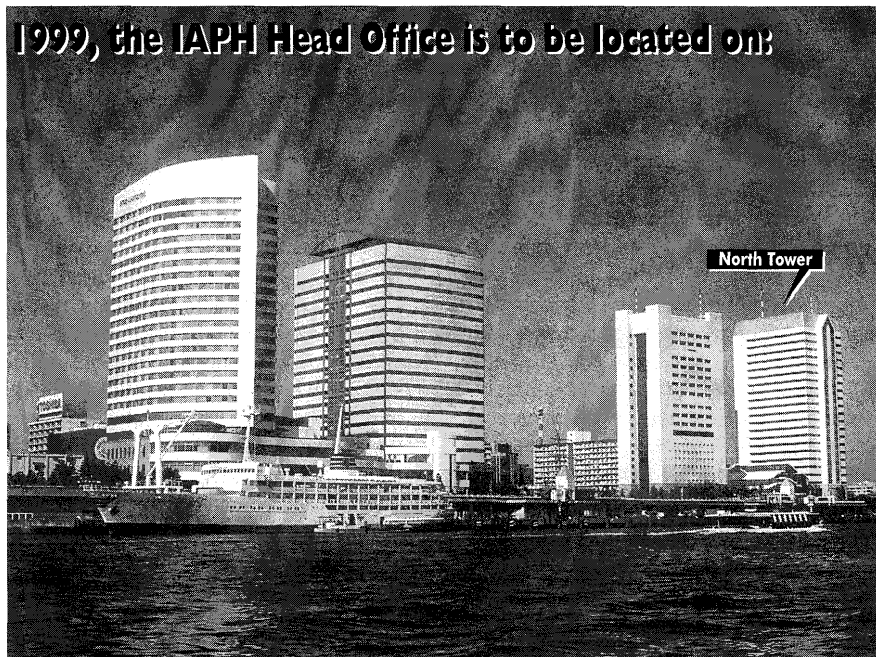
[iaph@msn.com](mailto:iaph@msn.com)

Web site (same as before):

<http://www.iaph.or.jp>

Access:

- 1 minute on foot from the  
"Yurikamome" Takeshiba Station
- 7 minutes on foot from the JR  
Hamamatsucho Station

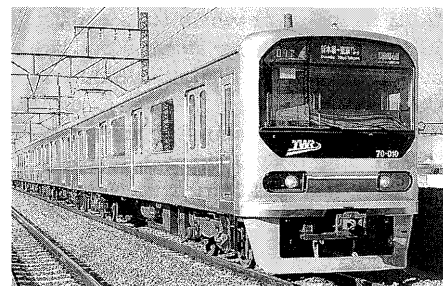


**New Pier Takeshiba - a port within a port and a city within a city!**

## The North Zone

Business has been booming at the prestigious North Tower since it opened in October 1991. Today the North Zone's support facilities include Azur Takeshiba, a hotel and health maintenance plaza, the luxurious New Pier Hall and various restaurants serving choice international cuisine.

Takeshiba is the next stop from Shimbashi Station, the original point by "Yurikamome" Tokyo Waterfront Area Rapid Transit System, which opened in October 1995. The location makes it a major stop on this new system linking downtown Tokyo, Tokyo Teleport Town, Daiba, Aomi and the entire bay area.



"Yurikamome"

## Correction

With reference to the article appearing on page 11 of the November issue of this journal announcing the change in the chairmanship of the IAPH Communication and Networking Committee from Mr. Malcolm Ravenscroft of Associated British Ports (ABP) to Mr. José Perrot of the Port of Le Havre, it was mentioned that Mr. Ravenscroft had left his employment and was being succeeded by Mr. Avril Winson as Deputy Managing Director of the ABP. However, this was not the case. **Miss Avril Winson, Deputy Company Secretary of the ABP**, says, "At present there are no plans to replace Mr. Ravenscroft."

We apologize to Miss Winson for the incorrect reference to her position. — IAPH Head Office

# Nine Major Indian Ports Agree to Join IAPH

**- Phang is active in canvassing non-member ports -**

**A**S reported through the September issue of this journal, Datin O.C. Phang, General Manager/Chief Executive, Port Klang Authority, who chairs the IAPH Membership Committee, represented IAPH at INMEX'99, India's first international maritime exhibition and conference which was held from 6 to 10 October in Goa. Recently she sent the Secretary General a report on her participation in the event in India, which is introduced below. Furthermore, Secretary General Inoue and the other officers learned from Phang that she had placed great importance on meeting the officials of Indian ports and, as a result had succeeded in obtaining the agreement of nine ports to become IAPH members.

More recently, the IAPH Head Office has learned that Phang wrote to over 50 non-IAPH member ports inviting them to join or rejoin IAPH. She sent the following letter to ports which used to be IAPH members or which have not yet joined the Association in the following countries: Algeria, Angola, Bahrain, Canary Island, Cape Verde, Congo, Eritrea, Egypt, Finland, Gabon, Guinea Bissau, Jordan, Madagascar, Madeira, Marshall Island, Mauritania, Namibia, New Caledonia, New Zealand, Oman, Saudi Arabia, Seychelles, Sierra Leone, Sri Lanka, Reunion, Tunisia, Turkey, United Arab Emirates, UK, Vanuatu and Vietnam.

O.C. Phang's letter follows:

Dear Sir,

## IAPH MEMBERSHIP DRIVE

On behalf of the International Association of Ports and Harbors (IAPH) it is my pleasure to inform you that the undersigned is now in charge of Membership under the Sustainment and Growth Committee.

You may already be aware that the International Association of Ports and Harbors (IAPH) is a worldwide association of ports and harbors, founded in 1955 at its first Conference in Los Angeles, USA. It is a non-profit making and non-governmental organization, headquartered in Tokyo, Japan. Presently, IAPH comprises 231 Regular

Members, mostly public port authorities and agencies, and more than 100 Associate Members, who are mostly engaged in port-related activities/services.

Basically the objectives and activities of this organization are summarized as follows: -

- To promote the development of the international port and maritime industry by fostering cooperation among members in order to build a more cohesive partnership among the world's ports and harbors, thereby promoting peace in the world and the welfare of mankind.
- To ensure that the industry's interests and views are represented before international organizations involved in the regulation of international trade and transportation and incorporated in the regulatory initiatives of these organizations.
- To collect, analyze, exchange and distribute information on developing trends in international trade, transportation, ports and the regulations of these industries.

As we move towards the new millennium, the need for closer cooperation and synergy amongst ports of the world remains critical as a result of the emerging trends that are taking shape in the ports industry, shipping

and global trade.

In response to these changing trends IAPH, at the last biennial meeting in Kuala Lumpur, Malaysia held from 15 to 21 May 1999, revamped the structure and developed strategies that include, amongst others, an action plan to promote IAPH membership. The plan seeks to foster closer cooperation and rapport among ports of the world in order to ensure this Association's continued progress within the competitive environment.

In tandem with this, I observe that your port is as yet not a member of this prestigious organization. As such it is my privilege and honour as the Chairperson of this IAPH Membership Committee to invite your port to join the Association. We believe that as part of this dynamic organization you will have the opportunity to assist in the progress of the port fraternity and also to benefit from membership of the Association.

In this respect, kindly find enclosed relevant information with regard to membership status and the IAPH Constitution and By-Laws in brief, including membership dues, etc.

Should you require any further information or clarification, please feel free to contact the undersigned through E-mail: [ocphang@pk.gov.my](mailto:ocphang@pk.gov.my) or Fax: 603-3670211.

I sincerely look forward to your positive response in this matter and to welcoming you as a member of the family of IAPH.

Yours truly,

(signed by)

DATIN O.C. PHANG

General Manager/CEO

PORT KLANG AUTHORITY



*From Left to Right: H.E. Mr. Churchill Alemao (Goa Minister for Industries), Datin O.C. Phang (GM/CEO Port Klang Authority), H.E. Mr. Luizinho Faleiro (Chief Minister of Goa) and Dr. Jose Paul (Chairman of Mormugao Port Trust) at Port Klang booth.*

# Report on INMEX'99

6-10 October 1999

by Datin O. C. Phang

General Manager/Chief Executive, Port Klang Authority, Malaysia  
Chairperson, the IAPH Membership Committee



## 1. Introduction

1.1 This report is for the information of the IAPH Secretariat regarding IAPH's participation at the said Conference.

## 2. Conference

2.1 The Conference was held on 7-8 October 1999 and was launched by H.E. Lt. General JFR Jacob, Governor of Goa, on 7 October 1999 at the resort Cidade de Goa.

2.2 The Conference was divided into three segments as follows:-

- i) Trade, Shipping and Ocean Resources.
- ii) Shipbuilding and Maritime Industry; and.
- iii) Ports, Harbours and Transportation.

2.3 A total of 630 participants attended the Conference, with the breakdown of attendees as follows:-

- i) Trade, Shipping and Ocean Resources - 100 participants.
- ii) Shipbuilding and Maritime Industry - 300 participants; and
- iii) Ports, Harbours and Transportation - 230 participants.

2.4 The General Manager/CEO Port Klang Authority and an Exco Member of IAPH presented a paper entitled

"Partnership - Port Klang, Malaysia and the International Association of Ports and Harbors (IAPH)" on 8th October 1999 to the Ports, Harbours and Transportation sector. More than 200 participants attended this session. The paper touched on various aspects, such as the background of IAPH, its activities, the organisational set-up, the benefits of joining IAPH and Port Klang's experience as the host of the 1999 IAPH World Ports Conference.

2.5 The outcome of this Conference was that, with the assistance of the Chairman of Mormugao

Port Trust, Dr. Jose Paul and the active support of the Indian Ports Association, the remaining Port Trusts of India, i.e. Calcutta, Haldia, Chennai, Pradip, Visakhapatnam, Tuticorin, Cochin, New Mangalore and Kandali agreed to join IAPH. Meanwhile three other major Port Trusts, i.e. Mormugao, Jawaharlal Nehru (JNP) and Mumbai, are already IAPH members.

2.6 The development was publicized in the Shipping Times of Malaysia on 11 October 1999, with the headline "Nine Major Indian Ports join world body".



## Speech of H.E. Lt. Gen. J.F.R. Jacob, PVSM (Retd.), Governor of Goa, inaugurating the Conference on "Maritime 2000"

on 7th October, 1999 at Hotel Cidade de Goa

- **Adm. O.S. Dawson, PVSM, AVSM, (Retd.),**
- **Adm. J.G. Nadkarni, PVSM, AVSM, NM, VSM (Retd.),**
- **Shri M.P. Pinto, Chairman, Indian Ports Association,**
- **Vice Adm. J.C. de Silva, AVSM, Director General, Coast Guard,**
- **Shri Saha, Director General of Shipping,**
- **Distinguished Delegates and Friends.**

I give me great pleasure to be with you at the inaugural function of this Conference.

I have had a very close association with ships and the sea. During the amphibious operations in 1944 along the Arakan Coast which spearheaded the re-occupation of Burma from the Japanese during World War II, I worked closely with Adm. Stan Dawson. I was commanding an assault battery and Stan Dawson's ship was supporting our assaults. The sea is a cruel and hard task master. It eliminates the weak and favours the brave, and, I salute all seafarers.

You have aptly chosen Goa for this important Conference, because, Goa is a maritime state, with a notable sea-faring heritage and advantageous geographical position with fine natural harbours, ports, and an excellent network of inland waterways. Goa is a popular tourist destination for both the domestic and foreign tourists. The Goa Shipyard, which has been building different types of ships, has grown from a mere barge-building yard into a modern ship and different shipbuilding yard. Maritime and the related activities form an integral part of Goa's past, present and future.

From times immemorial, man has ventured into the oceans and seas, either for his livelihood, or for adventure. Maritime history is as old as the history of man. We owe a debt to those who go down to the seas in ships.

With our fast diminishing land resources, we have to focus more and more on maritime resources. We have a

very large exclusive economic zone. We should make every effort to exploit these resources commercially, to meet our requirements of food, energy, fuel, chemicals and minerals. Maritime activities, therefore, have assumed greater economic importance. Maritime activities have undergone a radical transformation due to the advancement of marine science and technology, which are opening up new avenues to exploit resources from the seas and the oceans. Our mercantile marine has expanded greatly thus facilitating economic development. The shipbuilding industry is a fast growing industry. Today, this industry is designing ships with the aid of computers and constructing very large and ultra large crude carriers, cargo vessels, liners, passenger catamarans, cruise ships, high speed ferries, fishing trawlers, container ships, naval vessels of steel, fibre glass, using



the most sophisticated technology. We have made considerable progress in communications, shipping terminals, gas turbine powered propulsion systems, navigation equipment, life saving appliances and radar. With the advancement of science and technology, marine construction has made considerable progress. Today, we have a number of important shipyards, and an efficient work force, capable of building different types of commercial and naval ships, using the latest state-of-the-art technology.

We also need to utilize state-of-the-art technology to modernize cargo and passenger handling infrastructure in our ports.

An important area requiring our serious attention is marine pollution, which affects marine life and eco-systems. Protection of our eco-system must become an integral part of our scientific research and maritime industry. This intellectual gathering here will be doing yeoman service by giving priority to this.

India is becoming a great maritime power. We have all the necessary resources for this at our command, both human and material. What is required is a clear vision, dedication and sustained application.

*Jai Hind.*

## A Report on PMAESA and CIOA Council Meetings at Swakopmund, Namibia

24-30 October, 1999

By Alex J. Smith, IAPH Liaison Officer for African Affairs

THE Port Management Association of East and Southern Africa (PMAESA) and the Cruise Indian Ocean Association (CIOA) are closely inter-linked by common membership and objectives. It was appropriate, therefore, for the two organizations to meet jointly in Swakopmund, Namibia, from 24 to 30 October, 1999.

CIOA's Council Meeting was significant in that the Association was formally constituted, its membership confirmed, its logo established and its marketing strategy for 2000 adopted.

The opportunity was taken by IAPH's representative to wish CIOA all best wishes for in its future endeavours.

Unavoidable circumstances, including the sad death of Mwalimu Nyerere, Tanzania's first President, reduced the numbers present for PMAESA's 25th Council Meeting. Nonetheless, representatives were present from seven member countries, and five international organisations, including IAPH.

The Council Meeting was formally opened by the Honourable J.M. Shaetonhodi, Deputy Minister of





Front row centre – The Honourable J.M. Shaetonhodi, Deputy Minister of Works, Transport and Communications.  
To left – Mr. Jason Rugaihuruz, Acting Chairman, PMAESA.  
To left – Mr. Alain Mace, Chairman of Port Council, Reunion, and President, Cruise Indian Ocean Association.  
To right of Minister – Mr. Dirk Conradie, Chairman, Namibian Ports Authority.  
To his right – Mr. Wessie Wessels, CEO, Namibian Ports Authority.  
To his right – Mr. Olivier Hartmann, Secretary General, PMAESA.

Works, Transport and Communications of the Government of Namibia.

The business of the 25th PMAESA Council Meeting was particularly important in that it dealt, in the main, with the finalisation of the detail of PMAESA's restructuring process.

The Meeting also acknowledged PMAESA's commitments as a founder member of the Pan-African Association for Port Cooperation (PAPC); agreed proposals for inclusion in a suggested programme for the Second Pan-African Port Seminar to be held in Abidjan, Cote d'Ivoire, on 22/23 February, 2000; expressed support and all appropriate assistance for the Lake Victoria Project to improve safety of navigation and marine environment protection which has been agreed jointly by the Governments of Kenya, Tanzania and Uganda;

Goodwill messages received from the international organizations present, including IAPH, were gratefully acknowledged by the Chairman of the Meeting, Mr. Jason Rugaihuruz, Port Director, Dar es Salaam, Tanzania.

## Join the Committee on Communication & Networking!

**L**AUNCHED in Kuala Lumpur, this Committee is one of the initiatives resulting from the work carried out by the IAPH 2000 Special Task Force.

The Committee will seek to encourage more communication to promote the port industry around the world and more exchanges between the Association's members so that they feel more involved in the work carried



José Perrot  
Chairman

out by the Technical Committees. Ultimately, the aim is to make the Association more efficient and useful for everybody.

Extensive use of the Internet will be a vital aspect of efforts to meet these objectives. At the same time, proposals, comments and remarks received through other means will be welcomed.

If you require more information feel free to contact José Perrot - Port of Le Havre Authority at:

Fax: 33 (0)2 32 74 73 92

e-mail: JP.rel-ext@havre-port.fr

## IAPH Membership Directory 2000: Quick Return of Entries Requested

**B**Y the end of October, a total of 96 out of 218 Regular Members had sent to the Tokyo Head Office the completed entry forms for the 2000 edition of the IAPH Membership Directory. As for the figures for the Associate Members, 45 out of 110 members had completed their entries for the 2000 Directory.

As for the tonnage report for the biennial survey of the Regular Members, by the end of October 1999 replies had been

received from 100 out of 218 members.

Secretary General Inoue sent a letter asking those who have not yet responded to the tonnage survey or returned their completed entry form for the Directory 2000 to communicate with the Head Office on the new situation concerning their organizations and the tonnage handled in the latest year for inclusion in the new edition of the Membership Directory as soon as possible.

## Obituary

### Mr. Ralph Latta, Mr. Jack Boddy of Taranaki

**S**AD news concerning Mr. Ralph Latta and Mr. Jack Boddy of Taranaki reached the Tokyo Head Office on 19 October 1999 from Mr. Ron Snodgrass, Chief Executive, Westgate Transport Limited, New Zealand. Mr. Snodgrass's letter of 19 October, faxed to the Secretary General, was as follows:

Dear Dr. Inoue:

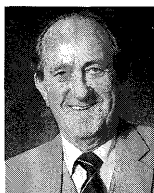
Sadly I have to inform of the tragic accidental death of our long serving and most esteemed Chairman, Mr. C. R. (Ralph) Latta. Mr. Latta, a very experienced climber and tramper, died on his beloved mountain Egmont/Taranaki, on Sunday 17th October 1999.

His sudden passing has been a great shock to us, leaving a large void in our ranks. Mr. Latta was Chairman of our port company Westgate Transport Limited from the time it commenced operations in 1990, and was a member of the board of its predecessor the Taranaki Harbours Board.

During his involvement in our industry he developed a keen interest in port affairs, both in New Zealand and internationally. He traveled extensively overseas making



Ralph Latta



Jack Boddy

many acquaintances and friendships with port people worldwide. Mr. Latta attended the three IAPH World Ports Conferences beginning in Seattle in 1995.

Ralph Latta is survived by his wife Jocelyn and their three children. His funeral is to be held in his hometown Hawera on Wednesday 20th October 1999.

Again sadly I also report the recent death of Mr. J. (Jack) G. Boddy, in New Plymouth on 30th September 1999. His wife Pat predeceased him two years ago and he is survived by their three sons.

Mr. Boddy was the General Manager of the Taranaki Harbours Board at the time of his retirement in 1978, when I succeeded him. He was the most senior executive of that former authority for seventeen years, during which time much capital development work was completed and progress made.

Jack Boddy, like Mr. Latta, had wide interests and involvement in community and port matters. He also travelled extensively overseas during which time he attended a number of IAPH biennial conferences.

I regret having to bring these sad tidings to your notice.

Sincerely,

Ron Snodgrass  
Chief Executive

Upon hearing the news, Mr. Dominic J. Taddeo, President of IAPH, who is President & Chief Executive Officer, Montreal Port Authority, and Dr. Inoue, Secretary General of IAPH, asked Mr. Snodgrass to convey the deep condolences of the IAPH officers, members and the Tokyo Head Office staff members to the bereaved family members of Mr. Latta and Mr. Boddy and our other friends at the Port of Taranaki.

## Visitors

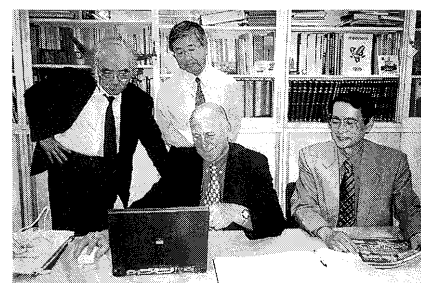
**O**N 10 October, Mr. Donald C. McRory, Executive Director, The Port of Memphis, Tennessee, USA, visited the IAPH Head Office, where he was welcomed by Deputy Secretary General Kondoh and Under Secretary Takeda. Mr. McRory was in Japan to attend the 24th Annual Joint Meeting of the Japan-U.S. Southeast Association (SEUS\*) & the Southeast U.S./Japan Association, held from 3 to 5 October 1999 in a Tokyo



hotel. While in Tokyo Mr. McRory visited the Port of Tokyo, escorted by Mr. Kondoh. Mr. McRory (right) presents a book on Memphis to Mr. Kondoh in the IAPH Head Office.

*\*Notes: The member States of SEUS are: Alabama, Georgia, Florida, North Carolina, South Carolina, Tennessee and Virginia.*

On 12 October, Captain Frank Goodwin, Marketing Director, Marine & STS Transfer Services Ltd., Norfolk, UK, accompanied by Mr. Soka K. Kikuchi, MBC International, Yokohama, who is a Life Supporting Member of IAPH, visited the IAPH Head Office, where they were welcomed by Secretary General Inoue and his staff.



*Captain Woodwin (seated, left) demonstrating on his PC screen the newest STS operations recently carried out off the North Sea, while Mr. Kikuchi (seated, right), Mr. Kondoh (standing, left) and Dr. Inoue are watching.*



### PORT OF NANAIMO PORT DE NANAÏMO

P.O. Box 131, 104 Front St.  
Nanaimo, B.C., Canada V9R 5K4

Tel: 250-753-4146  
Fax: 250-753-4899  
e mail: info@npa.ca

#### Status Change

Effective July 1, 1999 the corporate status of the Port changed under the Canada Marine Act and it has become established as a Canada Port Authority under the registered name of Nanaimo Port Authority.

#### Changement de Statut

A partir du 1er juillet, 1999 le statut de la corporation du Port a été changé par le loi maritime du Canada et a été établi officiellement Administration portuaire canadienne sous le nom enregistré Administration portuaire de Nanaïmo.

# OPEN FORUM

## Green Award helps ports to keep their 'licence to operate'

by Hans de Goeij

Green Award's Managing Director

**C**ARE for the environment is becoming an ever more important policy priority for port authorities. This development is rooted in a sense of social awareness and responsibility for the quality of the world which we are leaving to our children. However it is also inspired by the fact that the directors of the port authorities, like the heads of other organisations, are required to take account of legislative demands and the watchful eye or government bodies, social organisations, the media and the general public. A port authority has to earn its 'licence to operate' each and every day and to prove its worth accordingly. Not only the quality of the procedures of the port authority and its staff are under scrutiny. After all, the most precarious situations in ports are often in the hands of the ships and their crews.

### WIN-WIN

This being the case, it is hardly surprising that port authorities throughout the world have expressed great interest in the Green Award Foundation initiative. Since it was established in Rotterdam in 1994, this organisation has been working to improve the quality of international tanker shipping, particularly with regard to the environment and safety. In pursuit of this goal Green Award has opted for a structure which can best be described as

'win-win'. The underlying principle is therefore that both the shipping companies and the ports will benefit from a safe and environmentally sound shipping sector. The world in which we live, our environment, will profit from the synergy which exists between the interests of ship owners and port authorities.

### INCENTIVES

The Green Award approach can be summed up as follows: ships whose



management and equipment meet stringent but realistic safety and environmental requirements, can obtain a certificate. This certificate, the Green Award, entitles the holder to a number of benefits. The most important of these incentives is a reduction in port charges. Over one hundred ships have obtained such a certificate in recent years. Until now all of them have been oil and product tankers exceeding 20,000 tonnes dwt.

### EXTRA safe, extra sound

With the year 2000 fast approaching, more and more ship owners, port authorities and 'incentive providers' (suppliers to the shipping sector) are realising that the shipping sector will have to make additional efforts to ensure its enduring social acceptance in all corners of the world. In order to achieve this, it is not enough that a ship, its crew and its management fulfil the minimum legal requirements drawn up within the framework of the International Maritime Organisation (IMO). The philosophy behind the Green Award is that all parties involved will benefit from extra safe, environmentally sound ships and that it is preferable to start now by working in accordance with rules which undoubtedly be made obligatory in some form or other in the future.

### INSURANCE premiums

The Green Award campaign really began to gather momentum from 1999 onwards. On 4 September 1999, the managing director of Kuwait Oil Tanker Co., Abdullah Al Roumi, was presented with the one hundredth Green Award by the Dutch Minister of Transport, Public Works and Water Management, Tineke Netelenbos. At this occasion, Mister Al Roumi highlighted the fact that the benefits to Green Award ships are not only limited to the official advantages associated with certification, observing that

insurers are coming to recognise more unequivocally that a Green Award ship represents less of a risk for them, thereby enabling owners of Green Award ships to negotiate lower insurance premiums. Almost all major tanker shipping companies maintain contacts with Green Award.

### GROWTH

As the shipping sector becomes more and more convinced of the formal and informal benefits associated with the Green Award, the number of applications for certification is growing. The number of ships is increasing so rapidly as to test Foundation's executive body, the Bureau Green Award, to its limits. But that is not all. The Green Award Foundation is also receiving more and more applications and requests for information from port authorities who are eager to become part of the Green Award programme. They are convinced that they can earn back the discount that they grant to the Green Award ships which call at their ports, either directly or indirectly. The Portuguese ports of Sines and Leixoes are the most recent additions to the Green Award's ranks and Portugal is now the fifth country with ports participating in the Green Award plan.

### ORIGINS

The origins of the Green Award lie in Rotterdam, the city where its current offices are also located. Of course Rotterdam is also home to world's largest port in terms of transshipment tonnage. The Port of Rotterdam offers tankers with a Green Award a premium based on a discount of 6% on its port charges. Various service providers in the Port of Rotterdam, including tugboat operators and pilots, also offer premiums to Green Award ships. Since 1999, the Green Award Foundation has been operating, also financially, as an independent international body with contacts throughout the world.

### QUALITY boost

The experience of the first five years has shown that the certification of the ships' crew and office staff has resulted in significant boost to quality. On the basis of the minimum requirements, 40%

of the audit is concerned with the hardware, the provisions of the ship itself. For the remaining 60% of the audit, the surveyors focus on working methods, the procedures ashore and on board the vessel. The reason for this approach is that a well-trained crew and shipping management who also know what to do in the event of an emergency are of the utmost importance in difficult situations.

## Independence

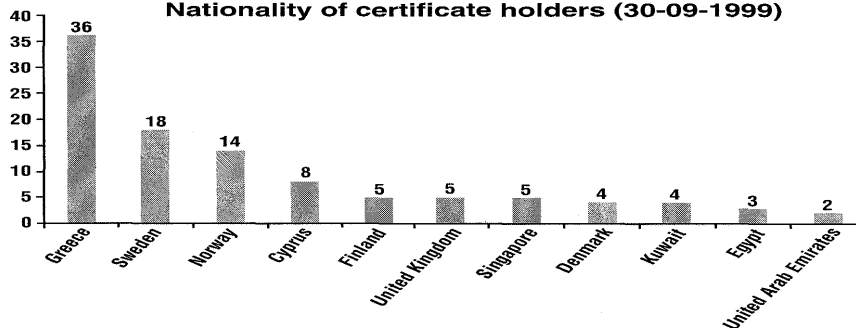
The Green Award Foundation was established in 1994 as an initiative of the Rotterdam Port Authority. For the first few years, the foundation operated under their auspices as well. In the course of 1998, the Committee decided that the time was ripe for the Green Award to gain its financial independence, out from under the wing of Rotterdam. On 11 December 1998, the official opening of the Green Award Foundation's new office took place in Rotterdam's port district. Georgette Lalis, the European Union Commission's director of shipping, performed the opening ceremony and also launched the Green Award's Internet site ([www.greenaward.org](http://www.greenaward.org))

## THREE priorities

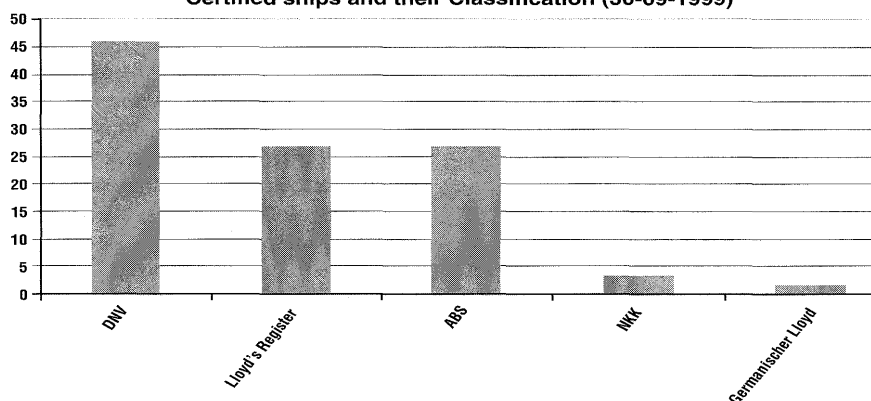
In my capacity as managing director of the Green Award Foundation, I will be according priority to three objectives in the year 2000:

1. Rapid processing of the increasing number of certification applications from shipping companies. In an effort to cope with the growing influx of applications for the certification of ships, the Green Award Foundation has significantly expanded its network of agents and surveyors in recent months. Green Award surveyors are able to carry out their work in all the world's ports, often with the co-operation of the local authorities.
2. Strengthening the ties with those ports which have not yet entered the Green Award programme. It goes without saying that the aim is to get all ports where oil and product tankers represent a substantial share of shipping to take part in the Green Award programme within the foreseeable future. This goal is not yet within reach, but more and more port authorities are coming to realise that they have something to gain from a safe and environmentally sound shipping sector.
3. Expanding the scope of the Green Award programme to other cate-

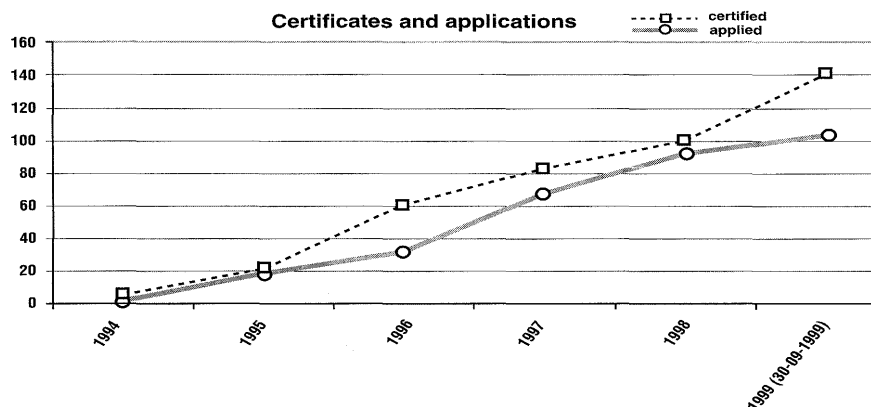
Nationality of certificate holders (30-09-1999)



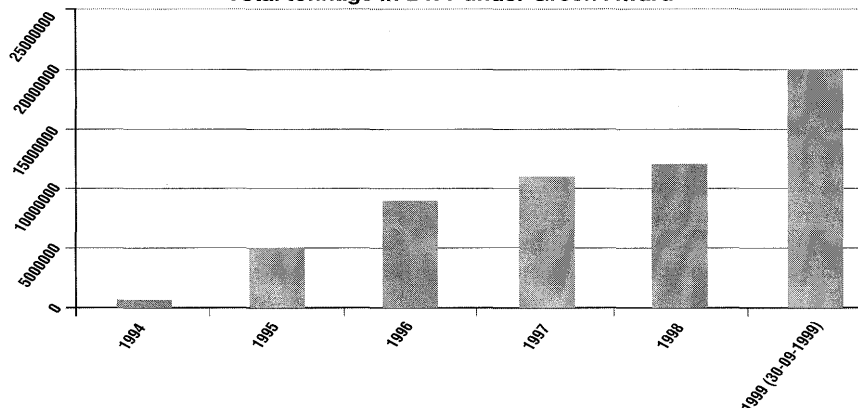
Certified ships and their Classification (30-09-1999)



Certificates and applications



Total tonnage in DWT under Green Award





gories of ships, starting with dry cargo bulk ships. The Committee of the Green Award Foundation is expected to act on the advice of the Board of Experts and approve the system of conditions for the certification of dry-bulk ships in the course of 1999.

## A PPEAL

The year 2000 will be an important year for the global shipping sector as a

whole and for the Green Award in particular. Shipping companies throughout the world are on the threshold of deciding whether or not to invest in Green Award certification. Potentially around 1,600 ships (i.e. oil and product tankers of 20,000 tonnes dwt which are not yet in possession of a Green Award) could qualify for certification as long as hardware, procedures and management comply with the stringent but realistic requirements of the Green Award. These shipping companies are more likely to

take a positive decision if more of the world's port authorities announce that they intend to enter the Green Award plan. For this reason I appeal to the management of ports where tankers and dry-bulk ships form a significant proportion of the clientele: overcome your hesitation and join the Green Award plan. Your port will benefit both directly and indirectly. A safe and environmentally sound international shipping sector will more than offset the modest investment in a Green Award.

# Legal Challenges For Ports In The New Millennium

## INTRODUCTION

Incidents at sea, such as the *Herald of Free Enterprise* where a cross-Channel ro-ro ferry capsized and sank with the loss of 179 lives; the collision between *The Bowbelle* and *The Marchioness* on the river Thames where 51 party-goers drowned when *The Marchioness* sank; the *Exxon Valdez* where a tanker grounding and resultant oil spillage resulted in one of the most-publicised clean-up efforts of the century; and in the air, where the recent action against the company that carried out the maintenance of the *ValuJet* plane which crashed into the Everglades swamp; are indicative of society's frustration and impatience with lax management, which leads to accidents resulting in death, injury and damage to property and the environment.

In the case of the *Herald of Free Enterprise*, a series of small errors on the part of various crew members led to the vessel sailing, down by the head, with her bow doors open. As the vessel gathered speed, water from the bow wave flowed into the car deck and the resultant free surface effect caused the vessel to lose stability and she capsized and sank. Although the various crew members were all doing their assigned job (albeit some of them not

by Captain Dr. Peter Heathcote

Regional Maritime Legal Advisor  
Regional Maritime Programme  
Secretariat of the Pacific Community

very well) the real cause of the accident was lack of overall co-ordination and an absence of safety policies. The Sheen Report investigating the capsizing found that the true fault lay in the company itself, which was "infected with the disease of sloppiness". Although the company was clearly responsible, because it had not appointed anyone in charge of safety, it was difficult to hold any individual responsible. Had the company had a safety policy and had they appointed a safety manager, then, even though this might have been a lowly position within the company, the prosecution for manslaughter might have succeeded since there would be a clear failure to adhere to their own policies. In a sense, as a result of this case, a company might be immune from prosecution if it fails to enunciate a proper policy and appoint someone responsible for safety matters.

On 20 August 1989, a group of young people went on a Thames riverboat, *The*

*Marchioness*, for a birthday party. Several hours later, 51 passengers from the boat were dead. *The Marchioness* had been hit by the 1,500 tonne dredger, *The Bowbelle*, and the party-goers were thrown into the river or trapped in the vessel by loose furniture. *The Bowbelle* had been involved in more than half the 18 collisions on the Thames in the previous 20 years. The design of the dredger severely hampered visibility and radio contact between river craft was poor. *The Marchioness* had been modified over her long life span to carry more passengers and, as a result, the visibility from her wheelhouse was restricted. The companies involved might have been successfully prosecuted for corporate manslaughter or other act involving criminal, as opposed to civil, liability. However, the need to prove *mens rea* (a guilty mind, or the intention to act recklessly in disregard for safety) in a criminal action is difficult in a corporate setting when the actions of the corporation are in fact the actions of its directors and senior executives.

There can be few people left in the world who have not heard of the *Exxon Valdez*, a United States registered tanker which grounded in the pristine waters of an

**D**R. Peter Heathcote, Regional Maritime Legal Advisor, Secretariat of the Pacific Community presented the paper at the 25th Anniversary Meeting of the Association of Pacific Ports (APP) held in Nuku'alofa, Tonga from 13 to 17 September 1999. The Association, which used to be known as the South Pacific Ports Association (SPPA), has changed its name to the Association of Pacific Ports. The author will welcome any questions or comments from our readers, which should be sent to:

**Captain Dr. Peter Heathcote**

Regional Maritime Legal Advisor, Secretariat of the Pacific Community, Private Mail Bag, Suva, Fiji

E-mail: [PeterH@spc.org.fj](mailto:PeterH@spc.org.fj)

Alaskan sound and whose cargo fouled the environment - all of which took place on prime time television in real time. There was some inference that the Captain had consumed a couple of beers in the afternoon, but he was not on the bridge several hours later when the grounding occurred. The Third Mate was Officer of the Watch at the time, but although the world heard of Captain Hazelwood, nobody even knew the name of the man on the bridge at the time. Exxon Corporation was soundly criticised in the media and was known to have deep pockets. There were instances of clean up gangs scrubbing oil off rocks with small, stiff brushes - some media reports said toothbrushes. It might have been true, but the whole thing was a media fiasco - and it has cost, and will continue to cost Exxon billions of dollars in claims for everything from damage to fishing boats and gear to loss of amenities.

On 05 November 1996 a DC-9, ValuJet Flight #592 en route from Miami to Atlanta crashed in a swampy area 15 miles from Miami. According to transcript of the cockpit tape, the pilots reported "Smoke in the cockpit" and fire in the passenger cabin. There were reported to be 110 souls on board, all of whom perished. The impact area was entirely underwater and rescuers reported difficulty in reaching the scene. ValuJet claimed that its maintenance contractor mislabelled five boxes of hazardous oxygen canisters and put them on ValuJet flight 592 in order to get them off the slop floor in Miami and ship them back to Atlanta. In January 1997 SabreTech voluntarily surrendered its repair station certificate to the FAA. In a very recent news item, mechanics employed by SabreTech were found to be negligent in their maintenance practices and responsible for the deaths of all aboard the aircraft. SabreTech has since gone out of business.

These cases indicate an increasing tendency of the Courts, presumably reflecting the will of society, to hold corporations (and even individual directors or managers) responsible for their actions if these lead to death, injury or damage, which if they (and the company generally) had not been so negligent, could have been avoided. Just as individuals owe a duty of care to others, corporations are being required to show a similar duty of care not to poison or pollute, kill, maim or injure their employees, customers, or members of the public at large. At a time when many ports in the Pacific are being corporatized or privatized, directors and managers should sit up and pay attention to the way in which the world of corporate culpability is changing.

## SAFETY

Society is tending towards a zero toler-

ance to all acts that cause death, injury or damage. Ports Authorities must strive for the complete elimination of accidents in their corporate philosophy and their actions. Accident reduction must be "top of mind" and all corporate decisions and actions must take into account accident prevention. Companies dealing in transportation or other sectors where accidents are prevalent must develop safety management plans, policies and practices, especially if they are dealing with hazardous/dangerous goods. Ports Authorities would be well advised to develop, and regularly exercise location-specific Contingency Plans, where the thinking about reaction to an incident is done well prior to any accident, before such plans become a requirement at law. Employees generally, are increasingly demanding safer working conditions and in many countries Occupational Health and Safety legislation requires that companies maintain strict standards in the manner in which they do their business and prescribe the use of safety clothing and equipment, proper training and the adoption of safe practices. Stacking containers seven high using stevedores wearing only a pair of shorts and flip-flops and hanging on the end of a sling will not be tolerated much longer, however much braggadocio on the part of macho stevedores. Furthermore, union demands for safer practices will raise the stakes and maybe increase costs, but should reduce the incidence of accidents and make for a safer work place.

## OPERATIONS

In the next millennium there will be continued pressure on maximising return on assets. One strategy to achieve this will be by minimising damage and losses through pilferage and theft. Another way of maximising returns will be through improvements in employee scheduling which may entail more night work. This in turn will impact on safety (more lights, more visible clothing, and reflective surfaces) but could easily result in higher levels of pilferage and theft if supervision levels are lower. It is predicted that the new millennium will bring stricter liability for cargo. No longer is trade "an adventure" between the merchant and the owner of the ship, where no one really knew if the forces of nature would overwhelm the ship when uncharted rocks and reefs were the order of the day, combined with the vagaries of the weather its impact on sailing ships. Now with global positioning systems, satellite communications, weather routing and electronic commerce, there is no good reason why cargo should not be delivered to the door of the consignee in perfect condition. Anything less is unsatisfactory and will not

be tolerated. Ports have a major role to play in the door-to-door movement of cargoes and they must provide quality service to their clients. If not, competition will sweep them away. If there is no competition, then public sentiment (and the business lobby) will ensure that the incumbent management will be swept aside, especially after a change of government. Accidents involving injuries to employees will be dealt with either through a Worker's Compensation Fund or if there is no such agency, compensation will have to be paid to the employees or his heirs and dependants by the corporation. Increasingly in the Pacific, Courts are awarding damages for the death of an employee caused by negligence of an employer in amounts that measure the employee's earning power over the remaining period of expected employment. For a young person with a family, these amounts can be quite significant. For those Ports Authorities that provide pilotage services and navigation aids, a higher standard of care is being extracted by users. While it is doubtful that port Authorities will ever be strictly liable for the actions of their employees, especially pilots, they will be expected to exercise due diligence in the hiring, training, performance monitoring of pilots. It will not be sufficient to say that a pilot had the requisite certificate of competency and some perfunctory training before he was allowed to start piloting ships. The authority may have to show that the pilot had all requisite training, including simulator training, and has been regularly checked out for competence, health and drug usage. Ports authorities responsible for NavAids will not only have to ensure that buoys and beacons are lit, but that there are sufficient and appropriate. The same standard of care applies to dredging, mooring bollards, safety and security. Boards of Directors and Operating Officers will have to be ever vigilant. Just maintaining the present arrangements will be insufficient if ships using the port are larger and are entering and leaving at all hours and at all stages of the tide. Directors and managers will be expected to be knowledgeable of new technology and emerging trends in the industry worldwide.

## PERSONNEL

Port Authorities in the next millennium should expect increased worker demands, not just for higher wages, but for job security, benefits and better, less demanding work practices. One way to avoid confrontation on these issues is through improved union-management dialogue that can discuss measures to be phased-in over time. At the same time, management should be prepared for intermittent work

stoppages - for several reasons, not least of which is union militancy as expectations rise among their membership. As the work of moving cargo on to and off a ship requires more skill and less brawn, workers are going to think they should have a larger share of the pie. This might be diffused with greater worker participation, either forced by the unions or led by management. Sometime it is better to meet the issue head on, instead of ducking it or pretending it does not exist. Even the ostrich should expect a kick in the backside if it puts its head in the sand. Job security and demands for permanency of employment can be expected. These might be difficult to address, especially if the number of ships using the port does not fully utilise all the facilities, or is not regular over the month. As years go by, port authority management may find it increasingly difficult to lay off, or fire, employees. In developed countries, employees seem to obtain entrenched rights so that downsizing is difficult, and even dismissal for cause must have a watertight case to support it. It is better to exhibit extreme caution in the hiring process, rather than be cavalier with an employee who seems to fit the bill, but then just does not fit in. Like the carpentry adage, "Better to measure twice and cut once". Finally, management can expect to find itself involved with drugs in workplace; whether it be prescription drugs misused; the use of prohibited or controlled substances; alcohol abuse; or any number of issues that impact on the employee's ability to perform. Increasingly, the employer is having to take responsibility for what the employee does at his worksite, or his safety if he presents himself at the worksite in an unfit condition. This is a very fine line to draw, and port authorities may need to take advice from an expert on some of these emerging employee/personnel issues. They could have major legal implications if not handled properly.

## ENVIRONMENT

It goes without saying that pollution and the preservation of the environment are big issues these days. In developed countries, governments are goading industry to clean up their act. Owners of abandoned factory sites, dumps, waste storage facilities are being required to be restored to their original condition. Rivers are being cleaned up and alternative methods have to be found for unwanted materials generated by industry and households alike. In these days society has zero tolerance for pollution and this is not expected to change in the future. In the Pacific, with its normally pristine environment, this has a greater significance. Most of the region is pollution free, although hard-core areas of pollutants

can be found on the foreshore and in the coastal waters in some places where industry is established or population density high. Prevention is always better than cure, not just as an adage but as a fact. It is easier and less costly, but it is easier said than done. Ports and harbours seem to have more debris floating around that one would expect from the mere arrival of ships and the loading or discharging of cargo. It is easier to throw something over the side of the wharf than to dispose of it thoughtfully, like the message on plastic bags exhorts you to do. The new Marine Pollution Prevention Act developed jointly by SPREP and SPC and funded partially by IMO embodies the "polluter pays" principle. It requires potential polluters, ships and terminals, to contribute to a Marine Pollution Trust Fund for the acquisition of containment, dispersants and clean-up equipment, as well as response action in the early stages of a marine spill. Funds expended on the clean up will be recovered from the polluter. The Trustees of the Fund will include representatives from the shipping and oil industries. However, the real thrust of the legislation is pollution prevention and the legislation contains sections requiring adherence to most of the provisions of the International Maritime Conventions dealing with pollution. Another area requiring attention by port operators is the provision of waste reception facilities for oil and oily waste, chemicals and their residues, garbage and sewage. The requirement of States to ensure the provision of facilities for the reception of these wastes adequate to meet the needs of the ships using their ports without causing them undue delay, is the quid pro quo for prohibiting ships from discharging these substances at sea. However, nowhere in Regulation 12 of Annex I, Regulation 10 of Annex of Annex IV and Regulation 7 of Annex I of MARPOL 73/78 does it state that (a) the State has to provide these reception facilities; or (b) that they have to be provided free of charge. Contracting States only have to ensure their provision according to the needs of the ships using their ports. Another thorny issue for port executives and directors is that of dredging & spoil disposal. This is covered by the London Convention and is included in the new draft Marine Pollution Prevention Act. The London Convention does allow the dumping of dredged spoil and the new Act requires to issuance of a Dumping Permit, which specifies the conditions under which spoil may be dumped.

## COSTS

The containment of costs may not be as much of a life and death matter to ports in the Pacific as it is to ports in Europe and

North America that compete with each other. However, inefficient service and resulting high costs can affect a nation's economy by making exports too expensive to be competitive on world markets, and increasing the cost of imports, thereby hijacking manufacturers and consumers. However, ports should certainly seek to ensure that revenues cover the cost of providing services, leaving some retained earnings for future development and expansion. Governments are cutting back their services as revenues decline, either as a result of the global financial crisis, or cutting taxes in an attempt to stimulate their stagnating economies. In any event, the government cannot be guaranteed to come up with the necessary cash for expansion or development. And why should they? If the proposal is sound, it should have a reasonable rate of return on investment, and commercial banks and other lending institutions speak that sort of language. So, while cost recovery is essential to survival, too much margin, resulting in high port dues may send international shipping companies to other ports nearby, possibly in neighbouring countries, where costs are cheaper. Another area where costs are involved is in the area of safety, but this is invariably a good investment. If safety is considered important and stressed from the highest level of management, it will become a way of life to all personnel involved in port work and in the long run will avoid large damage awards and high insurance premiums. A shipping company operating in the Pacific Region received the report of a safety audit conducted by its brokers/underwriters. When the company implemented the recommendations they asked for, and received, a considerable reduction in premium.

## LEGAL

The elected members of legislative assemblies are beginning to enact legislation that contains many more strict liability provisions. In the event of a major pollution incident resulting in damage to third parties in irredeemable degradation to the marine environment, legislators do not want to have to prove negligence before the polluter is required to pay to costs of cleaning up the mess he made. The attitude of society today is that if you engage in a business that can cause damage to others or the environment, then you had better do it very carefully and if you make a mess in the course of your business, then you pay the costs of restoring everyone and the environment to the state it was before you made the mess. There is a belief that big business, and government, both have extremely deep pockets and should be prepared to pay the innocent

who have suffered damage as a result of their activities, irrespective of any negligent act. Furthermore, there is more legislation in every country than there ever was, plus the incorporation of international conventions and codes. In Europe the legislators have gone mad and there are laws and codes for everything imaginable, yet we continue to be astounded by their amazing imagination. Let us hope we never get to that extreme, but the law is invading our corporate, and private, lives to a greater degree with each passing year. One area where the number and complexity of law is expanding is in the area of employee safety. In developed countries legislation, regulations and codes affecting employees are numerous, and there is no reason to believe that they will not be imported into the Pacific Region. Again, if improved employee safety is secured, one would think it is beneficial, but when laws propagate like weeds they are about as useful as weeds. It takes time to interpret laws, time to implement their provisions, time to train employees, and sometimes common sense is lost - especially if the law is not very good in the first place. However, some form of safety legislation is desirable, but it is in the attitude of managers, supervisors and workers that safety really works - together with a little good, old-fashioned common sense. To protect against corporate liability for the inevitable accident (they sometimes happen within the best of safety regimes), management should think of risk management and perhaps insurance, especially if there is no national provisions for compulsory workmen's compensation. Another area where insurance might help is in the area of director's and manager's liability. Today, as we have seen, senior management, the directing mind of the corporation, is increasingly being held liable for the failure to institute policies to prevent accidents from happening. It would be prudent to assess that risk and determine whether it made economic sense to insure against that risk. In North America, it has been increasingly difficult to attract good, experienced and competent persons to the boards of directors of some corporations, because of the potential liability. In some jurisdictions, the corporation is prevented from paying the premiums for director's liability, leaving the directors themselves to foot the bill to indemnify themselves. It would happen in the Pacific Region at some time in the future. Finally, corporations are increasingly being held responsible to damage to the environment, irrespective if any individual's interests have been affected. So, if you have a small but continuous leaching of oil into your harbour, you should determine the cause of it. As a director or member of the executive of

a port authority, you may be responsible for it, and liable for any ensuing damage to the environment.

## MANAGEMENT

As the world unfolds, there is an increasing pressure on businesses to perform efficiently, and on business-men and -women to work harder, smarter and more effectively, to ensure that nothing goes wrong. Shareholders, and that may mean the Government in some cases, will expect greater gains. You run fast so that you have to run faster the next year. Some of you will have to worry about survival in light of competition from other ports. Others will be under increasing pressure from governments to do more with less. There will be pressure from trade unions to maintain the status quo, or offer large "golden handshakes" to those who are deemed redundant. At the same time as this is occurring, there will be demands from politicians, the media and others for greater transparency, especially in the tendering process and award of contracts. This is probably a good thing although it takes thought, planning, correct execution, and sometimes, a thick skin. Auditors will be angling to carry out "comprehensive" or "value-for-money" audits, to ensure that the directors and senior managers are carrying out their duties according to their mandate outlined in the corporation's founding documents. All round there will be demands for more from less and you will be seen to be failing in your job if you cannot produce. In publicly traded companies heads roll if profits are down for more than two successive quarters, or that profits have not met market analysts forecasts. One area where it can be virtually guaranteed that more management time will be involved is in the area of Port State Control and detained ships. This is not to say that ports get involved in Port State Control, although the politicians in one country thought they should, but the question will arise as to what to do with a ship that was scheduled to sail at 1400 hours today that has been detained in the port until repairs are effected, which expect to take at least three days to carry out. Who is responsible for the cost of berthage, and more importantly, who is responsible for the loss of revenue if the ship scheduled to arrive at 2000 decides to go to another port or simply over-carry the cargo, because it cannot afford to sit at anchor for three days awaiting a berth?

## CONCLUSION

Although no one can predict the future with any degree of certainty, we can draw some conclusions based on past experience and present trends. It seems as

though directors and executives of ports should expect a tougher environment in the 21st century. This unfortunately seems to result from more pressure on business leaders. Managing a port will be less fun than in the last few decades. The new element of strict liability for many actions resulting in damage to third parties and the environment and the demand that senior managers/directors be held responsible for actions of corporations will mean that a considerable amount of time will have to go into planning how to avoid accidents, and if and when they occur, how to contain them and minimize their effect. Part of any such plan should consider how best to deal with the media and legitimate demands for information from other parties. This in turn will mean the need for training existing employees or even hiring new people with skills in critical areas. On the one hand there will be a need for flexibility to deal with more numerous issues with ever-increasing complexity, while on the other hand you will be expected to keep more records for government statisticians, quality management auditors and others who invade your office demanding information. But above all else in this pressure-cooker world, you will need good legal counsel and a handy supply of antacid tablets.

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This is an edited version of a paper presented to the Association of Pacific Ports Annual Meeting in Nuku'alofa, Tonga in September 1999



# WORLD PORT NEWS

## World Maritime Day 1999

### IMO and the New Millennium

A message from the Secretary-General  
of the International Maritime  
Organization

Mr. William A. O'Neil

A hundred years ago, as the world was poised on the brink of a new century, few people believed their lives would be changed to any great extent. Life, it was assumed, would go on much the same as it always had done – and that included life at sea. Time showed them to be wrong. More changes took place in the twentieth century than during the whole of previous history.

Today, as we approach not only another new century but a new millennium as well, most of us anticipate that the changes which lie ahead will be enormous. While we cannot predict precisely what they will be, we can make a few educated guesses about what will happen to our own industry, shipping.

As the world's population continues to grow, so the need for food and goods will increase. As a result, trade across the oceans will rise – and so will the demand for ships to carry it. As the developing countries reach maturity they will need more food, more raw materials for their expanding industries, more fuel to satisfy their increasing energy needs and, on the other hand, they will also have more goods to export. This means that shipping will play an even more important role, because ships will remain the best, most economical and most environmentally friendly means of transport available.

The accelerating changes in technology will affect ships themselves. One major change will be in the speed of the vessels. Today most merchant



ships operate at 20 knots or less, not much faster than they did fifty years ago. But already innovations in design have provided passenger ships that can travel at 50 knots and within a few years we can anticipate that even this speed will be substantially exceeded. Later, cargo ships will follow the same path.

We can expect to see major changes in ships' propulsion. A hundred years ago, sailing ships were still common and most powered ships used coal. Today nearly all ships are fuelled by petroleum products. But as the new Millennium wears on, they will become increasingly scarce. What will the ships of tomorrow turn to as a fuel source? Nuclear or solar energy perhaps? Will sail make a return? Or will something completely undreamed of now be developed?

While ships will become faster, they could also become bigger. But this will only happen if the economics and logistics of larger vessels are positive. If we look into the evolution of tankers and some of the grandiose plans of the past, I suspect that it will be many years before even larger vessels are built.

But ships will certainly become more complex. They will be fitted with more powerful computers and the links to shore by satellite communication systems will become increasingly sophisticated. Their navigation will become more dependent on electronic innovations such as the global positioning system, which will be combined with electronic charts and automatic alerting mechanisms to ensure that it will be impossible for a ship to disappear without a trace. Ships will become safer and they will continue to improve on their substantial achievements in pollution abatement.

In an era when change is the order of the day, it is difficult to predict with any certainty what the future holds for world shipping. But we do know that technology will provide many opportunities and that we can expect that it will also create some problems. The shipping industry must be alert to this fact and take heed of the knowledge that some accidents at sea over the last few decades have been attributed to

technological changes that were not thoroughly assessed from the safety point of view before they were introduced operationally.

To facilitate this IMO has already instigated procedures that will ensure new concepts are evaluated before they are accepted. We cannot let events unfold and then respond to ensuring disasters. We have to prevent them from happening in the first place. New technology will help in this process, because by compiling data and examining accident reports and statistics carefully we will be able to gain a better idea of what actually causes accidents.

One of the most common phrase used in shipping is that most accidents at sea are caused by human error, yet until fairly recently little has been done to try to determine why highly-skilled, well-trained professional seafarers make mistakes. We must concentrate on finding an answer to this puzzle.

This issue will become even more important as the new Millennium unfolds, because the complexity of the ships of the future will require greater expertise on the part of those who operate them. So crew training must be improved and the standards of everyone involved in shipping, on shore as well as at sea, will have to be raised. The proper implementation of the revised STCW Convention as well as the ISM Code will go a long way towards achieving these objectives. The important role of those providing the training should be highlighted because we must ensure that they are highly qualified, well motivated and are provided with a work environment and compensation package which takes into account their advanced skills and encourages them in their professional responsibilities.

We will have to pay particular attention to certain specific types of ships. For instance, passenger vessels will require special care, because so many people are involved. There have been a number of incidents in recent years in which these craft have had to be evacuated. Very few lives have been lost – but that has to some extent been a matter of good fortune. We must make sure that the existing regulatory regime

and operating procedures are capable of dealing with the tremendous increase in the size of these vessels. We cannot afford to wait for an accident to result in tragedy before taking action.

This does not mean that we need more and more regulations. IMO and the shipping industry agree that this is not necessarily the best way to raise standards, but that we should focus on ensuring that existing measures are properly implemented. Part of the problem is related to the fact that industry and Governments are having difficulties coping with the legislation that has already been produced, without adding any more to the list. Therefore, we have to make sure that conventions and regulations that are in place are applied and enforced before we set about developing new ones. The IMO Technical Co-operation programme, which has been conceived and structured as an integral component of the implementation process, will facilitate this. Its already proven usefulness will be enhanced in the future by expanding the current use of Regional Officers to other areas of the world.

There is, however, one other positive thing we can do as we prepare for the new Millennium – one factor that we can introduce ourselves and that is to change our attitude towards shipping safety and the protection of the environment. We must continue to foster a culture of safety within our industry with quality as its fulcrum. New technology will not create a culture, but we as individuals can. It is up to us to make sure that in everything we do, quality and safety are our first thoughts. During the last forty years IMO has achieved a great deal of success in dealing with its prime objectives. Accidents and total losses of ships have gone down steadily. The amount of oil getting into the sea from ships has been cut by as much as 60% and the number of major oil spills reduced by half.

It is a record that we can be proud of. But it is one upon which we must ceaselessly continue to build. That must be our goal for the future.

The task is never-ending but the rewards are immense and I am sure that in the new Millennium all who are engaged in the myriad of components that make up the shipping industry will rise to the challenge and we will further improve safety at sea and the marine environment.

## IMO Circular Litter No.2158 24 September 1999

To: IMO Members and other Governments  
United Nations and specialized agencies  
Intergovernmental organizations  
Non-governmental organizations in consultative status

### Subject: Maritime year 2000 (Y2K) contingency planning exercises

A workshop on maritime Y2K contingency planning exercises, aimed at maximising port community preparedness to deal with potential Y2K-induced disruptions and ensuring safety as well as continuity of commerce through ports, was convened in Berlin on 21 September 1999.

The Secretary-General, being anxious to ensure that all possible measures are taken to increase awareness of the year 2000 (Y2K) problem\* and to assist Administrations and industry to prepare themselves, has agreed to circulate the outcome of that workshop (annex 1), as well as the contingency plan exercise guidance prepared by the workshop (annex 2).

The Secretary-General encourages Administrations to consider conducting Y2K contingency exercise using the guidelines contained in the annexes as part of their contingency planning and

activities to deal with possible Y2K-related disruptions.

Member Governments are invited to bring the contents of this circular to the attention of port and offshore terminals as well as to shipowners, ship operators, shipping companies, seafarers, customs, port authorities, vessel traffic service operators, maritime pilots, hydrographers, classification societies, maritime communication authorities, shippers, charterers, insurance organizations and all other parties concerned, for information and action as appropriate.

\* \* \*

#### \* Of relevance are:

- MSC/Circ.804, of 9 June 1997, on *Impact of the Year 2000 on software systems*;
- MSC/Circ.868, of 27 May 1998, on *Addressing the Year 2000 problem*;
- MSC/Circ.894, of 17 December 1998, on *Addressing the Year 2000 problem: Co-operation within mandatory ship reporting systems*;
- MSC/Circ.891, of 21 December 1998, on *Guidelines for the on-board use and application of computers*;
- resolution A.852(20) on *Guidelines for a structure of an integrated system of contingency planning for shipboard emergencies*; and
- Circular letter No.2121, of 5 March 1999, on *Meeting on year 2000 (Y2K) problems*.

## ANNEX I

### Outcome of the Maritime Y2K Contingency Planning Exercise Workshop Held in Berlin, Germany on 21 September 1999\*

#### Introduction

1 Maritime Transportation Sector Workshop participants from France, Germany, United Kingdom, Italy, Russia, Japan, Canada and United States agreed on the importance of conducting contingency exercises in ports throughout the world to maximize port community preparedness to deal with potential Y2K induced disruptions, and to ensure safety as well as continuity of commerce through ports.

2 The workshop participants recommended that ports in the G-8 countries continue their efforts on completing remediation of affected systems, preparing contingency plans for ports and shipping and on conducting port

exercises with voluntary participation from the shipping industry, terminals, and facilities.

3 A Y2K Contingency Plan Exercise Guidance has been adopted and is available to any port authority, and owners or operators of any vessel or shipping company anywhere in the world. International interest and cooperation by shipping organizations for conducting exercises is key to the success of this endeavor.

#### Benefits of Y2K contingency plan exercises

4 The benefits of contingency plan exercises are a key element of the guidance contained in IMO Circular letter No. 2121 and illustrate due diligence by nations to prepare for potential Y2K induced maritime transportation disruptions. Such benefits also include:

- .1 sharing of lessons learned, open communication and synergy

- between nations;
- .2 reducing tensions that may exist between trading partners unsure of the continuity of marine transportation;
- .3 capitalizing on public-private nature of the global marine transportation system Y2K preparedness to improve links worldwide; and
- .4 providing an excellent opportunity to demonstrate to the public the seriousness of preparation activities undertaken by stakeholders in the marine transportation system.

## Methodology for contingency plan exercises

5 Worldwide Y2K contingency planning and exercising: Workshop participants developed a final action plan for exercises upon returning to their respective nations. The Y2K Contingency Plan Exercise Guidance describes potential problems, exercise steps, and contingency actions that must be anticipated in ports due to the Y2K transition. Workshop participants resolved methods for information collection and dissemination, public relations, and a suggested timeline for exercise development and execution with helpful points of contact for making port preparations. Each maritime nation was encouraged to sponsor their own exercise in a key port and share any lessons learned with the other countries in their region and their trading partners.

6 Workshop participants were encouraged to invite observers to contingency exercises and publicize port exercises via industry associations, public outreach and normal relationship. Pre- and Postexercise handout information should be prepared by the lead organization in each port. Each exercise should be chronicled for presentation at other transportation contingency planning workshops and on Internet sites available to anyone worldwide.

## Conclusion

7 Workshop participants agreed to the adoption of a plan of action by port authorities worldwide to conduct Y2K exercises. Upon completion of the workshop, a series of coordinated exercises would be conducted in ports throughout the world. Key international trade organizations should monitor and participate in exercise planning and coordination as appropriate. Post exercise reports and lessons learned should be disseminated to all participants, trading partners and neighboring states in the

region. Interested maritime nations should recognize benefits and plan their own exercises.

8 It should be noted that prior to the Berlin Workshop, representatives from a number of key international maritime trade associations offered active collaboration in these contingency planning exercises. These international trade organizations also played a leading role in drafting the Year 2000 Code of Good Practice at IMO Headquarters in London in March 1999.

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9 Participants outside the organization may include ship owners, ship operators, maritime pilots, local vessel traffic service facilities, shipping agents, port authorities, government agencies, port and offshore terminals, and law enforcement organizations. Involving such business partners in the exercise process will help ensure their awareness and readiness of Y2K issues and encourage them to work cooperatively to prepare for potential Y2K disruptions.

## Develop exercise scenario(s)

10 The objectives selected in paragraphs 5 and 6, combined with availability and interest of the participants, guide the development of the scenario. The scenario provides a brief description of the circumstances that result in the implementation of the contingency plan. For example, an oil spill may be the result of Y2K induced failure(s) of a flow rate or a liquid level sensor at an oil reception facility. The contingency plan relating to the control and remediation of the spill must be implemented. The exercise itself will test aspects of the contingency plan.

11 Exercises vary over a continuum of complexity from merely tabletop or telephone discussions through simulated system casualties to full scale testing and deployment of personnel and equipment. The following terms may be used to describe the various types of exercises.

- .1 Tabletop exercise. A tabletop exercise is a walkthrough or talk-through activity. It is designed to gather the key members of each responsible organization to discuss actions to be taken in executing contingency plans, policies, procedures, and interfaces. Participants discuss, examine, and resolve problems collaboratively.
- .2 Functional exercise. A functional exercise is more extensive and realistic than a tabletop exercise

and may involve some field activity. A functional exercise may focus on a system, procedure, interface, or specific contingency plan activity.

- .3 Full-scale exercise. A full-scale exercise tests major portions of the port's business continuity efforts, incorporating a high degree of realism. It may include the movement of vessels or personnel and the deployment of equipment to demonstrate and test a coordinated contingency capability.

12 The type of the exercise should be based on the complexity of the waterways and port operations, the criticality of the port to commerce or national defense, and resources available to conduct the test.

## Conduct exercise activities

13 Every exercise participant must be briefed on the exercise goals and the specific contingency plan activities that will be implemented during the exercise. Participants must understand their role during the exercises and be fully aware of the rules of play and any safety procedures. Controllers must monitor the status and progress of the exercise. Controllers may speed up or slow down the pace of activities, introduce supplemental activities as a further test of contingency plans, and suspend play to ensure the safety of participants or to accommodate actual emergency situations that may arise during the exercise.

14 All participants should be ready to record any information about the exercise that could be used to improve existing contingency plans. Means to document information during the exercise should be developed during the exercise planning process.

## Conduct post exercise analysis

15 Post exercise activities involve a discussion among participants about the aspects of the exercise that were successful and about any aspects that should result in changes to the contingency plan. The major events of the exercise should be recapped and documented, significant problems encountered by the participants should be described along with potential resolutions to those problems, impacts to the contingency plan should be identified and documented, and an overall assessment of the exercise should be made by the Director. There are four key pieces of information that should be collected during this process for each lesson learned that is identified (see table 15.1 below).

**Table 15.1 – Exercise results template**

Item	Description
Observation	The situation that was observed or experienced by the participant.
Explanation	A description of how or why the situation occurred, or a statement about the impact the situation could have on operations. This can be combined with the Observation information.
Lesson Learned	Information as to how the situation could be improved.
Recommended Action	A specific plan to incorporate the lesson learned.

16 Sharing the results with the maritime community is also an important part of the post exercise activities. Information from ports with the resources to conduct exercises can be used by smaller ports to increase awareness and improve contingency plans without executing extensive contingency plan exercises. The results of the exercises can also be shared with the public to help alleviate their fears about

Y2K and to build confidence that port operations can continue successfully regardless of the critical failures that may present themselves.

\* \* \*

*\* The results of the workshop, including electronic copies of annexes 1 and 2 are available on the U.S. Coast Guard internet site ([www.uscg.mil/hglg-mly2k](http://www.uscg.mil/hglg-mly2k)) to promote wide distribution.*

management, long after the roll over has occurred.

3 There are five recommended steps to plan, conduct, and evaluate a successful contingency plan exercise:

- .1 Establish major objectives;
- .2 Identify exercise participants;
- .3 Develop exercise scenario(s);
- .4 Conduct exercise activities; and
- .5 Conduct post exercise analysis

4 The following sections outline the key considerations and activities of each step.

## **Establish major objectives**

5 Primary concerns in dealing with maritime issues are promotion of personal safety, preservation of the environment, and the facilitation of commerce. These concerns must be the driving force in selecting the major objectives of the exercise. The objective identifies the functional area of the contingency plan that will be exercised. Objectives should be specific, realistic, results-oriented, and measurable.

6 Some of the categories for identifying objectives are contained in table 6.1 below:

7 Any combination of these cate-

## **ANNEX 2**

### **Contingency Plan Exercise Guidance**

#### **Introduction**

1 Preparation for the Year 2000 (Y2K) computer problem and the threat it poses to marine transportation system (MTS) operations has two major components. The first component is evaluation and repair of a ship or port facility's systems and equipment to ensure Y2K compliance. The second component is ensuring that well conceived contingency plans are in place to allow for continued operations if there are failures to critical systems or equipment despite all repair efforts. Many organizations have gone to great lengths to renovate and test systems and prepare detailed contingency plans for the Y2K roll over.

2 Once contingency plans are in place, exercises can be planned and conducted to ensure that the contingencies provide appropriate measures and controls to maintain operations during a critical failure. Exercising contingency plans allow the organization to test their ability to respond to different situations without a real emergency condition present. The exercises permit a test of interagency operations and provide the information necessary to ensure smooth operations in the event of an actual emergency. Conducting exercises also allows the organization to evaluate any problems with the plan and make corrective action prior to an actual event. Contingency

plans developed in response to the Y2K threat will continue to play an important part in marine transportation system

**Table 6.1 – Objective Categories**

Objective Category	Objective Sub-Category
Safety	Navigation Safety
	Vessel Safety
	Emergency Response
Security	Vessel Security
	Terminal Security
	Intermodal Security
	Customs and Immigration
	Crime Response and Investigations
Environmental Protection	Shipboard Monitors and Systems
	Terminal Monitors and Systems
	Water and Air Quality Monitors
	Environmental Response Organizations
	Pollution and Living Marine Resource Law Enforcement
Commerce	Marine Exchange System
	Terminal Cargo Handling and Line Handling
	Computer Tracking Systems
	Intermodal Exchange Points
	Financial Systems
Recreation	
Defense	



gories may be used to identify objectives for the exercise. Objectives should be selected for those areas of the operation which are outside the organization's immediate control, have the highest risk of occurrence, or have the greatest impact on the operation. Multiple exercises may be necessary to achieve the desired objectives.

## Identify exercise participants

8 As the exercise concept takes form, the appropriate participants can be identified, both within and outside of the initiating organization. Internally, participants must be identified to plan, conduct, and evaluate the exercises. Typically, a Director is named whose primary responsibility is to oversee all facets of the exercise planning, execution, and post exercise activities. This individual assigns the Design Team participants, provides guidance and ensures coordination with other organizations, develops and refines the exercise plan, and resolves conflicts among participants. The Design Team is comprised of the Exercise Planner, Controllers, Trainers, Evaluators, and other personnel as necessary. The Design Team provides the detailed planning and logistics for the exercise, ensures that sufficient controls and safety measures are in place, briefs and trains all participants, and collects post exercise information in order to modify and improve contingency plans based on exercise results.

## Cutmore Appointed New IMPA Secretary General

**M**R Nick Cutmore has recently been appointed Secretary General of the International Maritime Pilots' Association (IMPA) in succession to Captain John Jones who has retired.

Mr Cutmore previously worked for Trinity House in London, the Lighthouse Authority for England and Wales, and at one time the principal Pilotage Authority in the UK.

During his 24 years at Trinity House



L to R: Peter van der Kluit, Alex Smith, and Nick Cutmore, IMPA

## Alex Smith Bids Farewell

**F**OR ten years Alex Smith has represented the International Association of Ports and Harbours on the IALA, IAPH, IMPA World VTS Guide Board and on 23rd September he retired to be replaced by Mr Peter van der Kluit from Rotterdam who is the IAPH Liaison Officer at IMO and the IAPH representative in Europe.

The Board, which meets in HQS Wellington moored on the River Thames in London, meets from time to time to consider progress with the expansion of the VTS Guide and co-ordinates production, the activities of the Editor and of the Web Master.

he spent considerable time working for IALA (International Association of Marine Aids to Navigation and Lighthouse Authorities) on various projects including the new Buoyage system and latterly edited the first IALA VTS Manual.

## 18th Meeting of ISO/TC8 Held in Tokyo Oct. 20-21

**T**HE 18th meeting of ISO/TC8 was held on 20 and 21 October 1999 in the Hotel Azur Takeshiba. Organized by the Japan Marine Standards Association, the meeting was attended by some 50 people, including Japanese government officials, shipbuilding experts, representatives of IMO, IACS and IAPH. Mr. R. Kondoh, Deputy Secretary General, represented IAPH at the meeting and made presentations on the activities of IAPH and its working relationships with IMO and ISO.

Of the resolutions

passed at the meeting, we introduce below Resolution 177.

## Resolution 117

Following ISO Technical Management Board Resolution 61/1999 ISO/TC8 established its SC 11 with the following title and scope.

**Title:** Intermodal and short sea shipping

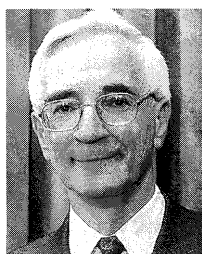
**Scope:** "Standardization of general issues; principal requirements: design, construction and operation of ships and equipment: and technology for intermodal, including ship/port interface and other modes of transportation; and short shipping (SSS)".



L to R: R. Kondoh, M. Palomares, IMO; R.M. Bradley, IACS; and C. Piersall, TC8 Chairman.

## Jean Labescat Becomes Vice-President of ISU

**J**EAN Labescat, Managing Director of the French salvage and offshore company Les Abeilles International, was elected Vice-President of the International Salvage Union at the ISU's October Annual Meeting in Cyprus.



Jean Labescat

Jean Labescat's maritime career began in 1974, when he joined the Louis-Dreyfus shipping group in Paris, with special responsibilities for new-building projects. Subsequently, he became General Manager of Louis-Dreyfus Fleet Management.

He joined Les Abeilles Group at Le Havre in 1992, becoming General Manager of Les Abeilles International the following year and Managing Director (based in Marseilles) in 1997. For the past six years, he has been responsible for the Group's salvage activities worldwide. Jean Labescat has been involved in many salvage operations.

## ISO Chairman Pledges Continuous Improvement

### From the Chairman

**S**INCE our last newsletter, great forward progress has been made. Our new Secretariat (Japan) is fully operational and doing a magnificent job. We are consolidating all of our data bases into one single source document – TC 8 N 1000. Our use of information technology continues to expand as we can now communicate with over 96% of our members electronically.

The newly established Standards Developers' Information Site (SDIS) at the ISO Central Secretariat is proving to be a most valuable resource. Please read the article on this subject closely. I recommend that all individuals involved in ISO standardization activities take advantage of this great resource to increase the success of their efforts.

We continue to increase our relevance to IMO which we believe is mutually beneficial to both industry and government.

Our standards activity continues at

an all time high, our membership is increasing, and we are looking at "continuous improvement and reassessment" to better serve our maritime community. The latest event in the TC8 family is the establishment of Subcommittee 11 on Intermodal and Short Sea Shipping.

We will continue to strive to meet the needs of the market and to do our part to facilitate worldtrade.

### Capt. Charles H. Piersall

Chairman

TEL: +301-934-4655

FAX: +301-934-5785

## TC8 ESTABLISHES NEW SUBCOMMITTEE ON INTERMODAL AND SHORT SEA SHIPPING

At the AG meeting in Galati, Romania, it was unanimously agreed by the attendees to seek to establish a subcommittee on intermodal and short sea shipping (SSS) to be designated as SC11. Romania agreed to accept the Chair and Secretariat of the new subcommittee.

ISO Technical Management Board by Resolution No. 61/1999 ratified the establishment of ISO/TC8/SC11 and noted the secretariat has been allocated to ASRO (Romania).

Mr. Liviu Crudu, Managing Director of ICEPRONAV, will serve as Chairman. Mr. Corneliu Closca, also at ICEPRONAV, will assume the secretariat duties for ASRO.

The scope of work will address the unique aspects of intermodal transportation and SSS and will include ship/port interface and interface with other modes of transportation.

The need for seamless movement of cargo from point of manufacture to its final destination for the user requires close collaboration among all modes of transportation. The challenge is to build a system that is international in reach, intermodal in form, intelligent in character, and inclusive in nature. To optimize water transport requires a holistic approach that recognizes the ship/port interface and the transition from inland waterways to sea. Many ships operating on inland waters are as large as some seagoing ships. When ships transit from inland waters to sea, they become subject to IMO regulations. Ships engaged in SSS might have unique configuration requirements. This area of shipping represents a large segment of the maritime industry. The interface with ports needs to be considered in ship design and operation stan-

dards.

Increasing demand for transport services in recent years has created serious traffic congestion on land routes. SSS has the potential to contribute to easing the congestion faced at present by land transport. Today, the SSS is seen as the savior for Europe's congested traffic system; however, this problem is not unique to Europe.

The specific transport programme will contribute to the development of new shipping technologies and strengthen the competitiveness of maritime industries. It will focus on fast waterborne transport systems and technology such as fast cargo ships, self-unloading bulk carriers, automated unit-load ships, and sea-river vessels.

Research activities in these fields should help to integrate SSS better into multimodal transport chains having in view the following technical concepts:

- the adaptation of the various types of cargo containments to the necessities of their intermodal utilization.
- optimization of berthing/unberthing procedures in terms of automation and time saving.
- optimization of loading/unloading procedures in terms of automation and time saving with the emphasis on most widely used cargo containments.
- design of suitable vessels fulfilling the specific requirements.
- development of port equipment and infrastructures and of information technology-based logistics systems.

For the above mentioned reasons, as future mode of transport, the SSS needs special attention, which mandates a subcommittee charged with specific questions of standardization.

In 1991, Romania signed the Geneva "European Understanding regarding the large lines of combined transport and connected installations (AGTC)" and in 1997 signed the Geneva "Protocol" to Understanding, an intermodal plan, coordinated for the development and operation of an important inland waters network, for compliant international transport.

The Constantza harbor grounds represents the turning plate in the making for maritime and inland traffic with Western Europe, through the axis – Black Sea-Danube-Rhine – North Sea and of the eastern extremity of the European Short Shipping System.

We look forward to Romania leading these very important functions in our new subcommittee.

## TOC Asia 2000 Aims to Connect With Customers

**A**FTER the success of TOC Asia 98, held in the Dubai Chamber of Commerce & Industry centre in October 1998, this successful conference and exhibition returns to Dubai next year. This time though, the venue is the futuristic Jumeirah Beach Convention Centre and the date is 7-9 March 2000.

The theme for TOC 2000 is 'Connecting with the Customer' and much of the focus of the conference will be on how ports can integrate with the rest of the supply chain system in order to provide shippers – importers, exporters and those using the port as a distribution hub – with a much improved service.

The conference opens with a session entitled 'Identifying the Customer'. Once upon a time, this question was easy to answer: the port's customers were shipping lines. However, for some years now, more forward-thinking ports have been aware that there is another customer sector: the shipper. Given that, in most cases, the port is just a gateway to a hinterland and that the shipper usually has a choice of ports through which that hinterland can be accessed, getting the shipper on-side can be even more important than attracting specific carriers.

Amongst the subjects to be examined in this opening session are supply chain management and the place ports have in the overall system; valued added services as required by shippers; and the marketing of ports to their customer base, both locally and internationally.

The second session seeks to capture an overview of global trade and trends in container shipping as we commence life in the 21st century.

Two subjects which must be on any agenda for such a conference are ocean carrier alliances and mega ships. In a way, these go hand in hand in that without alliances, there would be few if any mega ships. However, together, they position ports somewhere between a rock and a hard place. Alliances place carriers in a much stronger position when negotiating rates while mega ships require new investment that is hard to justify if handling charges are decreasing. At TOC 2000, panelists will debate the twin trends of alliances and mega ports, assessing how these are likely to affect ports in the future.

Regional trends in the Arabian Gulf, Red Sea, South Asia and Africa are

placed under the spotlight in the third session. The pace of competition has increased with the coming on-line of hub ports such as Aden and Salalah and the involvement of private international terminal operators in the established hub port of Colombo. How will traditional ports be affected by this apparent switch to hubs and feeders? Will direct calls be harder and harder to retain? Is there still an economic argument in favour of direct calls? If ports with major catchment areas – such as those in East Africa and on the Indian sub-Continent – can find ways of offering a standard of service more in keeping with carrier and shipper expectations, can the trend away from direct calls be arrested?

Session four will look at Asian intermodalism and ways in which the inland infrastructure needs to be and can be improved while session six looks at port privatisation, examining issues such as funding and the relationships between port authorities, private terminal operators and local and national governments.

Session five looks at the sometimes controversial subject of terminal automation and information technology.

Ports in the Arabian Gulf, Red Sea, South Asia and Africa are very diverse. Some, such as Singapore and Dubai, are already amongst the most advanced in the world. They have installed the latest technology, reducing labour costs and enabling them to achieve rapid handling rates. These ports have also established advanced IT systems enabling smooth flows of information without which there is no point achieving fast loading and discharging rates.

Other ports are less blessed. Often, money is scarce and modern handling equipment is simply too expensive. IT technology is also problematic; even if it is affordable, there can be a shortage of staff able to use it. Much more common though are difficulties created by the social and bureaucratic environments under which ports in the region must operate.

Even container terminals run along lines which were common in Europe and the US in the 1970s require far less labour than conventional berths; in countries where poverty and unemployment are major issues, making port workers redundant is very hard to do. Making politicians and unions understand that not containerising is not an option is extremely difficult. While those in the industry appreciate that without container terminals, once-great ports decline as the ships go elsewhere,

politicians will always struggle to accept these facts, in public at least.

Furthermore, no port can hope to reach the upper leagues in terms of port productivity if it is labouring under the dead hand of bureaucracy. Teaching governments that port inefficiency makes imports more expensive and exports less competitive is vitally important but, sadly, there is often not the political will or ability to effect change.

Against this sometimes daunting backdrop, TOC Asia 2000 will look at the issues of automation and IT as they relate to the smaller and medium ports and to nations where politics and bureaucracy are still holding back much needed progress.

Further details can be obtained by contacting Michelle Fisk on:

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Web site: [www.toc-iirx.com](http://www.toc-iirx.com)

## Intermodal 99 Conference In December in London

**I**NTERMODAL 99, the world's leading combined transport & logistics exhibition & conference, will be held 8-10 December 1999 at Earls Court 2, London, the United Kingdom.

Confirmed speakers include:

- Giuliano Alberghini, Contship Italia, Italy
- Jean-Michel Dancoisne, CNC, France
- Tom Finkbinder, Norfolk Southern Corp, USA
- Bernd Flickinger, BASF AG, Germany
- Keith Hill, Department of the Environment, Transport and the Regions, UK
- Sir Kerry St Johnston, Freightliner, UK
- Horst Kubek, LKW Walter International, Austria
- Ebbe Larson, Maersk Line, Denmark
- Anthony Munro-Martin, Manugistics, UK
- Sir Alastair Morton, Shadow Strategic Rail Authority, UK
- Dr. Eberhard Sinnecker, DB Cargo, Germany
- John Spence, OOCL (Europe)
- Rune Svensson, International Chamber of Commerce, France

Conference tracks:

- 1) European Rail Policy
- 2) Logistics and Information Technology
- 3) Reefertans
- 4) Container Logistics & Management
- 5) Intermodal Infrastructure & Operations
- 6) Chemical Logistics & Transport
- 7) EIA – Intermodal Quality Seminar

For full details of the Intermodal 99 Conference visit

[www.intermodal-iirx.com](http://www.intermodal-iirx.com) or contact michelle.fisk on

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## Singapore 2000 in March: Dot.com Era Challenges

### Day One, 29th March 1999

1. Industry Address:  
Positioning for the Dot.com Era
2. Asia in Recovery – Where is the Industry Heading?  
“Asian container port volumes set to triple by 2012 ... Southeast Asian ports will see container volumes grow from 33m teu next year to between 85m and 105m teu by 2012 to give a market share of more than 20%, according to a new study on world container ports.” Story file Maritime Asia Today, August 5, 1999.
  - With encouraging news from Asia, how is the rest of the world affected?
  - Emerging trends of container business – what has led to the growth in container volumes? Where are the emerging profitable routes?
  - How can lines position for recovery?
3. EVA – Can it be applied to the maritime industry?
4. “Show me the money!” –  
E-commercializing Maritime Business – Proceed with Caution  
Who has made money in the web economy? Implications for the world of business from terminals to shipping lines to shippers.
5. CEO to CEO: World Vision 2010 – The Dot.com Economy 10 Years Down the Information Highway

### Day Two, 30th March 1999

6. Global Lines – Global Ports: Is the Relationship Too Cosy? Do They Go Hand in Hand? And Do the Shippers and Ultimately the Consumers Benefit?
7. Port and Line Businesses are Fast Becoming “Commoditized”. How to Achieve a Competitive Edge in the McDonald's Approach to Business?
  - Setting global standards for services
  - How can services be differentiated?

#### Stream A

- 8A. Port Benchmarking – Beyond Lip-service and Actual Delivery of QOS (Quality of Service)
- 9A. Squeezing More From Port IT Applications – Improving Your Profitability  
Container shipping is increasingly seen as a commodity. And in such an intense competitive environment the urgency to drive down cost is critical.
  - Benefiting from IT applications in;
    - \*Effective fleet management
    - \*cargo space
    - \*empty containers
    - \*route planning
  - Working with the competition in slot exchange in excess capacity situation
  - Service innovations to further reduce cost
  - The cost of not investing in IT
- 10A. How Can E-commerce Improve the Interface Between Ports and Their Users?
- 11A. The Future of Feeder Services: Suppliers or Partners?
  - Will feeders dictate where consortia should hub in the new business paradigm?
  - Who will be managing who?
  - How long can the feeder operators remain independent?
  - Will there be further consolidation among feeder ship operations?
- 12A. Forum:  
Transshipment – Will it Always be a Factor in the Transport Chain?

#### Stream B

- 8B. U.S. Ocean Shipping Reform Act (OSRA) Update .... 10 Months On, Who is Benefiting?  
“OSRA permits confidential contracting between individual carriers and individual shippers or shipper organization ....The majority of our industry's players confess to at

least uncertainty about OSRA in the next five years; its provisions, intended effects, likely economic consequences; and just what in the world they should be doing now.” Marine Digest, May 1999

- Update on effects of OSRA on the shipping community
- How have shippers and lines worked together without conferences?
- What can shipping lines offer without the restriction of conference rules?
- Are carriers keeping contract terms confidential?
- Are small-to-medium sized shippers paying more?

### 9B. TO OWN OR NOT TO OWN:

Does Owning Container Ships Make Commercial Sense? Does Ownership Matter When You Can Lease/Charter Economically? Who Will Be the Container Shipowners in the New Millennium?

### 10B. Shipping Lines Consortia – What Is the Next Stage?

As shipping lines move from a ‘many players’ environment to less but bigger and more powerful alliances, are we heading towards an oligopolistic business environment?

What are the impact on smaller shipowners, shippers and port operators?

- What are the business economics for shipping lines working as consortia?
  - Does bigger means better? Greater efficiency in cost management, service delivery?
  - How will consortia affect the shipping rates?
  - How will the smaller operators compete successfully against these giants?
  - What are the implications to port operators and shippers?
- 11B. How Will Information Technology Change the Shipping Landscape?
- Will increased IT expenditure translate into competitive advantage for liner business?
- 12B. Business to Business E-commerce Applications for Container Shipping
13. Panel:  
BRANDING IS MORE THAN JUST ADVERTISEMENTS:  
Mention “DHL, GE, Microsoft” and you get instant recognition of what these companies deliver. Consumers, with multitude of choices, often choose the branded

goods and services as they associate the brand with quality and service delivery.

How to Re-Position the Image of Port as More Than Just Berthing Space and Is Worth the Charges? And Liner Services as More Than Just Floating Metal Boxes?

- How can you package and bundle your port and services to give it a brand – an industry recognition?
- What does it take to build a brand?
- Are the shipping companies "brand conscious"? Or are they only concern about service delivery?
- Equating charges with quality of service (QOS) delivery, time to market, location
- What do customers want from port operators besides container handling?

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## The Americas

### Terminal 1 – Rio Offers Wide Scope of Services

**P**RESENTATION of the custom-bonded container terminal operated at the Port of Rio de Janeiro under a leasing contract with the state-owned company CDRJ.

#### Main Features

Private-controlled, custom-bonded, container terminal operated within a primary zone at the Port of Rio de Janeiro

- Privatization started on May 1st, 1999
- Port operator: Libra Terminal Rio S.A.

- Container storage area: 155,000 sq. meters
- 545-meter long berthplaces (three berths)
- 02 Portainers
- 01 Transtainer, cap. 40 metric tons
- 01 shore crane, cap. 40 metric tons
- 06 Reachstackers, cap. 45 metric tons
- Custom-bonded warehouse
- Vessel and container yard management software
- 200 plugs for reefer containers
- Highly qualified technical personnel

### Advantages for Exporters and Importers

Terminal 1 – Rio offers a wide scope of services, namely:

- Export & Import Containers Storage
- Break Bulk Cargoes Storage
- Project Cargo Storage
- Export Container Stuffing
- Import Container Stripping
- Reefer Container – Electric Power and Monitoring
- Electronic Scale for weighing of Break Bulk Cargoes and Containers
- Exclusive Rooms for Health, Agriculture and Customs Officers
- Exclusive Room for Customs Brokers (Despachantes) representatives
- Covered Area for Customs Surveys
- Insurance covering all goods stored (All-purpose policy)

### Advantages for Shipowners, Ship Operators

- Safe and pre-scheduled berthing,

reducing waiting time to a zero level

- Average output of 33 containers per hour, per vessel
- Latest record: 58 moves per hour, per vessel
- Safe and fast container moving in the Container Yard, supported by the deployment of modern equipment
- Complete Operational Management System, allowing a thorough control and high performance at the gate, yard and alongside operating vessels
- Total Insurance Policy, covering equipment and vessels by means of a specific policy for Port Operators
- Availability of an Empty Container Yard, with all inherent services (repairs, trucking, PTT's, monitoring and so on)

**New break bulk, custom-bonded, warehouse: latest technology at customers' disposal**

### Best features, with full safety and reliability

- Custom-Bonded Warehouse, built in a modular, metallic, structure
- Metallic superstructures and roof
- Concrete-covered central pillars
- Concrete-covered side walls
- Air intakes all along the ceiling base
- Polished concrete internal flooring
- Inter-locked external flooring tiles
- Comfortable (air-conditioned, fully-computerized) accommodation (exclusive rooms) for Warehouse Keeping Department and Financial/Invoicing Departments
- Comfortable (air-conditioned, fully-computerized) accommodation (exclusive rooms) for Customs, Agriculture and Health Ministries Officers
- \* Comfortable (air-conditioned, fully-computerized) accommodation (exclusive room) for Custom Brokers representatives
- \* Fire-fighting System
- \* Video-controlled Cargo Safety System
- \* Logical and Telecommunication (phone, fax) Internal Net
- \* Total Covered Area: 6,500 sq. meters
- \* External Area (yard): 30,000 sq. meters
- \* Internal Offices Area: 150 sq. meters
- \* Maximum Internal Height: 8 meters

Modernization is still coming and Terminal 1 – Rio offers foreign trade

companies its latest contribution:

We are very proud to be able to inform our custom-bonded warehouse for breakbulk cargoes is now concluded.

Foreign trade companies operating at the Port of Rio de Janeiro will have, from now on, a new alternative for custom-bonded warehousing of break bulk cargoes (B/B cargoes discharged from vessels and/or LCL cargoes from NVOCC-consolidated, freight forwarders and ship's convenience) with a full-safety and reliability which are the main characteristics of services rendered by Terminal 1 – Rio.

It is the first custom-bonded warehouse built at the port of Rio de Janeiro after decades of unchanged configuration. Featuring latest technological aspects, it offers the market what it really demands from a custom-bonded warehouse.

It can easily be seen that Terminal 1 – Rio is giving the foreign trade market the answers exporters/importers/shipowners have been waiting for a long time now.

It can easily be seen that foreign trade market is obtaining the best it can have from port privatization process: first-class port operation services.

## Panama Pres. Discusses Canal Transfer at UN

*Panamanian President Mireya Moscoso voiced enthusiasm over the transfer of the Canal to Panamanian stewardship during her speech before the United Nations General Assembly on September 24, 1999. Following is an excerpt of her address, only three months from the Canal transfer to Panama.*

**S**INCE its opening in 1914, the Panama Canal has been an important symbol of our nationality and at the heart of the Panamanian people's aspirations to attain national development.

The Canal, which made us "crossroads of the world" and placed us at the "heart of the universe," has been a motor for the economic progress of the international community for eight and a half decades.

Managing the Canal will not only be a right, but a responsibility that commits all Panamanians to managing the waterway responsibly, efficiently and with absolute integrity.

Ever since that moment [when the 1977 Panama Canal Treaty was signed], the governments of Panama and the United States of America have worked together to achieve a seamless transition.

The constitutional amendment approved in 1994 was followed by broad consultations

among the citizenry and unanimous approval in Panama's legislature of the Organic Law of the Panama Canal Authority. Both legal instruments – the constitutional amendment and the Organic Law – provide the legal mechanisms necessary to guarantee the adequate operation of the waterway.

To ensure its operation in the future, Panama is currently executing an aggressive \$1 billion investment program to modernize and improve the waterway and make sure it will be prepared to meet demands and maintain the quality of its services. The modernization and improvement program will increase Canal capacity by 20 percent by the year 2002.

Beginning on December 31 this year, as established by the Organic Law, the Panama Canal Authority will be responsible for monitoring and preserving the



### Gen. Wilhelm Visits Canal Facilities

Canal Administrator Alberto Aleman Zubieta briefly explains Canal security issues to U.S. Southern Commander in Chief General Charles Wilhelm during a recent visit to the Canal Security Division control center. In the photo, from left, are Canal Authority Board of Directors Chairman and Minister for Canal Affairs Ricardo Martinelli, U.S. Ambassador to Panama Simon Ferro, Wilhelm and Aleman Zubieta.

Canal watershed and coordinating the management, conservation, and use of natural resources in that vast region.

Mr. Chairman: The transfer of the Canal to Panamanian jurisdiction is a very important event, not only for Panama and the United States, but also for the international community.

Consequently, Panama hopes that the representatives of this community will join us in the official celebrations marking that transition.

We also hope that in the future, relations between Panama and the United States will be inspired by mutual respect, cooperation and fairness in commercial exchange, based on the important historical, social, political, and commercial ties that bind the two nations.

The benefits that controlling the Canal have brought to the economy and political position of the United States determine that that nation make good on the sentiment of fraternity its leaders have proclaimed during decades so that a new period of relations with Panama may begin that will allow us to drive forth the sustainable human development that the Panamanian people so deeply desire.

## August US Trade Deficit Decreases to \$24.1 Billion

**T**HE U.S. international deficit in goods and services decreased to \$24.1 billion in August, from \$24.9 billion (revised) in July, as exports increased more than imports. Specifically:

- Exports increased to \$82.0 billion from \$79.1 billion in July. Goods were \$58.8 billion in August, up from \$55.9 billion in July, and services were \$23.2 billion in August, virtually the

same as in July.

- Imports increased to \$106.1 billion from \$104.0 billion in July. Goods were \$89.4 billion in August, up from \$87.3 billion in July, and services were \$16.8 billion in August, up from \$16.7 billion in July.

On a year-to-date basis, exports increased by 1.3%, imports by 9.6% and the total deficit by 58.5% from the 1998 levels for the same eight-month period. Table 1 provides detail.

With respect to U.S. merchandise trade, the August data show:

- The largest increases in exports were in capital goods (primarily civilian aircraft), industrial supplies and materials, and automotive vehicles, parts, and engines.
- The largest increases in imports were in industrial supplies and materials (primarily crude petroleum) and automotive

**1. U.S. International Trade in Goods and Services**  
Seasonally Adjusted  
(millions of dollars)

	1999		1998	January-August	
	August	July (Revised)	August	1999	1998
<b>Exports</b>					
Goods	\$58,782	\$55,890	\$54,624	\$444,826	\$444,650
Services	\$23,245	\$23,232	\$21,603	\$182,941	\$175,120
Total	\$82,027	\$79,122	\$76,227	\$627,767	\$619,770
<b>Imports</b>					
Goods	\$89,366	\$87,312	\$76,914	\$665,446	\$606,383
Services	\$16,756	\$16,696	\$15,172	\$130,056	\$119,235
Total	\$106,122	\$104,008	\$92,086	\$795,502	\$725,618
<b>Balance</b>					
Goods	(\$30,584)	(\$31,422)	(\$22,290)	(\$220,620)	(\$161,733)
Services	\$6,489	\$6,536	\$6,431	\$52,885	\$55,885
Total	(\$24,095)	(\$24,886)	(\$15,859)	(\$167,735)	(\$105,848)

Source: U.S. Bureau of the Census

**2. U.S. Exports and Imports of Goods**  
By Principal End-Use Category  
Seasonally Adjusted  
(million of dollars)

Goods Category	January-August		
	1999	1998	Change
<b>Exports</b>			
Foods, Feeds, Beverages	\$29,874	\$31,204	-4.3%
Industrial Supplies (1)	\$93,148	\$99,559	-6.4%
Capital Goods	\$203,370	\$196,849	3.3%
Automotive Vehicles	\$49,411	\$48,359	2.2%
Consumer Goods	\$52,876	\$52,777	0.2%
Other Goods	\$24,477	\$22,845	7.1%
Total	\$453,156	\$451,593	0.3%
<b>Imports</b>			
Foods, Feeds, Beverages	\$28,710	\$27,431	4.7%
Industrial Supplies (1)	\$138,646	\$135,552	2.3%
Capital Goods	\$193,279	\$178,581	8.2%
Automotive Vehicles	\$117,979	\$95,994	22.9%
Consumer Goods	\$155,925	\$142,987	9.0%
Other Goods	\$28,746	\$22,485	27.8%
Total	\$663,285	\$603,030	10.0%

(1) Includes petroleum

Source: U.S. Bureau of Census

**3. Exports, Imports and Balance of Goods by Selected Countries and Geographic Areas**  
Not Seasonably Adjusted  
(millions of dollar)

Region/Country/Trading Bloc	January-August		
	1999	1998	Change
<b>Exports</b>			
<b>North America</b>	\$161,805	\$154,242	4.9%
Canada	\$108,038	\$103,099	4.8%
Mexico	\$53,767	\$51,143	5.1%
<b>Western Europe</b>	\$108,251	\$107,062	1.1%
European Union	\$99,926	\$98,738	1.2%
European Free Trade Assn.	\$5,649	\$5,376	5.1%
Other	\$2,676	\$2,948	-9.2%
<b>Eastern Europe</b>	\$1,611	\$1,738	-7.3%
<b>Former Soviet Union</b>	\$1,884	\$3,841	-51.0%
<b>Pacific Rim</b>	\$112,135	\$109,761	2.2%
Australia	\$7,218	\$8,079	-10.7%
China	\$8,614	\$8,474	1.7%
Japan	\$37,519	\$39,140	-4.1%
NICS (1)	\$45,731	\$40,534	12.8%
Other	\$13,054	\$13,533	-3.5%
<b>South/Central America</b>	\$36,193	\$42,589	-15.0%
Argentina	\$3,107	\$4,024	-22.8%
Brazil	\$8,466	\$9,807	-13.7%
Colombia	\$2,271	\$3,358	-32.4%
Venezuela (2)	\$3,768	\$4,669	-19.3%
Other	\$18,581	\$20,731	-10.4%
<b>OPEC</b>	\$12,826	\$16,069	-20.2%
<b>Other Countries</b>	\$18,490	\$18,754	-1.4%
<b>Imports</b>			
<b>North America</b>	\$198,681	\$174,063	14.1%
Canada	\$128,247	\$112,727	13.8%
Mexico	\$70,434	\$61,336	14.8%
<b>Western Europe</b>	\$137,681	\$124,852	10.3%
European Union	\$126,460	\$114,652	10.3%
European Free Trade Assn.	\$8,968	\$7,868	14.0%
Others	\$2,252	\$2,322	-3.0%
<b>Eastern Europe</b>	\$2,678	\$2,441	9.7%
<b>Former Soviet Union</b>	\$4,778	\$4,685	2.0%
<b>Pacific Rim</b>	\$229,489	\$213,235	7.6%
Australia	\$3,420	\$3,590	-4.7%
China	\$51,131	\$44,970	13.7%
Japan	\$84,290	\$80,374	4.9%
NICS (1)	\$60,600	\$56,243	7.7%
Other	\$30,047	\$28,059	7.1%
<b>South/Central America</b>	\$36,750	\$33,482	9.8%
Argentina	\$1,670	\$1,509	10.7%
Brazil	\$7,289	\$6,743	8.1%
Colombia	\$3,803	\$3,041	15.1%
Venezuela (2)	\$6,590	\$6,310	4.4%
Other	\$17,398	\$15,879	9.6%
<b>OPEC (2)</b>	\$24,832	\$23,326	6.5%
<b>Other Countries</b>	\$32,954	\$32,012	2.9%

(1) NICS - Newly Industrialized Countries - Hong Kong, Singapore, Taiwan, South Korea.

(2) Venezuela included in totals for both OPEC and South/Central America

Source: U.S. Bureau of Census

vehicles, parts, and engines.

Table 2 provides year-to-date comparisons with 1998.

## Goods by Geographic Area

- **China:** The U.S. goods deficit from \$6.3 billion in July to \$6.9 billion in August. Exports increased (primarily transport equipment) to \$1.1 billion, while imports increased (primarily toys, games, and sporting goods) to \$8.0 billion.
- **Japan:** The goods deficit decreased from \$6.8 billion in July to \$6.4 billion in August. Exports increased (primarily power generating machinery) to \$4.7 billion, while imports decreased (primarily automobiles and automobile parts) to \$11.1 billion.
- **Western Europe:** The goods deficit decreased from \$6.8 billion in July to \$4.4 billion in August. Exports increased (primarily non-monetary gold and transport equipment) to \$13.1 billion, while imports decreased (primarily automobiles and automobile parts, organic chemicals, and transport equipment) to \$17.5 billion.

(AAPA Advisory)

## 12:01 a.m. January 1, 2000 – All Is Well at Maryland

**T**HE Maryland Emergency Management Administration recently conducted a statewide drill to test how personnel and operational systems would react to various Y2K disaster scenarios. Every state agency participated in the drill in order to test emergency preparedness plans and mission-critical systems. Customers of the Port of Baltimore should be reassured that the Maryland Port Administration passed this test successfully.

Under conditions simulating situations such as power blackouts, computer failures, or telecommunications breakdowns, the MPA was able to demonstrate that our systems would continue to work, or that we had contingency plans in place to keep the cargo moving. In extreme situations, we tested plans to ensure the safety of our employees, customers and tenants. As part of the test, we rolled over the dates on our cranes to the end of this year, January 1, 2000 and other dates in the year 2000 through 2004. All the cranes functioned normally.

Between December 29, 1999–January 7, 2000, select MPA personnel, includ-

ing Operations Chief Gene Bailey and myself, will be on special duty 24 hours a day to provide prompt response to any unexpected service disruptions. The departments on alert include terminal operations, crane maintenance, risk management, legal, information services, engineering, marketing, communications and World Trade Center management. We will also be working closely with the U.S. Coast Guard to monitor the movement of ships in and out of the port.

Preparing for Y2K has been a challenge, but I am confident that the Port of Baltimore is ready for whatever may happen at 12:01 a.m. on January 1, 2000 and beyond. Baltimore has been a leader in providing the most up-to-date technology and terminal infrastructure to our customers and we are committed to staying on the cutting edge of service and quality now and in the future.

(By James J. White, Executive Director)

## Canaveral Port: Rowland Elected to AAPA Board

**C**ANAVERAL Port Authority Executive

Director Charles Rowland has been elected to the American Association of Port Authorities (AAPA) 1999-2000 Board of Directors.

This election marks the seventh time Rowland has been elected to the AAPA Board of Directors. The AAPA Board of Directors is the policy-making body of the Association representing ports throughout the United States, Canada, South Atlantic and Caribbean.

Previously, Rowland has also chaired the AAPA U.S. Legislative Policy Council and the AAPA U.S. Delegation. In addition to his contributions to the AAPA, Rowland also serves as the current chairman for the International Association of Ports & Harbors (IAPH) Long-Range Planning/Review Committee. Rowland is also on the Board of Directors of the Intermodal Transportation Institute representing the only seaport on the Board.

The Canaveral Port Authority continues to maintain a leadership role in the port industry. The following is a list of Canaveral Port Authority staff members and their current leadership roles:



Charles M. Rowland

- William Bancroft, Deputy Executive Director for Marine, Customer & Personnel Services – Chairman of the AAPA National Defense Committee
- Bert Francis II, CPA, Deputy Executive Director for Finance, Administration & Risk Management – Chairman of the AAPA Finance Committee; Interim Chairman of the AAPA Human Resources Committee
- Lauren Kotas, Director of Trade Development – Vice Chairman of the AAPA Planning and Research Committee
- Dixie Sansom, Director of Government Relations & Public Affairs – Member of the AAPA Public Relations Committee
- Joe Lapolla, Deputy Executive Director of Engineering – Member of the AAPA Harbors, Navigation and Environment Committee
- Richard Lombroia, Director of Construction – Member of the AAPA Harbors, Navigation and Environment Committee
- Malcolm McLouth, Deputy Executive Director for Business Development – Member of the AAPA Cruise Committee
- Susan Cossey, Manager of Foreign Trade Zone 136 – Member of the AAPA Maritime Economic Development Committee; Chairman of the Florida Free Trade Zone Association
- Jeannie Adame, Assistant Director of Environmental Programs – Member of the AAPA Harbors, Navigation and Environment Committee

## Savannah Reports Record Tonnage in Fiscal 1999

**T**HE Port of Savannah enjoyed another record performance in Fiscal Year 1999, ending June 30. A record total of 9,082,520 tons of containerized, general and bulk cargo moved through the Georgia Ports Authority's (GPA) deepwater facilities in Savannah during the 12 month period; representing a 3.0% increase over the previous fiscal year.

Container tonnage surged ahead 7.2% to 6,188,404 tons; marking the eleventh consecutive year of growth for container operations at the Port of Savannah. The number of TEU's transiting port facilities rose by 3.6% compared to the corresponding period one year earlier. Specifically, 761,078 TEU's were handled via the Port of Savannah during Fiscal Year 1999 versus 734,970 TEU's

## Port of Savannah FY99 Activity

	FY99	FY98	Difference	% Variance
Container Tonnage	6,188,404	5,773,619	414,785	7.2%
Bulk Tonnage	1,198,234	928,107	270,127	29.1%
General Cargo Tonnage	1,695,882	2,113,481	-417,599	-19.8%
Total Tonnage	9,082,520	8,815,207	267,313	3.0%
Total TEUs	761,078	734,970	26,108	3.6%
Vessel Count	1,579	1,546	33	2.1%

## Cargo Mix FY99

Containerized Cargo 68.1%	General Cargo 18.7%	Bulk Cargo 13.2%
Import 50.1%	Export 49.9%	

handled in Fiscal Year 1998.

General cargo tonnage totaled 1,695,882; representing a 19.8% decline compared to FY98 results. Primary general cargo exports included kaolin clay, linerboard, woodpulp, machinery, granite, lumber and automobiles. Primary imports included iron/steel, machinery, plywood, cocoa beans, granite, lumber, aluminum and paper products.

A total of 1,198,234 tons of bulk cargo also moved through GPA Savannah facilities during FY99; resulting in a 29.1% increase over the previous 12 month period. Bulk cargo exported via Savannah included tall oil, petroleum products, naval stores and latex while imports included petroleum products, chemicals, sand, vegetable oils, asphalt, pig iron, anhydrous ammonia and latex.

New steamship services were also announced during FY99. In March 1999, Grand Alliance members Hapag-Lloyd, NYK, OOCL and P&O Nedlloyd announced the selection of the Port of Savannah as its U.S. South Atlantic hub, consolidating the AEX and PAX services. The AEX Service (Asia - East Coast North America Express Service), linking the Far East to the East Coast of North America via the Suez Canal, joined the PAX (Pacific-Atlantic Express Service) at the Port of Savannah's Garden City Terminal. The PAX Service links Asia to the East Coast of North America via the Panama Canal. Gulf Africa Line, a joint venture between Maritime Carrier Shipping and Dannebrog Rederi, made its debut in Savannah in January 1999. Gulf Africa Line selected the Port of Savannah for a service expansion between the U.S. East Coast and South Africa and calls on Georgia Ports Authority's dedicated general cargo facility, Ocean Terminal. Maersk, Sea-Land and CSAV announced expanded container services to the East Coast of South America via Savannah's Garden City

Containerport Terminal by virtue of their joint service agreement with Columbus Line and P&O Nedlloyd. During FY99, Delmas expanded services between Savannah and Africa.

Future planned expansion at the Port of Savannah includes the construction of an eighth container berth with 85 acres of additional storage capacity and 1,700 linear feet of berthing and the construction of the James D. Mason Intermodal Container Transfer Facility (ICTF). The 153-acre (62 hectare) on-terminal ICTF will provide port users with expedited rail service to/from the U.S. Midwest and Gulf in 3 days, or less. The first phase of the Mason ICTF will be operational by the Summer of 2000. In addition to landside improvements, plans call for the deepening of the Savannah River Navigation Channel from its current depth of 42 feet (12.8 meters) up to 48 feet (14.6 meters) at mean low water.

To fortify general cargo services in Savannah, the GPA is extending Ocean Terminal's berthing by 700 feet (213.4 meters) and preparing for the construction of a 150,000 square foot (13,936 square meters) transit shed.

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 \$585 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.

Visit the Georgia Ports Authority web site at [www.gaports.com](http://www.gaports.com)

For additional information, please contact Patricia S. Reese, manager of

communications and external affairs, or Diane L. Strickland, manager of port relations, at 800-342-8012, 912-964-3811 or fax 912-964-3921. E-mail is available via [preese@gaports.com](mailto:preese@gaports.com) or [dstrickland@gaports.com](mailto:dstrickland@gaports.com)

## Long Beach: Monthly Volume Tops 400,000 TEUs

**P**ROPELLED by record imports and rebounding exports, the monthly container volume at the Port of Long Beach set a new record in September. It was the second consecutive month that the port has established new highs for total volume and imports. The equivalent of 402,710 TEUs was shipped through the port in September, an 8 percent increase over September 1998. The old record was 399,303 TEUs in August.

September was the first time ever that Long Beach - the nation's busiest container port - has surpassed 400,000 20-foot equivalent units (TEUs) in a single month.

For the port's fiscal year from October 1998 through September 1999, a record 4.3 million TEUs was shipped through Long Beach, an increase of 8.3 percent over the 1997-98 fiscal year.

"We've been saying pretty much the same thing for many months now," said Don Wylie, the port's managing director of maritime services. "But the totals, specifically the import totals, reflect our strong domestic economy. And the outlook, from everything we see, continues to be very good."

The fiscal year ended in September with a record month for imports. The number of inbound containers climbed to 219,080 TEUs, a 10.1 percent increase compared with September 1998. The record volume indicates retailers are expecting a strong holiday shopping season. September is usually a big import month for Long Beach, as retailers begin shipping high volumes of Asian-made clothing, toys and consumer electronics for the end-of-the-year holidays. Exports rose 11.6 percent in September to 82,308 TEUs. While still well below the export levels prior to the Asian economic crisis, the third-straight month of increasing exports suggests that the Asia economy continues to improve. Empty containers, most of them headed back to Asia, rose only 1.3 percent in September to 101,322 TEUs.

For the 12 months through September, imports rose 11.8 percent, a decline from the 15.1 percent jump in 1996-97 - but still



## Container Totals (TEUs)

	Loaded		Total Loaded	Empties	Total Containers
	Inbound	Outbound			
Sept.-99	219,080	82,308	301,388	101,322	402,710
Sept.-98	198,945	73,784	272,729	100,017	372,746
% change	10.1%	11.8%	10.5%	1.3%	8.0%
Oct.-98	180,719	77,171	257,890	89,572	347,462
Nov.-98	192,661	84,291	276,952	91,189	368,141
Dec.-98	166,532	87,527	254,059	82,589	336,648
Jan.-99	169,397	77,676	247,073	72,239	319,312
Feb.-99	172,482	80,000	252,482	71,647	324,129
Mar.-99	171,913	88,699	260,612	87,362	347,974
Apr.-99	181,575	77,040	258,615	81,071	339,686
May-99	205,640	87,653	293,193	101,274	394,467
June-99	194,410	78,962	273,372	100,603	373,975
July-99	188,586	74,155	262,741	85,220	347,961
Aug.-99	214,709	80,581	295,290	104,015	399,305
Sept.-99	219,080	82,308	301,388	101,322	402,710
Fiscal 98-99	2,257,704	975,963	3,233,667	1,068,103	4,301,770
Fiscal 97-98	2,019,131	999,467	3,018,598	953,736	3,972,334
% change	11.8%	-2.4%	7.1%	12.0%	8.3%

a sign that the U.S. economy is strong and Americans are buying up bargain-priced Asia-made goods. Amid the continuing weakness in the Asian economies, exports fell 2.4 percent – an improvement

over the 9.9 percent decline in 1996-97. The number of empty containers climbed 12 percent, compared with 82.5 percent in 1996-97 when the trade gap was widening dramatically.

## Grain Exports Rebound At Seattle's Terminal 86

**I**N another sign of an economic turnaround in Asia, grain exports from the Port of Seattle's Terminal 86 are rebounding from last year's slump.

During the first eight months of the year, the volume of grain exports from the Port of Seattle rose 33.1 percent to nearly 1.4 million metric tons, up from 1.04 million metric tons during the same period in 1998. The number of vessel calls during this period rose to 27 from 22 last year.

"Shipments through Terminal 86 aren't back to pre-crisis levels yet, but business is definitely improving," said Will Friedman, manager of the Port's Cargo Piers and Industrial Properties. "As the Asian economies recover, so does their demand for grain."

Terminal 86 is operated by Cargill Inc., which exports mostly corn and some soy beans through the facility. The increase in grain sales through the Port of Seattle so far this year reflects a nationwide rise in corn exports to Asia, according to Global Trade Information Services based in South Carolina.

East Asian economies bought \$1.54 billion worth of U.S. corn through July, up 6.5 percent from \$1.44 billion during the same period last year. Sales to South Korea rose 47 percent to \$391 million, while exports to Taiwan increased 34 percent to \$256 million. Although much smaller, sales to Malaysia and Thailand rose even more significantly; 103 percent to \$13.4 million and 242 percent to \$2.2 million respectively.

Last year, grain exports at Terminal 86 fell to their lowest level in 12 years as Asian importers curtailed many of their purchases of U.S. corn. For all of

1998, grain sales reached 1.3 million metric tons, down from 3.4 million in 1997.

"The Port's grain terminal probably is one of the best barometers of Asia's economic health because the shipments are strictly exports and most of them go across the Pacific," Friedman said. "If this year's upward trend continues, next year should be substantially better."

In 1997, the last year for which figures are available, the Port of Seattle ranked as the fourth-largest port for corn exports to Asia after the Port of South Louisiana, the Port of New Orleans and the Port of Lalamo, Wash.

## Port of Tacoma Begins 51-foot Dredge Project

**W**ORK began September 23 on a project to dredge the Port of Tacoma's Blair Waterway to a depth of minus 51 feet at mean low water. The target date for completion of the dredging project is March 2000.

"Dredging the Blair waterway to 51 feet is critical to the future growth of our Port," said Port Commission President Clare Petrich. "This will allow us to accommodate the largest container ships now afloat, and help us market



our marine terminals on the Blair Waterway." The 2.65 mile-long waterway currently varies in depth, from 48 to 50 feet.

The ships Petrich referred to are up to 1,000 feet long, 140 feet wide, and require 47 feet of water when fully loaded.

The U.S. Army Corps of Engineers, which is administering the dredging contract, awarded the \$4.07 million job to American Construction on September 10. The Corps is covering \$1.7 million of the cost of the project, and the Port is covering the remainder of the cost.

## Africa/Europe

## Antwerp-Albert Canal Works Enter Final Phase

**E**ARLY in August a controlled explosion signalled the demolition of the last of the walls of the former dry dock bordering the channel between the Amerika Dock and the Straatsburg Dock.

The removal of this last hindrance creates a channel 100 m wide, three times wider than the old one. This is an intensely used waterway linking the Port of Antwerp to the Albert Canal and beyond.

The widening and deepening works form part of the work of upgrading the Albert Canal so that it can cope with the needs of modern inland shipping, something which has become particularly important now that so many containers travel by barge.

## Hamburg Records 5.5% Growth in First 9 Months

**5**.5% growth in sea-borne cargo turnover in the first nine months of this year – the Port of Hamburg's success story continues. This year's growth has mainly been due to an upswing in container traffic and a higher volume of bulk cargo handled.

Increased outgoing traffic through the Port of Hamburg provided clear evidence of the upswing in Germany's exports and recovery of Asia's economies. In the first nine months of the year, for example, exports to Asia via Hamburg were up by 1.5 m t, an increase of 24%. There were also significant gains in the volume of cargo handled on North American and West African routes – up 14% and 31.7% respectively.

Baltic traffic via Hamburg in the first nine months of this year was characterised, among other things, by a 20% rise in imports, which brought an overall increase of 6% in cargo handled. However, seaborne container exports to the Baltic Region were down on the same period last year as a result of the continuing economic problems faced by Russia and other CIS states. Other European traffic via Hamburg increased by 9% in the period under review.

Whereas the Asian crisis led to a fall-off in outgoing cargoes on Far Eastern

routes last year, the normalisation of traffic flows this year brought an increase of 8.5% in the first nine months. Empty container traffic returned to normal.

Germany's export industries are booming, and this is certainly one of the reasons why containerised cargoes rose by more than 2 m t in weight terms, an increase of 7.4%.

In the first nine months of this year, Hamburg's container terminals handled 2.7 m TEUs of containerised cargo, an increase of 2.3%. By the end of the year, the total is expected to reach 3.7 m TEUs.

Bulk cargo turnover rose by 5.1% with

increases in ore and coal imports and grain exports contributing most to this favourable result.

Hamburg was unable to reverse the general trend of declining conventional general cargo turnover evident in all Northern Europe's seaports. In Hamburg the main reasons for a 7.8% decline were falls in exports of plant and machinery. Nevertheless, the conventional general cargo sector is still of great significance to the Port of Hamburg – and some areas did well this year, e.g. fruit where 5.5% growth was recorded. Special-purpose terminals for handling and storing general cargo and a great many liner services underline Hamburg's importance as a universal port.

Inland shipping traffic to and from Hamburg has enjoyed a good year with 5 m t of cargo handled in the first six months of 1999 – an increase of 13.2%. Container traffic is doing particularly well in this sector. In the past, the volume of container traffic carried on inland waterways was relatively low but now the market has warmed to the idea of transporting containers to and from Hamburg by inland waterway.

## Japanese VTS Trainees At MarineSafety Rotterdam

**M**ARINESAFETY int. Rotterdam b.v. (MSR) recently completed a four day training course for three participants from Japan Marine Science (JMS) Inc.

JMS currently is developing a new Vessel Traffic Services (VTS) system in Japan and the aim of this training was to familiarise JMS with the latest state-of-the-art developments in this field. JMS and MSR intend to continue their cooperation in the form of consultancy and training.

MSR is equipped with an up-to-date VTS simulator and has the necessary experience and expertise in implementing a new VTS system.

The aim of the course was to give the participants insight in how to recruit, select and train personnel to carry out their tasks as VTS operators, in order to provide the required VTS standards (according IALA and IMO guidelines and recommendations) and raise awareness of practical issues within VTS.

The participants experienced how to make use of a simulator in

translating training objectives into scenarios and carry out the practical training with the aid of a VTS simulator, both as a trainee and an instructor/supervisor. The role of VTS simulators as a tool to enhance the quality of training and for the development of new systems, technologies, applications and procedures was introduced within the course.

The training curriculum included a combination of classroom, VTS simulation training, site visits (Hook of Holland, Harbour Coordination Centre), demonstrations and the possibility to observe the different levels of training of VTS operators.

All three participants obtained their certificate "Principles & general operational provision for the operation of a VTS".



## Rotterdam as Transit Point for Famine Relief

*Humanitarian aid has grown into a billion dollar industry where complex logistic skill and high-level knowledge predominate. The port of Rotterdam is one of the hinges in this flow of goods, and it is from here that specialized forwarders ensure that thousands of containers with relief supplies whatever far-flung corner of the world they are needed.*

**N**OT all containers to the Third World contain agricultural machinery. Most of the time they simply hold sugar, cooking oil, tents, cooking pans or medicine for refugees or the sick in remote areas. The port of Rotterdam is one of the transit posts for humanitarian aid and many of the relief food supplies for African children or tents for the homeless in the Honduras once stood on the wharves of Rotterdam. But what is possibly even more important is that Rotterdam contains a great deal of logistic knowledge of emergency relief. Aid organizations often have emergency supplies – like food, medicine and equipment for emergency housing – shipped out from Rotterdam.

But this doesn't always concern outgoing cargo. Rotterdam can be the destination too; the place where emergency supplies are shipped to other places in Europe. For instance, American troops in the Balkans were partly provisioned from Rotterdam, and the Rotterdam forwarding company Ebrex is an expert in this area. Although this cannot strictly speaking be called humanitarian aid, it has many aspects in common – both kinds of emergency supplies have to be brought to difficult-to-reach places under critical conditions.

### Spring into action

A select group of forwarders apply themselves to loading and transporting humanitarian aid to all possible crisis areas. These are forwarders able to comply with the strict requirements of the aid agencies, in this case the customers.

"You need to be solvent enough to be able to suffer setbacks," says Jan Crezee, director of Hudig Veder & Dammers, a subsidiary of Hudig International, and experienced in transporting humanitarian aid. "And you need to show backbone for dealing with possible claims made by local parties."

"You have to be very flexible," continues Rene Boerema from the

Netherlands Distribution Association. "You have to be able to get everything on the road in almost no time at all."

"We have contracts with various international aid agencies that state we have to be ready to spring into action within 24 hours if necessary. So we're on standby seven days a week, twenty-four hours a day," says Willem Mantel from Kersten Hunik, a forwarder also specialized in emergency aid shipments and, although housed in Amsterdam, ships many of its containers through Rotterdam.

"It's logical to sail from Rotterdam," says Mantel. "We keep the aid agencies' supplies in our warehouses in Amsterdam but Rotterdam is the best option for us to sail from, given its greater number of sailings. And the costs are lower, too."

### No angels of mercy

The transport of humanitarian aid sometimes smacks of magnanimity and largess. But forwarders in this branch are no Florence Nightingales in sailor suits. They operate in a hard market with a great deal of competition. "In Rwanda we had to supply 240 schools with food packages for the European Commission," says Crezee from Hudig Veder & Dammers. "This meant shipping tons of food every month. We had total responsibility for the whole process. We transported rice, cooking oil, sorghum and milk powder to our warehouse in Rwanda, and there it was made up into food packages to be delivered to the schools."

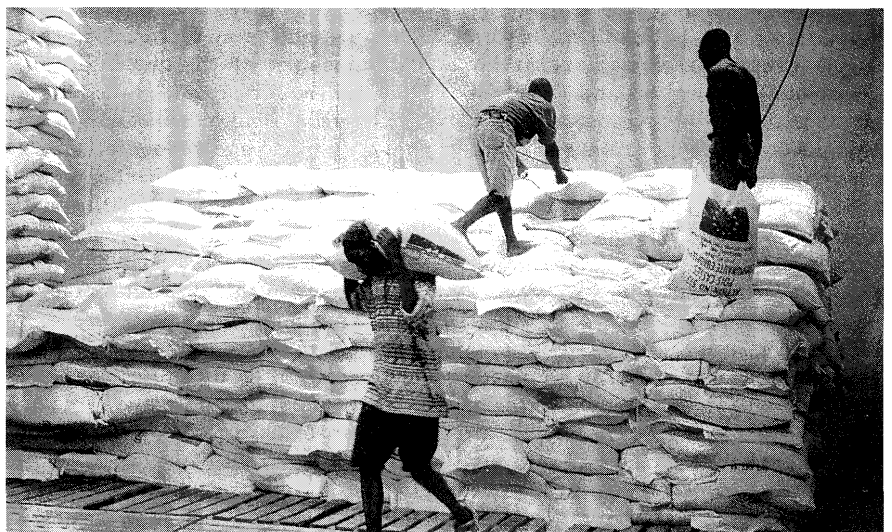
But there is far more to this than merely transporting containers. Punctuality is of vital importance, as starving children can't afford to wait a couple of weeks for their rations. For

this reason customers judge forwarders on the end result; whoever can't deliver on time doesn't get paid, and loss of cargo through theft is at the forwarder's own risk. "These are very tough performance contracts," admits Crezee.

The problems for the forwarders begin when the ship arrives at its destination. "From the port of Mombassa in Kenya or Dar es Salaam in Tanzania it's still a long haul to Rwanda or Uganda, where we have a warehouse," says Crezee. "Sometimes the roads are impassable because the surface has been washed away by the heavy rains. And sometimes you have the unpleasant task of having to deal with local rebels. It's happened a couple of times that our warehouses in Africa were raided or that a truck with supplies was hijacked."

### Dangerous

"It can also happen that our people have even been killed during the transport, especially in Rwanda in armed raids," says Len Hoogendijk from Hudig International, the subsidiary of Hudig Veder & Dammers concerned with the transport of humanitarian aid. "Not from our company, but from the small local transport companies that we contract in to help us locally. But we don't insist on our local people going on if they don't



*Nearer to the relief area the logistic circumstances are often more primitive*

want to. We think that if they don't want to go on it's a sign that it's not safe."

This arm of the transport only works if the forwarders have a thorough knowledge of the region and a network of contacts. "We get our information from local agents at the aid agencies," says Mantel from Kersten Hunik. "Most organizations have offices in Third World ports. They know where the safe areas are, when there will be a drought, or even when heavy rains will make the roads impassable. They are our logistic compass."

At the head office of Hudig International in Rotterdam, where the transport of humanitarian aid is coordinated, they have subscriptions to African newspapers so they can keep up to date with local situations. For this forwarder Rotterdam is far more than a pier where ships can moor; it is the center where expertise is clustered and from where enormous logistic operations are led. But almost every transport has its surprises.

"For instance, the case of relief for Bangladesh," says Crezee. "You ship it to the port of Chittagong and no sooner are you there than you find that, from one day to the next, they've imposed import duty on consignments of aid. We had to get permission to import the goods from one ministry, while another ministry said they knew nothing about it. You have to know what to do in such situations; who you have to talk to, and how."

## Commercially wise

Such efforts only justify themselves if there is a commercial interest involved. It is of course true that humanitarian aid is a challenge for the forwarders. In absolute figures, international aid is a vast undertaking, and can therefore be considered as big business. In the OECD (European Organization for Economic Cooperation and Development, the Paris-based international organization of 24 industrialized countries that coordinates member states' economic policy strategies, Ed.) more than five billion dollars goes on development aid. That is, of course, not all emergency relief, although a substantial part is reserved for emergency situations. But despite that, humanitarian aid is a doubly fat earner. The aid agencies are well known to be shrewd purchasers. This is born of necessity, as most aid agencies have to make every penny do the work of two to finance their projects.

"Shrewd prices typify the forwarding

of humanitarian aid too," says Mantel from Kersten Hunik. "Aid agencies select forwarders on cost price, delivery time and quality. You have to be able to organize well to make a profit. We try to do that through tendering, and combining chains of suppliers. In this way we put together a total package of aid that we transport to the location where it's needed."

## Wait and see

Operating in the market of humanitarian aid is made even more difficult through its freakish character. Emergency situations appear quickly, but they are over in no time. Forwarders that were up to their eyes in work yesterday may well sit twiddling their thumbs tomorrow. What is inherent in this instability is that flows of goods also continually change route. Today it might be London's turn, tomorrow Rotterdam's, and that makes it all the more difficult for the forwarders.

"Some years are better than others," says Pieter Gelderbloem from Schellen Shipping & Chartering in Rotterdam. "But you just have to wait and see what they've got in store for you. Last year the sugar harvest in the Netherlands was very poor. Producers could hardly satisfy the demand and so they weren't interested in supplying sugar cheaply to aid agencies, who bought it elsewhere. And this caused a fall in volume for us."

But despite all the difficulties this market is still interesting for commercial companies, largely because of the huge amounts of freight to be transported in one go.

"The volume of cargo makes it interesting," says Gelderbloem. "You're talking of shipments of 25 to 50 containers per ship, and those are nice consignments." Moreover the contracts can often be long-term. "If you foster the relationship with the customer then that can be reciprocal," says Mantel from Kersten Hunik. "Sometimes, if you have cargo space to spare, an aid agency will refer you to another organization. In this way you build up new contacts. But don't suddenly increase the price. That's definitely not on!"

It is easy in this difficult market to see why most specialists are subsidiaries of larger forwarders. Larger companies often recognize the long-term interests of aid transport, and many specialized forwarders can also see the advantages of the image gained by being a shipper of humanitarian relief. Their other customers think: if they do that then they must be a good

forwarder, in both senses of the word.

But it can sometimes go deeper. The Rotterdam forwarder Hudig Veder & Dammers sees its involvement in aid partly as an investment in depth. "What I hope is that a country like Uganda will one day be able to do without aid. When Uganda's economy is healthy we'll be able to begin commercial transport with them. We've built up the know-how and the contacts, our name is well-known there and we have a good reputation. Hopefully we can profit from this one day – for Uganda's sake as much as for ours."

## World food relief through the World Food Program (WFP) in millions of dollars

Estimated budget 1999 (end June)		
Asia	460.0	96.1
Africa	747.8	323.4
Latin America	84.6	41.3
Middle East	31.4	7.3
Kosovo	217.0	42.5

## Most important destination for relief in millions of dollars

North Korea	271.3
Sudan	228.4
Kosovo	217.0
Angola	77.9
Ethiopia	64.8
Bangladesh	58.9
Nicaragua	50.6

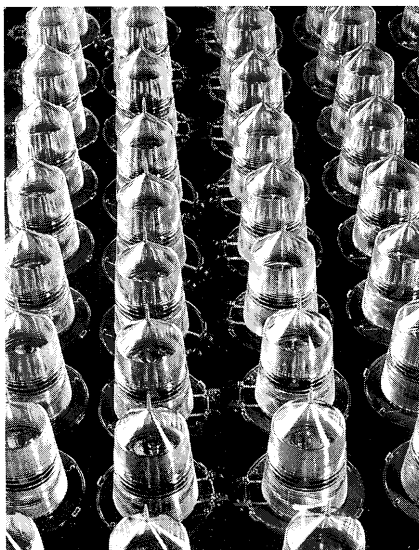
Source: WFP

## Turkey Chooses Tideland Signal's Marine Lanterns

**T**IDELAND Signal Limited has recently won a large contract to supply marine lanterns to the Turkish General Directorate of Coastal Safety and Salvage Organisation for installation at points all around the country's coastline.

The contract includes both ML-155 and ML-300 MaxLumina lanterns together with spare parts. Tideland's ML-155 and ML-300 lanterns feature a one-piece acrylic fresnel lens designed to deliver maximum beamed light for the lowest possible power consumption. They are equipped with Tideland's TF-3B MicroPower Omnibus flasher/lampchange equipment, which incorporates a timer circuit card to permit input voltages up to 36V and provides up to 256 user-selectable flash codes.

Approved to ISO 9001, Tideland Signal Limited is a British-based mem-



**Tideland lanterns for Turkish General Directorate of Coastal Safety & Salvage Organisation.**

ber of the Tideland group of companies, which specialises in aids to navigation and solar generation. The Tideland group is independently owned and has its headquarters in Houston, Texas.

### **Cory Towage Upgrades Its Bristol Tug Fleet**

**T**HE past few months have seen an investment of over £0.5 million by Cory Towage in upgrading its Bristol tug fleet so as to increase its operational flexibility.

The 43 tonne bollard pull tug *Stackgarth* has been transferred from Swansea to replace the 50 tonne bollard pull tug *Edengarth*. Although slightly less powerful, *Stackgarth* is a highly manoeuvrable tractor tug, being fitted with twin azimuthing propellers forward, while *Edengarth* is a conventional single screw vessel.

Prior to her introduction to the Bristol fleet, *Stackgarth* underwent extensive refurbishment at the Dunston shiprepair yard in Hull. In addition to a major overhaul of all machinery on board the tug, new slipping clutches have been installed to improve her performance at low engine revolutions and the skeg has been modified to reduce roll.

In recognition that the tug will be working the locks at Avonmouth and Portbury, the wheelhouse has been shortened and a new central control console installed to provide enhanced all round visibility. In addition, the stern fendering has been upgraded so as to



**Cory Towage's tractor tug, *Stackgarth*, has been transferred to the company's Bristol fleet. To suit her for her new duties, she underwent extensive modification and refurbishment at the Dunston shiprepair yard in Hull. The wheelhouse has been shortened and a new central control console installed to provide enhanced all round visibility.**

improve the tug's "pushing up" capability.

Another Bristol vessel, the "combi" tug *Point Gilbert*, has also recently undergone a major refurbishment. The main engine and Caterpillar unit driving the forward Aquamaster have been rebuilt while the two old main genera-

tors have been removed and replaced with two Caterpillar C3304 units to enhance reliability.

In total, Cory Towage operates ten tugs in the Bristol Channel area, six being based in Bristol itself (Avonmouth and Portbury) and four in the ports of Newport, Cardiff and Barry. A further four tugs serve the major oil facilities at Milford Haven.

Cory Towage operates 60 vessels in the UK, Ireland, Canada, South America, the Middle East and the Baltic Region serving

26 commercial ports and 13 oil terminals.

Cory Towage Ltd is a subsidiary of Ocean Group plc, an international logistics, marine and environmental services group with 15,000 employees, operations in 112 countries and an annual turnover exceeding £1.3bn.

### **PLA Forges New Link With Hong Kong**

**D**URING a courtesy visit by the Hong Kong Port & Maritime Board to London, PLA chairman Sir Brian Shaw explained the situation at Shell Haven.

This was received with great interest by the visitors concerning the possibility of a deep sea ro-ro and container port in the Thames estuary.

Sir Brian expressed optimism in the future and said that he was confident that London would shortly regain its position as the UK's number one port by

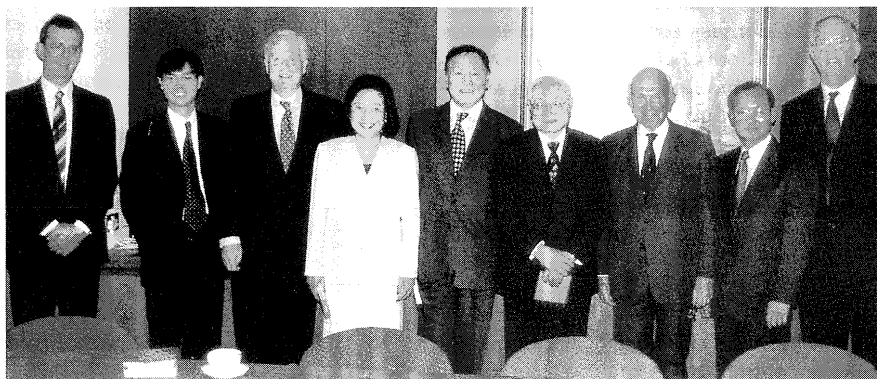
volume.

The delegation had spent most of the morning at the Ship Registers Conference at the Barbican.

PLA presented each member of the delegation with a Wedgewood porcelain saucer showing Tower Bridge, a Port of London shield and a CD-ROM of the Port of London.

The delegation was let by an old acquaintance of Sir Brian's Frank Tsao.

Sir Brian commented that the visit would re-establish the link with Hong Kong which will lead to an exchange of mutually beneficial marketing data.



**Members of the Hong Kong Maritime Board at PLA's London office**



## Asia/Oceania

**Gladstone: New Waterfront Area to Open Early 2000**

**G**LADSTONE residents have only to wait about six months until the first stage of Gladstone Port Authority's Marina outer bund wall project is complete and open for public use.

The first stage is expected to be completed by March 2000 and will comprise a possible kiosk, barbecue facilities, a cove offering protected access to harbour waters, and areas from which to view the working area of the harbour.

Works at the site have entered the bulk earthworks stage. This stage involves creating mounds and beginning excavation works at the cove and



**The Marina area in the early 1980s before Gladstone Port Authority set to work developing the area.**

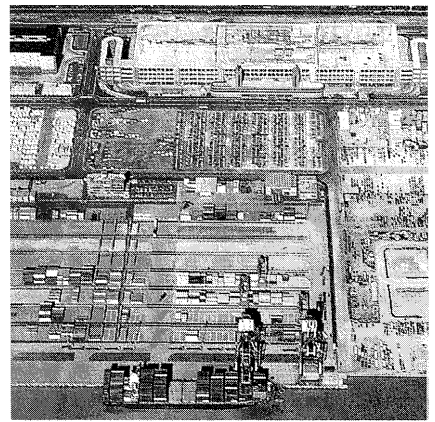
lagoon areas. Work has also begun on constructing the road base through the area.

The project's second stage is expected to be completed by July 2000 and the third stage is earmarked for completion around September 2000.

Stage two of the project will focus on a quieter public access area and incorporate barbecue and picnic areas, landscaping and areas from which to view the Marina.

The project's third area will principally be a wilderness zone and be accessible only on foot. Features of the area will include coastal vegetation and paperbark swamps. All areas will be linked with cycling and walking paths.

Gladstone's Marina is one of the city's most picturesque attributes and was developed by GPA and commissioned in 1987. GPA constructed the Marina as part of its responsibility to develop recreational use of the harbour. The Marina is the home of boating in Gladstone and has grown considerably since its development.



## Port of Kawasaki growing as a hub for international logistics in the new century

### Message from Kiyoshi Takahashi Mayor of Kawasaki

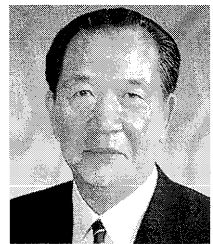
**O**NE of the core cities of the Keihin industrial zone, Kawasaki has developed in concert with the growth of the Japanese economy. As an advanced industrial city, Kawasaki plays an indispensable role in the life of the Tokyo metropolitan area.

Making the Port of Kawasaki a "People-Friendly International Trade Port" is a vital part of the Kawasaki New Era 2010 Plan, the comprehensive plan to lead the city into the coming century. Work on the creation or improvement of the infrastructure necessary to meet this goal is proceeding at a steady pace.

Located at the heart of the Keihin industrial zone, the Port of Kawasaki is home to some of Japan's best-known companies in industries such as petroleum, steel and automobiles, as well as refrigeration and facilities for helping to meet the food needs of the entire Tokyo metropolitan area.

Furthermore, with recent improvements in the area's transportation networks, the Port of Kawasaki's potential as a key logistical center has grown exponentially. The waterfront area has seen rapid improvements in its facilities, such as the completion of a cutting-edge container terminal and the opening of the Kawasaki FAZ Distribution Center as the focal point of the Port's import promotion zone.

In the future, the Port of Kawasaki will continue to optimize the advantages of its location while working to expand existing freighter routes and developing new ones to Southeast Asia, China, Korea, the Mediterranean, Europe and North America. We will constantly strive to further the Port's position as a hub for international logistics in the new world order.



## Access to the Port of Kawasaki

**T**HE Port of Kawasaki offers great convenience in business and personal transportation. Located along the Trans-Tokyo Bay Highway (Tokyo Bay Aqua Line) and the Tokyo Wangan Expressway, and adjacent to the Trans-Kawasaki Highway currently under construction, the port boasts an expansive system of roads connecting it with cities and towns in the metropolitan area.

The Higashi-Ogishima district, located at the center of the port, is of particular importance, offering not only one but two connecting points to and from the Tokyo Wangan Expressway. This gives Higashi-Ogishima excellent access to the wharf areas at Kawasaki Port.

International and commercial trade is

facilitated by a new deep-water container terminal designed specifically for ocean-going vessels. The terminal provides a considerable boost to the port's freight-handling capacity, and is expected to bring long-term economic benefits to the region. Airfreight handling is easier than ever before, as well, thanks to the port's close proximity to both Haneda and Narita international airports.

The Port of Kawasaki is truly a premier distribution center, not just for metropolitan Tokyo but all of Japan, as well. With its excellent location and convenient access via land, sea and air, the port ensures the smooth, cost-effective flow of commerce and a more immediate connection to the global business environment. The port is thus expected to become one of the country's most important new commercial and logistical centers.

freshness control standards of the food processing industry. All utilities necessary for food processing such as steam, gas, wastewater treatment are always available.

## Profile of K-FAZ International Distribution Center

1. In July 1992, the "Law on Extraordinary Measures for the Promotion of Imports and the Facilitation of Foreign Direct Investment" was passed for facilitating imports to Japan and expanding domestic investment.
2. According to this law, a decision was made to establish a "Foreign Access Zone (FAZ)" for integrating import-related facilities and concentrating business and activities around airports, ports and in their vicinities.
3. As the core of this project, "Third Sector" Companies (companies established through investment from both the public and private sectors) will play a central role in improving the following facilities that help promote imports:
  - Facilities to support the distribution of imported goods
  - improvement of import promotion facilities for imported goods
  - To support business that handle imported goods by providing the above mentioned facilities.

## Giant Distribution Terminal Now in Operation

**L**OCATED adjacent to Tokyo and Yokohama, the Port of Kawasaki is on its way to becoming a leading port for international trade. Easy access to all of metropolitan Tokyo not to mention its benefits as a streamlined distribution center of singularly impressive capacity virtually guarantee the port's continuing importance for the 21st century and beyond.

A new container terminal is an important element in the plan for utilization of the port. Constructed in the Higashi-Ogishima district, it features two berths (14 to 15 meters deep, 700 meters in length). One of these, in fact, has been in operation since April 1996.

Immediately behind the container terminal is a giant general distribution ter-

minal, or foreign-access zone (FAZ), now under construction with the full support of the Kawasaki City Regional Import Promotion Plan. Phase I ended with completion of the Kawasaki FAZ Distribution Center (210,000 square meters in floor area), which since April 1998 has enjoyed a major role as a logistical center serving greater Tokyo and its vast consumer base.

## Major advantages of K-FAZ International Distribution Center

1. The K-FAZ Center offers outstanding convenience in transportation, with a highly developed road network including Trans-Tokyo Bay Highway and Bay Shore Line. This allows distribution from Kawasaki FAZ to the Tokyo Metropolitan area and the rest of Japan to be more efficient. Moreover, links with the nearby Haneda and Narita International Airports make the handling of air freight possible as well.
2. The center is so close to the Kawasaki Container Terminal that the transportation cost and time for the containers is greatly reduced.
3. A whole range of food processing operations from unloading, storing and processing to delivery can be carried out within the bonded area to meet the strict

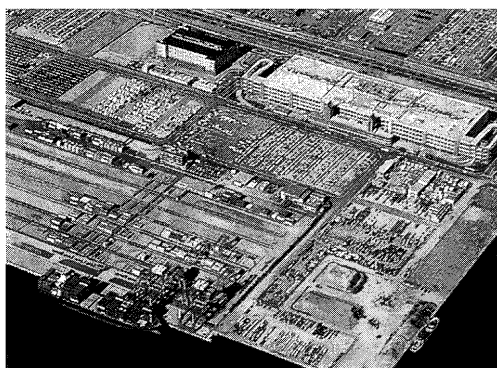
## The Integrated Bonded Area

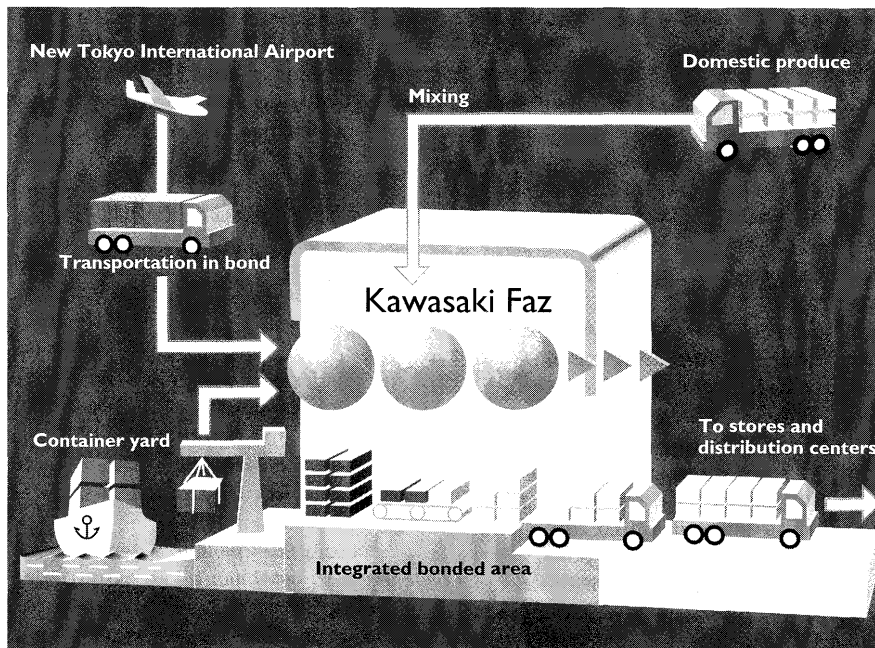
Integrated bonded areas are established under a bonding system for areas with a high concentration of trade-related facilities, under the management of a public-benefit-corporation.

Within these bonded areas, foreign cargo may be off-loaded, stored, processed, displayed, and subjected to other complex operations while remaining "bonded" (not subject to duties, consumption tax, etc.). The purpose is to allow integrated processing that, in turn, shortens lead times and reduces transportation costs.

In addition, the control of foreign cargo is being simplified, which will allow the development of just-in-time import distribution systems.

The land and facilities of the Kawasaki FAZ International Distribution Center have been designated an integrated bonded area, the fourth in Japan.





## Chidori-cho

**T**HE Chidori-cho wharves went into operation in 1947, offering freight services for general use. A reclamation project completed in 1960 further allowed these wharves to function as a key waterfront gate, through which various types of cargo such as lumber, cars and sundries could be loaded and unloaded.

Today, the wharf facilities include seven large berths, with 1,570 meters in total length, along with ten transit sheds, offering 17,528 square meters of floor space. In addition to a public freight-handling area of 26,597 square meters, private freight-handling areas offer additional space totaling 218,336 square meters.

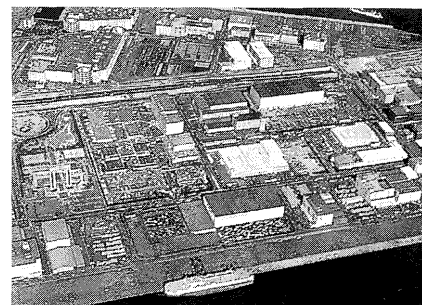


## Higashi-Ogishima

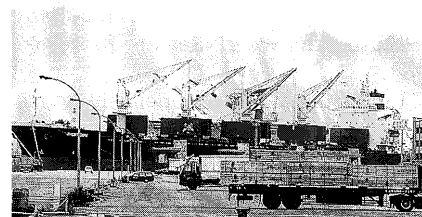
**T**HE expansive Higashi-Ogishima wharf district boasts a total area of 4.43 million square meters. For ocean-going commercial vessels, the district is equipped with ten berths, including container berths totaling 2,050 m in length, plus a freight-handling area of

111,167 square meters.

Coastal trading vessels operating out of Higashi-Ogishima will find eleven



berths totaling 1,430 m in length along with a freight-handling area of 78,900 square meters. Flanking the wharf is a giant logistics center housing 77 companies, including many stars of the distribution world.



## PSA Updates Shipping Lines on Y2K Plans

**A**S part of PSA's Total Customer Support Programme, we conducted two seminars on our Y2K Contingency preparations and plans on 29 Sep 1999 and 1 Oct 1999 for 240 shipping line representatives.

Held at the World Trade Centre's Convention Centre, PSA shared with shipping lines proactive measures to take to guard against the Y2K bug.

Mr Eric Lui, PSA Corporation's Executive Vice-President (Information Technology), said, "With the Year 2000 just 3 months away, PSA realises the importance of keeping our customers up-to-date on the preparations we have taken to tackle the Y2K bug. As a customer-focused company, we want to take the proactive step of reassuring our customers that contingency plans have been put in place and that our customers will continue to enjoy our services during the transition into the new millennium." Mr Lui also recommended that shipping lines should test out their contingency plans.

Representatives from the shipping lines responded positively to the seminars. Captain Chak Kwok Wai, General Manager (Operations), NYK Line (Asia) Pte Ltd, found the session very useful and said he would match PSA's Y2K plans against those of his company's and make

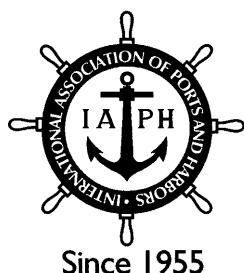
improvements where necessary. "PSA is doing its best to share its plans with the shipping lines," said Captain Chak, "I am confident of a smooth roll-over of NYK's operations into the next millennium". Many other shipping lines found the session useful too and would brief their staff thoroughly on all the Y2K precautions.

Another participant at the briefing was Captain Bob Yang, General Manager of Jardine Support Services, who expressed a "high comfort level with PSA's state of Y2K readiness. Barring unforeseen circumstances, we should be able to cross over smoothly into the new millennium."

Mr Chia Nang Seng, General Manager of Modern Shipping Agencies Pte Ltd, which is the agent for Korea Maritime Transport Company, also added, "With the foresight and efforts by PSA, I do not envisage any hiccup as we enter into the new millennium."

PSA has been audited to be Y2K-ready by external professional auditors. Customers witnessed the successful 'live' tests on PSA's Computer Integrated Terminal Operations System or CITOS (which drives the container terminal operations) that were carried out in April 1999.

Our continuing commitment to ensure a seamless transition for our customers into the new millennium earning the National Computer Board's recognition on 9 Sep 1998 and was accorded the use of the NCB's Y2K-in-Action Logo.



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Drug trafficking through seaports is a global problem requiring vigilance and the co-operation of the world's ports community.

The world's ports must accept their responsibility to enhance security measures and improve communications with the parties concerned by working closely together so as to prevent 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 Montreal, Canada  
from 19 to 26 May 2001  
at its 22nd World Ports Conference

Conference Theme: **“2001, A Maritime Odyssey - 2001, Une odyssée maritime”**  
Conference Host: **Montreal Port Authority**

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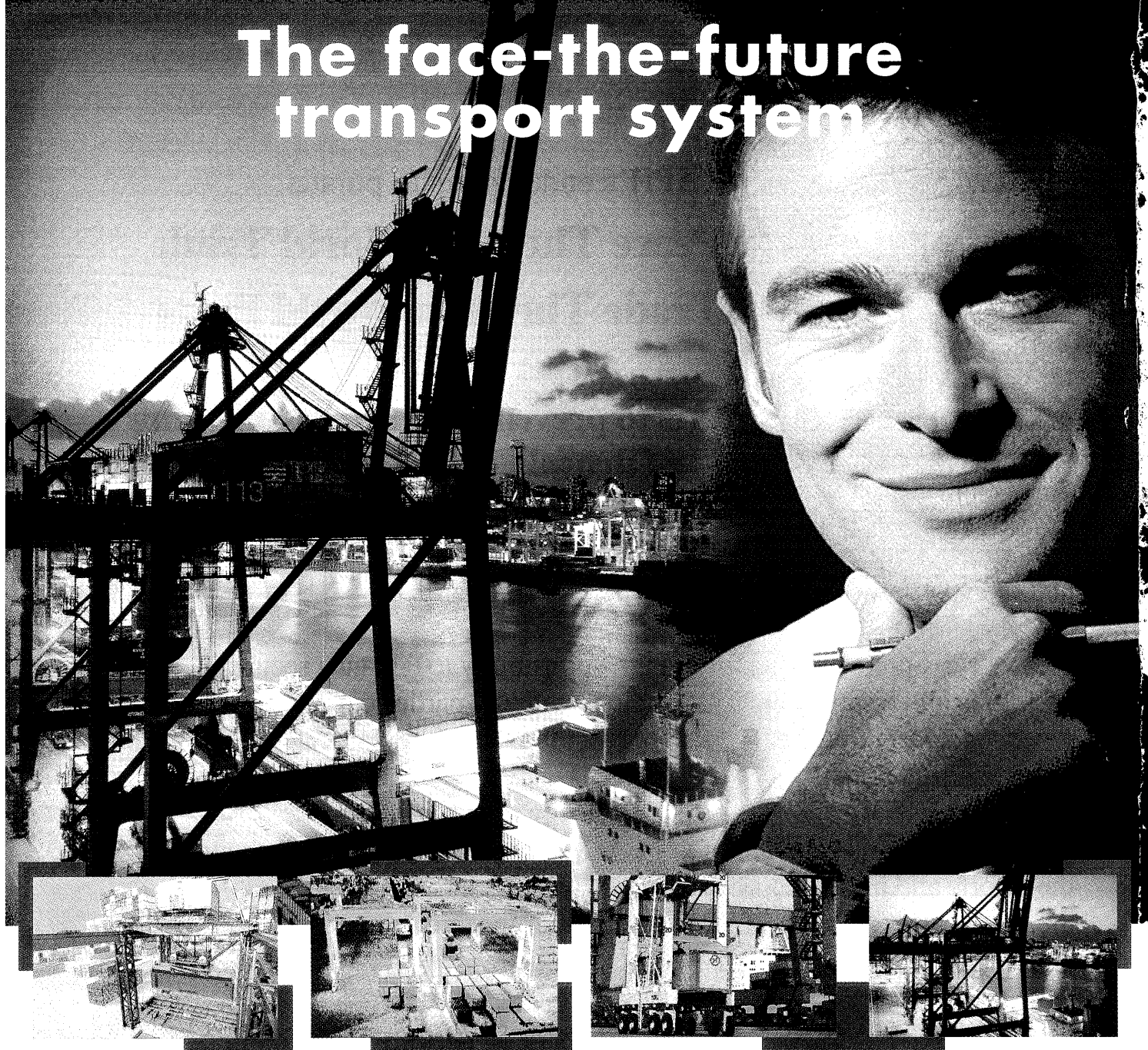
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