The Americas

U.S. Department of Homeland Security: Enhancing security with $179 million grants
U.S. ports laud additional federal security grants • Canaveral: Celebrates 50 Years
Houston: Bayport Project receives Water Quality Certification
NYNJ: Congress approves more than $130 million projects • Seattle: 2003 Cruise Season sets new records
Seattle: Shippers rank Port of Seattle #1 • Tacoma: Millionth Mazda crosses port docks
Tampa: 2004 budget focuses on long-term investment

Africa/Europe

ABP: Trading Update - Year ending December 31, 2003
Antwerp: 5 million TEUs in the Port • London: New report highlights importance of the Port • NPA/Richards Bay: Final Tender for a ship repair facility
Riga: “B.L.B. Baltic Terminal” concludes seasonal ground improvement work

Asia/Oceania

Australian Customs Service: Container x-ray strategy wins PM’s Award for Excellence
Manila: MICT handles 1 million TEUs for 2nd consecutive year
MOMAF (Korea): Volume Incentive System in the Ports of Busan and Gwangyang • MPA: Strengthening maritime bilateral ties between Singapore and Germany • Shanghai: Celebrates the Breakthrough of 10 million TEUs
Sydney: Managing Trade Growth - 2002/2003 Annual Report • Townsville: Port Authority helps community grow

New Year’s Message

B.L.B. Baltic Terminal concludes seasonal ground improvement work
IMO 26th Assembly
IMO: Accelerates single-hull tanker phase-out, new regulation on carriage of heavy fuel oil
EC: Maritime Safety - IMO closing the gap between new EU safety rules
EC: One year after the Prestige disaster
ESPO: Places of Refuge - Compensation needs further clarification
ESPO: Maritime Safety - IMO closing the gap between new EU safety rules
ESPO: Port Services Directive failed
ABP: Welcomes Parliamentary Report on UK Ports

Port of Charleston, U.S.A.

Cover of the Month

Port of Charleston, U.S.A.
PORT OF NAGOYA
JAPAN’S TOP PORT IN TRADE VALUE
FOR 2 CONSECUTIVE YEARS

Located in the Heart of Japan

The Port of Nagoya is a general port with both commercial and industrial functions, linked with approximately 150 countries and regions around the world. The Port’s hinterland includes the Chubu Region—a global center for manufacturing with strong presences of the automobile, aerospace and precision machinery industries. Backed by this industrial might, the Port of Nagoya has led Japan for 2 consecutive years in terms of the largest value of international trade handled (9.63 trillion yen in 2002).

To cope with the ever increasing size of container vessels in recent years, the Port of Nagoya is also developing a container terminal with a water depth of 16 m and reinforced earthquake-resistant features on the south side of its Tobishima Pier.

Amid the continuing globalization of the port industry, the Port of Nagoya is positioning itself to meet the needs of the future as Japan’s leading logistics hub for international trade.

Deep-water container terminal being constructed at Tobishima Pier (to be completed in FY 2005)

100th anniversary in 2007

Nagoya Port Authority
President: Masaaki Kanda
Governor of Aichi Prefecture

8-21 Irifune 1-chome, Minato-ku, Nagoya 455-8686
Phone: 81-52-654-7840  Fax: 81-52-654-7995
Website: http://www.port-of-nagoya.jp/english
HERE are few words with so many different meanings as the verb to match. Sometimes you are talking about a game or a battle in which participants with – let me put it nicely – opposing interests compete against each other. But, by the same token, we can be referring to matching colours of a skirt and blouse; to matching interests. And it is that meaning of the verb that I would like to discuss with you; the International Association of Ports and Harbors as a Matching Platform.

2004 will be a crucial year for the ports. It must demonstrate that we are indeed the reliable link in the logistic chain. We can achieve this together by applying the government-approved security plans, which meet the international standard - the International Ship and Port Facility Security code – as of 1 July 2004.

The ISPS code must be regarded as an initial step towards better security for the entire logistic chain. Take note, it is still early days. I foresee a scaling up to port-wide security for both the land and water side and further security measures for the whole logistic chain. After all, a chain is only as strong as its weakest link.

The local authority is responsible for port security. It must take on the challenge itself. Taking into account, naturally, regional circumstances and national legislation. Every port security plan is different. After all, no two ports are the same. Yet there are a large number of uniform issues facing all ports. This is also why I believe that the IAPH has an important role to play when it comes to the introduction of the ISPS code. I see the IAPH here as a type of Matching Platform to bring similar ports together so that use can be made of previously acquired expertise and to avoid the need for every port to keep re-inventing the wheel.

The IAPH as a Matching Platform. That not only applies to security. I will apply myself especially to positioning the IAPH as a regional basis for global activities. Ports in the same regions often have the same kinds of problems. During the regional meetings, these regional problems can be brought up for discussion. The ports must listen to and help each other. Together, we will have to convey our wishes and possibilities to national and international bodies.

During the last six months, I have attended regional IAPH meetings in Amsterdam and Douala, ESPO meetings in Riga, and AAPA meetings in Curacao. Many ports from the same region met up there. They confirmed the importance of regional meetings. They meet a need. The IAPH has a role to play in representing the common interests of regions in international bodies such as the International Maritime Organisation and the International Labour Organisation.

In order to further intensify the role of the IAPH as Matching Platform, it is important to communicate well with the various target groups. In recent years, the Internet has proven to be a ‘binding agent’ assisting members from all over the globe to contact each other on a regular basis, and it has accelerated the exchange of information. For example, bi-weekly IAPH Online Newsletter has rapidly become a household word among members. During the last six months, the Tokyo Office has made every effort to devise a different layout for our unsurpassed periodical Ports & Harbors. The idea is to modernise the magazine in the coming year. The transformation must not only attract the attention of members to what we have to say, but also the attention of other important decision-makers and people who shape opinion.

Thanks to the Durban Conference, 2003 was an historical year for the IAPH. The biennial conference was held in Africa for the first time. I believe that last year helped to improve our relationship with the countries of Africa and Latin-America once again. That pleases me. Because it is precisely in these regions that the IAPH can still play an important role as Matching Platform. We have every confidence that we will continue along this same line in 2004.

We wish you all a prosperous and successful New Year.
Committee Report
Port Safety, Environment and Marine Operations Committee and Dredging Task Force
October 27, 2003, Rotterdam

DRAFT MINUTES OF JOINT MEETING

1 Opening
Chairman Van de Laar welcomes the participants to the joint meeting of the committee and Task Force and informs them that this is the first time a committee meeting has taken place in Rotterdam.

Apologies for absence have been received from Mr. John Hirst and Mr. Mike Compton.

2 Minutes of meeting in Durban, May 24, 2003
The draft minutes are accepted with thanks to the writer, Mr. John Hirst. Some members have not received the list of attendants to that meeting so this will be circulated with the minutes of this meeting.

(post meeting note: unfortunately the list of attendants went missing in Durban)

3 Security in ports
The chairman reiterates the report to the Durban meeting on the state of affairs regarding the implementation of the ISPS Code at member ports. The report has been submitted to IMO. Secretary General Inoue, in the accompanying letter to Mr. O’Neill, asked IMO’s attention to some important issues that could be concluded from the report. In that context he asked IMO’s attention for the frequently mentioned lack of communication between governments and their ports and the apparent lack of funds.

In his response letter, Mr. O’Neill suggests that IAPH provide an update of the situation for presentation to IMO’s Assembly in December this year. The meeting is informed that a renewed enquiry has started recently with the aim of satisfying Mr. O’Neill’s suggestion.

In the ensuing discussion chairman Van de Laar tables his personal views on the ISPS Code. He stresses that ports should not just try to comply with the Code in order to obtain a security certificate. The objective should be to obtain a safe and secure port. This would underline the overall quality of the port and as such be a competitive edge.

He also indicates that the ISPS Code, at the shore side only addressing the Ship/Port Interface, is only the beginning. The next step should address the security of the port area as a whole and in future the security of the complete logistic chain should be addressed. Obviously, IAPH wants to be involved in all three of these elements. IAPH has participated in the IMO discussions and is presently involved in a joint IMO/ILO/Industry initiative drafting advice on port security. In December, a decisive meeting takes place at ILO in Geneva where the latest draft will be discussed. The document will become Part A of the totally revised Code of Practice for Safety and Health in Ports which will be renamed as the Code of Practice on Security, Health and Safety in Ports.

For more information visit: www.ilo.org/public/english/dialogue/sector/techmeet/messhp03/index.htm

From this site it is possible to download the draft code of practice on port security.

On many occasions it has been underlined that the many different port characteristics require an approach that is unique for each individual port.

The chairman considers it PSEMO’s task to provide guidance to IAPH members. In this context he underlines the importance of IAPH actions in the IMO Assembly and an offer from IMO’s Division on Technical Cooperation to assist in the training of trainers through the organization of workshops in ports or countries in need of support.
After his introduction he invites participants to share their views and experiences with those present. One of the conclusions is that PSEMO should be able to provide generic guidance to ports on requirements that are valid for all ports, irrespective of their characteristics.

It is also suggested that PSEMO could contact and offer a helping hand to ports that have indicated that they experience problems in meeting the ISPS requirements. These ports could also be brought to the attention of IMO.

Attention was drawn to a sensitization campaign in African countries and ports that is financed by IMO.

Before closing this agenda point the representative of the Port of Rotterdam explains the toolkit that has been developed in the Netherlands which enables port facility managers to carry out risk assessments of their facilities and as a result of this establish their custom-made port facility security plans.

More information is available on the following website:
www.portsecuritytoolkit.com

On the US Coast Guard’s website it is possible to download IMO model courses for Company Security Officers, Ship Security Officers and Port Facility Security Officers.

http://www.uscg.mil/hq/g-m/imosec.htm

4 Places of refuge

It is decided to leave this subject to the afternoon joint meeting with the Committee on Legal Protection.

5 Emissions from ships (IMO and EU developments)

The meeting is advised that the ratification process of MARPOL Annex VI is rapidly reaching the stage that this Annex will be implemented. Important elements are the global sulphur cap of 4.5% and the establishment of Sulphur Emission Control Areas (SECA’s) where shipping must use fuel oil with a maximum 1.5% sulphur content.

The EU wishes to strengthen the contents of Annex VI by restricting ships to fuel with maximum 0.2% sulphur content when in port. Apart from serious safety concerns regarding the switching from one fuel to another, this would bring the necessary fuels to be carried on board to three and this is not acceptable. Both ports (ESPO) and shipping are protesting the EU proposals arguing that a global business like the shipping sector should be regulated on a global basis through IMO.

IAPH policy that was the basis for our contribution to lengthy discussions in IMO in the nineties proves to be still valid. Once ratified the Annex should be regularly amended by gradually reducing the global cap on sulphur to such a level that SECA’s are no longer required: 1.5%. IAPH considers SECA’s to affect the competitive position of ports. Ports outside a SECA are more competitive than those within such an area.

6 Recycling of Ships

7 Ballast water developments

It is decided to leave these matters for discussion in the joint afternoon meeting with the Committee on Legal Protection.

8 Mooring lines issues

Van der Kluit explains the state of affairs of this issue. After submissions in IMO drawing the attention to severe accidents with mooring lines and mooring bits, supported by the results of IAPH and IHMA enquiries, the relevant organizations have been asked to come up with concrete proposals.

In their submissions they had stressed that the severity of the experienced accidents would warrant that mooring lines and bits be brought under some sort of regulatory regime, so that their condition/strength could be subject to inspection, e.g. Port State Control.

In a recent meeting of the Inter-Industry Shipping and Ports Contact Group the matter was discussed and it was decided to draw up two industry submissions to IMO: to NAV (Sub-Committee on Safety of Navigation) and DE (Sub-Committee on Design and Equipment). Further meetings are planned for December 2003 and onwards. At this point the following organizations have indicated to they will participate in the work: IHMA, IAPH, OCIMF, IMPA, Intertanko and SIGTTO.

In the context of this subject, the Chairman refers to the presently ongoing process of the revision of the International Safety Guide for Oil Tankers and Terminals (ISGOTT) in which he participates on behalf of IAPH. ICS and OCIMF are the two other organizations involved.

In the present edition of ISGOTT there is a requirement for tankers moored at terminals to have so-called emergency towing off wires ready for use fore and aft at the offshore side of the vessel. During the stay alongside the terminal, these wires should be maintained at or about the waterline, so as to enable tugs to make fast and tow the ship away from the terminal in case of an emergency.

Given the increased size of tankers and the subsequent increased size of the wires, these have become a hazard for the ships’ crew that has to manhandle these ropes. Furthermore it is questioned whether tugs would be available in time for the towing off and whether it would be wise to move a tanker in case of an emergency, e.g. a fire on board. Addressing such an emergency might be more effective if done from the shore/terminal side.

Urgent advice is sought from nautical experts from member ports on this matter.

9 PIANC issues

This agenda item is included in the following item: DTF matters.

10 Dredging Task Force (DTF) issues

For this agenda point Chairman Van de Laar hands over the Chairmanship to Dr. Geraldine Knatz, Chair of the DTF.

a. She re-iterates a message she circulated after the Durban conference on a Resolution adopted by PIANC’s General Assembly in Bergen (Norway) on May 13, 2003: “The Waterway is the Better Way”. So far few comments have been received and on behalf of PIANC she wishes to bring this matter once more to the attention of IAPH with the aim to hear IAPH’s position. (Resolution is attached)

b. She advises the meeting that MARCO M, PIANC’s Maritime Committee, is involved in a new project on the dimensions of waterways.

c. She circulates the Terms of Reference (TOR) of a new Expert Group of the Environmental Commission of PIANC of which she is a member and asks for additional input from IAPH experts. The Group has to address the environmental benefits of waterborne transport. (TOR attached)

d. A final draft of the revised circular “Dredging for Development” will become available from IADC (International Assoc. of Dredging Contractors) for a final check around

IAPH ANNOUNCEMENTS & NEWS

PORTS AND HARBORS January-February, 2004 5
With the recent incidents of fires and explosions in ships carrying dangerous goods, it is timely for ports to reconsider the arrangements they have made for the prevention and fighting of fires and fire emergencies.

In the spring of 1944, a ship called the Fort Stikene was loading cargo in the port of Karachi. It already had a large quantity of explosives on board and the ship’s loading officer agreed to accept 2000 press packed bales of cotton and to have them stowed on top of the explosives. Once the loading had been completed the ship sailed south and entered Bombay harbour. What had been forgotten was that press packed bales of cotton can self-ignite – today they are considered as class 4.2 spontaneously combustible and in the heat of an April day that was almost guaranteed. Smoke was seen coming from the hold but, before anybody could do anything, a large explosion took place, followed by another even larger explosion. By the end of the disaster and on the same day as the Titanic went down (but 32 years later) nine ships had been sunk and the dock area devastated.

Two other similar types of disaster have occurred in ports in the past. The port of Halifax was devastated in 1917 by an explosion caused by the collision between two ships in the harbour, one of which was carrying explosives. Strangely, one of the ships was named Imo, the other being the Mont Blanc. In 1947 a major explosion on a ship called Grandcamp in Texas City involving a large quantity of ammonium Nitrate also caused heavy damages in the port area.

These events, dramatic as they were, took place many years ago and, thankfully, there has been nothing comparable since. The tanker Betelgeuse blew up and destroyed the Whiddy Island terminal in 1979 but, thanks to a much better understanding of the hazards involved, good management and well trained personnel backed by relevant laws, such catastrophic events are hopefully things of the past.

However, with the dramatic increase in the volume of packaged dangerous goods being conveyed by sea in cargo transport units, various new dangers have arisen. In the November article, the main dangers concerned with such cargoes were highlighted together with what ports might undertake...
goods. The full story had still not been published at the time of writing over one year on but the implications are clear. Whilst many of these accidents will be experienced at sea (and, therefore, outside the scope of these articles) some may occur in port. As a recent symposium heard, there have been nine massive ship fires in the past 5 years. The latest at the time of writing was the Sea Elegance that arrived off the Port of Durban with one hold substantially on fire. In fact, fires on board ships, either in dry dock, alongside the quay or even within harbour waters, can and do occur. Whilst many may be fairly small, there have been large fires involving a major effort to fight and control them. If the ship is alongside, such a fire could also threaten shore side facilities (equally, of course, large fires in quayside warehouses could affect ships alongside and have, in the past, caused them to be moved away from the berth).

In the 1990s, IAPH published a series of Port Guidance Documents, one of which was entitled “Emergency Preparedness and Response in Ports”. Two of the hazards and events listed for inclusion in the emergency plan were fires and explosions ashore and on board. Every port should have emergency plans and one aspect of such plans must be concerned with fires and fire fighting. Firefighting arrangements tend to follow two different lines. Some ports have their own in-port or inter-terminal arrangements. The prime advantage is that the equipment and people are on the spot. Against that, it does require a commitment that highly trained and properly equipped teams must be present at all times. Often, the particular position of the port or terminal and the circumstances and hazards will determine that decision. A more common arrangement is for the terminal or port to rely upon the local community fire services. These usually provide an excellent service although ship fires are normally outside their usual scope and familiarisation training is needed.

ICHCA International’s International Safety Panel conducted a wide-ranging survey in the 1990s on the subject of emergency plans and the results were included in an advice document published as a safety briefing pamphlet (SBP#6). The results of the survey were quite interesting. 84% of respondents said that they had emergency response plans (so 16% did not have such plans). Of those that had such plans, 78% had published them (so 21% did not publish them). The publishing dates ranged from the year of the survey (6%) to eleven years or earlier (19%). The most common period for reviewing the plans was once every three years. With regard to practising the plans, 7% said that they never did, 58% did so sometimes and only 31% did so regularly. 88% said that they consulted their emergency services when developing an emergency response plan (this was the highest percentage among 8 different consultees). Of the areas covered by the plans, 99% covered berths, 90% the harbour, 72% the inner harbour, 62% the outer harbour and only 59% outside the harbour. What was quite striking was that 94% of respondents had said that their contingency plans covered fires ashore, higher even than spillages of dangerous goods (90%), rescue of personnel (75%), injuries (72%) and environmentally hazardous spills (92%). Similarly, with incidents afloat 89% of plans covered fires in ships. Emergency response training in fire fighting was carried out by only 49%, whereas 75% provided emergency response equipment for fighting fires. Significantly, only 49% said that their contingency plans for incidents afloat covered cargo emergencies on board whilst entering port.

This leads on to an aspect of fires aboard ship that every port should seriously consider. As there are some indications that such matters are changing, it is worth checking even if it was reviewed as recently as five years ago. If the terminal or port arrangements rely upon the local community, are the fire stations and fire fighters concerned trained to fight fires in ships and do they have the necessary equipment. Often ship fires might involve acting in confined spaces with plenty of smoke and cramped conditions, perhaps with hazards and situations not found elsewhere. Furthermore, are they trained and equipped to go out to a ship that may be at an anchorage or the harbour approaches. Are there fire fighting facilities afloat, ie fire tugs or fire monitors. It is understood that some local community services say that they cannot tackle ship fires as they have neither the equipment nor the training and experience to do so. Another aspect that should be checked can be best described through a situation that developed in the 1980s. An ocean-going cargo ship was moored in the middle of a river that happened to have the State line run along its length. The ship caught fire and neither of the two shore-based fire-fighting facilities would come out to it as each said that their jurisdiction stopped at the State line – effectively at the shoreline. The ship had to cut its moorings and drift ashore before it could get any assistance. Often ports are situated at boundary positions and this will always involve waterways that could, in theory, mean that ships might catch fire whilst out in the waterway.

Readers wishing to submit questions on this topic or that have points to add to this debate are encouraged to contact Mike Compton directory by e-mail on mike@portsafety.demon.co.uk

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PORTS AND HARBORS January-February, 2004 7
Membership Dues for 2004

Invoices sent to Members

An invoice for 2004 dues has been sent to each IAPH member. There is no change in the dues scheme for 2004, namely SDR1,070 per unit for Regular Members, making this the 9th consecutive year without a dues increase. However, given the exchange rate fluctuation between national currencies the SDR (Special Drawing Rights, of IMF), the basic of monetary unit of the IAPH dues scheme, there will be certain changes.

Based upon the established practice of IAPH, exchange rates as they existed on December 10, or the closest working day to it, of each fiscal year have been quoted as the basis for payments. Please consult the table below.

The IAPH Head Office would appreciate members remitting their dues to the IAPH account at the bank indicated below rather than sending checks, as the commission on payments made by check is twice as much as that on payments made directly to our bank account.

Suggestions for Payment:

- **Bank:** The Mizuho Bank, Ltd., Marunouchi-Nakadori Branch
- **Bank Swift Code:** MHBK JP JT
- **Account No.:** 883953
- **Account Holder Name:** The International Association of Ports and Harbors

Please quote the Invoice Number and the name of your organization.

### Membership Dues for 2004

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### 2004 IAPH Meetings

- **February 18 - 20**
  - **Africa/Europe Regional Meeting**
  - Tallinn, Estonia
  - For information: Port of Tallinn, Marketing Division
  - Sadama 25, Tallinn 15051
  - Estonia
  - Tel: + 372 631 8077
  - Fax: + 372 631 3058
  - E-mail: iaphmeeting@portoftallinn.com
  - Regional Meeting Site: http://www.portoftallinn.com/iaphmeeting

- **March 16 - 19**
  - **Asia/Oceania Regional Meeting**
  - Busan, Korea
  - For information: A/O Regional Meeting Secretariat
  - 68-899 Jwachun-dong, Dong-gu,
  - Busan, Korea
  - Tel: +82 51 638 7077
  - Fax: +82 51 638 7080
  - E-mail: info75@lee-expo.com

- **April 25 - 28**
  - **IAPH Mid-Term Board Meeting**
  - Charleston, South Carolina, U.S.A.
Bayport Container & Cruise Terminal Project
Environmental Management and Mitigations

H. Thomas Kornegay
P.E., P.P.M.
Executive Director, Port of Houston Authority

In early January of 2004, the Port of Houston Authority accepted and signed the required permit authorizing the construction of the Bayport Container and Cruise Terminal. The U.S. Army Corps of Engineers’ permit was the final federal documentation necessary for the $1.2 billion terminal.

“We have always been confident that this final step would occur,” said Jim Edmonds, PHA commission chairman. “We were pleased to receive and execute the Corps’ final permit.”

The Corps studied the port authority’s Bayport terminal for five and a half years, reviewing the site location and the environmental impacts the terminal might pose. In releasing its record of decision, the Corps said that the voter-approved Bayport terminal posed less of an environmental impact on the community than any other potential development.

Bayport Development of New Container and Cruise Terminal

At ultimate build-out, Bayport will feature 7,000 feet of container wharf dredged to 40 feet, 3,400 feet of cruise wharf and three cruise terminals, a container storage yard, an intermodal rail yard, truck gate facilities, a co-development area and 30 new buildings, including facilities for administration, maintenance, marine emergency and other services.

Bayport will be able to serve up to seven container ships simultaneously with the ability to handle annual throughput of 1.4 million container lifts a year or about 2.3 million TEUs. The wharves will be equipped with 18 wharf cranes and 54 rubber tire gantry cranes.

Container throughput in Houston has risen at an average growth rate of more than 10 percent per year for the past decade. The Texas Transportation Institute predicts that the container market will grow at a rate of 7.2 percent through 2010. A substantial share of this market growth would be expected at the Port of Houston, given our history as a leader in Gulf Coast container cargo.

Environmental Conditions of the Project Site

The journey to receive the permit began nearly four decades ago when planning began for the Bayport Chemical Complex on the western shores of Galveston Bay. The PHA and Humble Oil and Refining Co. initiated a joint agreement to develop an 8,000-acre industrial site and an adjoining deepwater port in 1964, and PHA obtained a major portion of the property, 1,500 acres.

Today the Bayport Chemical Complex is home to roughly 60 chemical plants and numerous ocean-going vessels and barges transit the Bayport Ship Channel each day. While a few homes were located in the area before to the initiation of the Bayport Chemical Complex, many residential neighborhoods have continued to develop to the north and south.

The PHA’s Bayport property has been used for a variety of activities since the 1960’s including dredged material disposal for construction of the Bayport Ship Channel, oil and gas exploration, and cattle grazing.

The Corps of Engineers has determined there are approximately 20 acres of wetlands over which the federal government claims jurisdiction and another 100 acres of non-jurisdictional wetlands or aquatic resources. The majority of the jurisdictional wetlands at the site were created from fill placed on the site during the construction of the Bayport Ship Channel. Additionally, wetland biologists have indicated the wetlands at the site are mostly considered low quality wetlands, primarily because of invasion of non-native vegetation and disturbances caused by man’s activities.

Environmental Concerns Expressed

The concerns expressed by the environmental agencies for the construction and operation of the Bayport project primarily included wetland mitigation, stormwater runoff quality and air emissions. The Bayport property is located in the Houston-Galveston area, which is prone to high levels of ozone. Before and during the permitting process, the region experienced difficulty locating an adequate number of emission reductions in order to achieve attainment with the U.S. Environmental Protection Agency’s ozone standard by 2007. Several environmental agencies needed to ensure the construction of the Bayport project would not hamper the region’s attainment with the standard.

The residential communities have expressed concerns over increased noise from the Bayport terminal, traffic, lighting, industrial sprawl and air emissions. The PHA worked diligently to listen to the communities concerns and explore
ways to modify the original master plan in order to address the concern. The PHA held several public meetings in 1998 and 1999, and formed a citizen’s advisory group which met over two years to assist the PHA in developing modifications to the master plan and develop an appropriate mitigation plan.

Mitigation Plan, Basic Concept

The Port of Houston Authority places a strong emphasis on environmental stewardship. In fact, the Port of Houston was the first U.S. port to meet the rigorous requirements of ISO 14001, the global standard for environmental excellence. We did this by establishing an environmental management system that emphasizes solid waste reduction and recycling, air emissions reduction and storm water quality improvement.

The PHA worked diligently over five years with state and federal environmental agencies as well as the surrounding communities to eliminate, or mitigate these concerns. By using the ISO 14001 program developed at Barbour’s Cut, the port identified and incorporated environmental mitigation into the design plans for Bayport.

Modifications to the original plan

The original master plan was designed to optimize the operational performance of the Bayport facility. The design team explored the latest in technologies from across the world in order to develop a master plan utilizing cutting edge technology. Once the master plan was on paper, the PHA began meeting with the environmental agencies in order to ascertain any concerns of today, as well as any future environmental requirements. Additionally, the nearby communities’ concerns were taken into consideration, and addressed in the Bayport plan as it exists today. The following is a summary of the major changes to the original master plan:

Gate Location: The original gate complex was located on the east side of the terminal. A community located to the east side of the Bayport facility was concerned about the diesel truck emissions generated in the area. The PHA responded by moving the gate to the west side of the terminal, which required operational modifications to the facility, the redesign on the gate complexes, the purchase of additional property, and an additional stormwater detention pond.

Buffer Zone: The communities located to the north and east were concerned about noise and lighting emanating from the terminal during construction and operation. The PHA committed to a three-mile long buffer zone around the facility that will include a landscaped sight and sound berm that will be 20 feet tall. The PHA hired lighting experts to design specialized lighting systems designed to use black light poles and fixtures that will limit night-time impacts at the facility. Additionally, the PHA will use noise reducing dampers on the wharf cranes. The PHA will continue to push technology and its noise and light consultants to ensure the facility’s impact to surrounding communities is minimized. Another buffer zone the PHA is located on the southern end of the terminal. The terminal essentially ends immediately adjacent to Pine Gully, a small stream used by the flood control district. An environmental agency was concerned about the habitat adjacent to Pine Gully so the PHA committed to a nine-acre buffer to maintain the habitat existing there today.

Traffic: The community to the east was concerned that truck traffic would miss the Bayport terminal gate and end up in their community. Therefore, the PHA committed to a substantial amount of signage on
Port Road leading into the terminal, as well as an intersection designed to not allow truck traffic to make the turn onto the road leading to the community. The PHA also committed to the local share of flyovers from the state highway to the western end of the terminal.

**Rail:** The industrial community was concerned about the additional rail traffic from the Bayport terminal causing rail congestion in the Bayport Chemical Complex. The PHA purchased additional property to the south of the terminal in order to reroute trains from the area of concern.

**Bay Bottom Habitat:** One of the environmental agencies indicated a concern over the loss of bay bottom habitat in Galveston Bay due to the fill of bay bottom to construct a five berth cruise terminal. The design and operational team re-evaluated the cruise terminal needs and was able to redesign the cruise terminal to three berths reducing the fill of bay bottom by roughly 90 percent, resulting in an impact on only two acres.

**Ship Traffic:** With the construction of Bayport, the Houston pilots indicated a safety concern over the safe passage of vessels in the main Bayport Ship Channel while a vessel is docked at the Bayport terminal. The PHA committed to adding more setback from the centerline of the channel. The concern was brought forth after the PHA conducted a community project on the north shore of the Bayport Ship Channel. The residents were experiencing erosion and were potentially going to lose property when the PHA armored the shore line with rip rap. Therefore, the vessels would no longer have a muddy shore line has a safety area in the future.

**Stormwater quality:** Bayport will have a revolutionary stormwater design that is not found at Barbours Cut or any other U.S. terminal. State and federal agencies consulted with the PHA on potential environmental regulations regarding stormwater discharge. In response, the PHA designed a unique four-part stormwater discharge system that exceeds any local, state or federal requirements.

Once Bayport is in operation, the four-part system will collect the first inch of all rainwater runoff, reducing potential material from the terminal grounds before it ever reaches the bay. Thus, the Galveston Bay system will be protected because sediment will be diverted into a holding pond. The “first flush pond” will trap suspended solids, thus decreasing the discharge of sediments into the channel and bay.

To further decrease the rate of stormwater discharge, the port is constructing the South Terminal Retention Pond. This basin will protect Pine Gully by capturing and holding stormwater in excess of one inch then releasing it slowly. Additionally, the retention pond will have a polishing wetland, further filtering water before discharging it into Pine Gully.

Again, with environmental protection in mind, terminal areas that could potentially impact stormwater – such as the equipment and crane maintenance and equipment parking areas – will have isolated drainage basins. After removing any suspended solids and oil and grease, the stormwater will be released.
into the first flush pond.

“PHA has taken water quality to heart, and we are planning Bayport to be environmentally friendly,” Edmonds said. “We have done this through our four-step stormwater system, through our extensive mitigation and our environmental management system. The port believes that the water quality plans for Bayport exceed all current governmental standards and help to raise the bar for all future environmental protection - protecting our bay, our community and all of Texas.”

The Bayport facility will be no exception to this high standard. On opening day, Bayport will be ISO 14001 compliant.

Additional Mitigating Measures

In addition to the substantial number of changes the PHA made to the Master Plan, the PHA has also committed to a variety of mitigation measures for air quality, wetlands, traffic and noise.

Air Quality: Nitrogen oxide (NOx), volatile organic compounds, and particulate matter have been the focus of the PHA’s air quality efforts, not only at Bayport, but also at its existing facilities. The PHA has tested several air quality emission reduction devices at its existing container terminal with great success. This terminal recently completed a conversion of 28 rubber-tired gantry cranes and 25 yard tractors to Purinox, a diesel emission fuel that produces significantly lower levels of air emissions.

The initiative was funded by US$212,000 in grants awarded to PHA by the Texas Emissions Reduction Program. Previous tests of Purinox on Barbours Cut equipment engines have resulted in a 25 percent reduction in nitrogen oxide levels and a 30 percent reduction in particulate matter. The PHA also purchases the cleanest engines available for its onroad and offshore (Tier II) fleets. These concepts will readily transfer to the Bayport facility, and the PHA committed in the Bayport permit to reduce NOx by 25 percent.

Additionally, the PHA also worked closely with the EPA and Texas Commission on Environmental Quality to develop a unique strategy to reduce air emissions during construction. The PHA faced a federal requirement of general conformity, which basically states emissions from a project must be included in the region’s State Implementation Plan or emissions cannot exceed 25 tons per year without mitigating the emissions back down to zero. While the PHA had already ensured all of the Bayport project emissions were included in the region’s SIP, the PHA developed a NOx calculator for contractors to submit as part of their bid on constructing the first phase of Bayport. This NOx calculator assisted the contractor in ensuring their emissions did not exceed the 25 ton requirement.

Wetlands: The PHA’s wetland mitigation plan includes four properties to mitigate for all the wetlands at the site, not just those with federal jurisdiction. The PHA will accomplish this by the purchase of three separate tracts of land.

The jurisdictional wetland replacement will occur at a 173-acre property located near the Armand Bayou Nature Center. Wetland replacement will be constructed at a ratio of more than three to one to increase the habitats available for coastal wildlife. This site will be protected as a conservation easement, creating nearly 70 acres of emergent freshwater wetlands,

enhancing 12 acres of existing wetlands, preserving 23.7 acres of forested upland and restoring 71 acres of upland coastal prairie. This improvement and dedication of an environmental easement will benefit the community and the nearby Armand Bayou Nature Center and help to preserve a natural area for generations to enjoy.

The non-jurisdictional wetland mitigation will also occur at two separate properties of 473 acres and 500 acres. In September, PHA and the Texas Parks and Wildlife Department signed a memorandum of agreement on PHA’s plan to preserve coastal prairie habitat as part of the development of the proposed Bayport terminal. Three other agencies, which previously had raised concerns about Bayport’s potential environmental impacts, submitted written statements to the Corps endorsing PHA’s coastal prairie preservation plan. The statements from the EPA, U.S. Fish and Wildlife Service, and Texas Commission on Environmental Quality generally conclude that PHA’s plan adequately addresses their concerns.

Furthermore, the PHA will use dredged material beneficially to create an additional 200 acres of inter-tidal marsh. Creating wetlands from dredged material is not a new concept to the PHA and the Army Corps of Engineers. In a joint project of the widening and deepening of the Houston Ship Channel, about 4,260 acres of marshland will be created over the next 50 years. These marshlands act as a nursery for marine life and provide excellent bird watching and fishing opportunities, thus increasing the recreational value of Galveston Bay.

More than 1000 acres of property will be set aside for preservation due to the PHA’s construction of the Bayport project.

“Our plans exceed all state and federal wetland requirements, and we exceed these requirements by replacing the function and value of wetlands at the Bayport site,” Edmonds said. “The goal of the Bayport environmental plan is to meet and exceed all applicable local, state and federal requirements. We have an industry-leading environmental program that we are very proud of.”

The Port Authority has drawn on expertise developed in other ports around the world to make the proposed Bayport facility environmentally sound. The port authority will continue to review our development plans as new environmental technologies and techniques evolve, Edmonds said. “The Port of Houston Authority has worked diligently with numerous groups during Bayport’s planning,” said Charlie Jenkins, Bayport project manager. “Developing a mitigation plan that satisfies the wide variety of stakeholders -- including residents, governmental and environmental regulators plus others -- has been a difficult and lengthy task. However, we believe that we have a better product because of this process.”

Bayport has been designed with the highest environmental standards and procedures. PHA’s plans go well beyond the letter of the law, and PHA pushes to exceed standards and requirements for protecting the environment as well as responding to considerable community input.

Procedural steps

The Port of Houston Authority filed a permit application with the Corps of Engineers to construct Bayport in October 1998. The permit required included a Rivers and Harbors Section 10 permit for the construction of the wharfs and dredging, and a Clean Water Act Section 404 Permit for the fill of wetlands. An environmental impact review followed and was conducted under the guidelines established in a U.S. federal statute, the National Environmental Policy Act (NEPA). NEPA requires federal agencies to consider the environment during their decision-making processes and to analyze and consider alternatives. Additionally, the state environmental agency must issue a Clean Water Act
Section 401 certification for the permit to be finalized.

The first step for the Corps was to conduct a scoping meeting in August of 1999 in order to understand community concerns regarding the project. Additionally, the Corps conducted numerous meetings with a group of state and federal agencies.

As part of the NEPA process, the Corps must not only evaluate the potential environmental impacts of the proposed project, but must identify reasonable alternatives to the proposed project. Six alternatives, in addition to the port's proposed Bayport location and a "no-action" alternative, were reviewed.

The first report issued by the Corps is the draft Environmental Impact Statement which was published on Nov. 12, 2001. Public information workshops following in that month and in December. A public hearing on the draft EIS was conducted in December; and citizens were able to submit written comments through August 2002.

In May 2003, the Corps released its Bayport Final EIS, which opened a two-month public comment period. In August, the Corps issued a new public notice with a 30-day public comment period on the coastal prairie preservation components of PHA's mitigation plan.

The Corps released its final record of decision or ROD on Dec. 19, 2003, which recommends approving the Bayport Container and Cruise Terminal. A ROD is a concise document that states what the decision on the permit is and includes the district engineer's views on the probable effect of the proposed project on the public interest.

The ROD stated that "...even if the Corps were to conclude that all of the aquatic areas on the site, including all of the wetlands on the site, were subject to CWA (Clean Water Act) jurisdiction, (PHA) has provided ample mitigation to compensate for the loss of all aquatic areas on site that will be filled in or otherwise degraded by the project. Consequently, the CWA Section 404 permit that the Corps proposes to issue would still be fully justified in this case by the generous mitigation package offered by (PHA)."

Thus far, Texas' environmental authorities have weighed in favor of Bayport. The Texas Commission on Environmental Quality issued its 401 Water Quality Certification on Dec. 16, 2003, verifying the port authority's mitigation plan for wetlands at Bayport meets or exceeds state and federal laws. Additionally, the Texas Coastal Coordination Council was asked by the Bayport opposition to perform a full coastal consistency plan review for Bayport. On Dec. 29, 2003, the 11 voting members of the CCC declined to refer the document for review by the full CCC membership, and the Bayport project was allowed to continue.

The permit was issued on Jan. 5, 2004 on the heels of the record of decision issued by the U.S. Army Corps of Engineers.

"The Corps has done an outstanding job in its diligent review of the Bayport plan," Edmonds said. "Throughout this near six-year process, the port authority has maintained its commitment to good environmental stewardship and open communication with the citizens of the communities surrounding the port."

Community opposition

Despite the port authority's diligent efforts to mitigate for all environmental impacts, some communities adjacent to the Bayport property still have protested the port's plans. In June 2003, local organizations filed a federal lawsuit against the U.S. Army Corps of Engineers, contending that the Corps' delineation of jurisdictional wetlands is improper and that the Corps should release a supplemental environmental impact statement on the Bayport project. The lawsuit did not name the PHA; however, four months later, PHA legal counsel filed to intervene in the pending federal court lawsuit.

"By intervening in the lawsuit, we are seeking to protect the Port Authority's rights and prevent further delays that could significantly harm the region's economy and job base," Edmonds said. "Throughout this process, the Port Authority has maintained its commitment to good environmental stewardship and open communication with the citizens of the communities surrounding the Bayport site."

"The lawsuit is a baseless challenge to the validity of the Corps' process," Edmonds said. "The documents filed with the court clearly explain why the plaintiffs' challenge will fail."

The Business Case for Bayport

The port authority's existing terminal, Barbour's Cut, has been expanded to capacity and the projected need for increased capacity to handle additional container cargo cannot be met at Barbour's Cut.

To meet the competitive challenges of today's global marketplace, the PHA must expand by building a new facility. Another appealing growth market is the cruise industry, which has positive impacts, benefiting the economy and creating jobs. In November 2003, Norwegian Cruise Lines returned to the Port of Houston with a newly remodeled ship for 48 cruises a year under a new three-year agreement.

"The Bayport terminal is critical not only to port authority's future, but also the economic health and vitality of our region," Edmonds said. "Once completed, the facility will triple the port's container handling capacity. That means more jobs and more prosperity for hundreds of thousands of Texans who depend on the port for their livelihood and quality of life."

Built out in phases over 15 to 20 years to meet market demand, the Bayport complex will have enough space for seven ships and a 378-acre container storage yard. It will have a maximum capacity of about 1.4 million containers - a 200 percent increase over PHA's current container handling capacity. The facility is expected to create approximately 39,000 jobs and contribute approximately US$1.6 billion to the Texas economy through wages and tax revenues.

According to cruise industry analysts, 37 new cruise vessels are contracted for or under construction. Because of space limitations, Barbour's Cut is not able to take advantage of this growing market. The port needs new land and facilities to attract new cruise lines and bring dollars to Houston instead of other cruising ports.

According to Business Economic and Research Advisors in Exton, Pennsylvania, more than 273,000 passengers embarked on cruises to the Western Caribbean and Mexico from Texas ports in 2002. Houston's friendly rival port in Galveston clearly accounted for most of the business.

BREA's data show that US$445 million in direct spending by the cruise industry and its passengers in Texas during 2002 generated more than 7,000 jobs throughout the state, and US$292.5 million in wages and salaries. The direct economic impacts were derived from a broad range of activities, including air transportation of cruise passengers, pre- and post-cruise tourism, and the provisioning and servicing of ships.

Indirect benefits resulted in part from additional spending by suppliers to the cruise industry (e.g. food processors, utility services, transportation services, insurance, etc.). In addition, employees of the cruise lines and the suppliers generated indirect economic benefits.
through their purchases of consumer goods and services such as autos, food, clothing, furniture and health services.

Delivering Jobs, Economic Impact

While awaiting receipt of the ROD and permit, PHA publicized and received bids and proposals in a strategy to save time and money once construction was authorized. For example, the PHA commission approved the staff to negotiate on the wharf and dredging contract as well as the wharf cranes contract.

“Although no work was performed and no spending authorized until the Corps issued the permits, executing these contracts saved time so that construction could begin once we received our permits,” Edmonds said.

PHA’s entire bidding and contracting process can take six to eight months, Edmonds said. That time includes bid and proposal submissions, evaluations by PHA staff, and subsequent reviews, contract award decisions and spending authorizations by PHA commissioners.

Following receipt of a permit from the Corps, the PHA estimates that as many as 16 contracts totaling more than US$180 million will be awarded during the first part of the Bayport project. More than half of that amount is expected to be packaged in Small Business Development Program contracts, which can result in as much as 35 percent participation by qualified small businesses. The SBDP was established in 2002 to help PHA contractors make good faith efforts to include small business participation in eligible contracts.

Every year, more than US$88 billion worth of goods move through the Port of Houston. Last year alone, nearly 200 million tons of goods moved through the port. More than 287,000 jobs throughout Texas are related to the movement of cargo through the port. Those jobs pay more than US$7 billion in salaries and wages. Additionally, port-related businesses generate nearly US$11 billion in revenues and pay nearly US$650 million in taxes.

The Bayport facility will balance the needs of environmental sensitivity with the demands of global trade and commerce.

A brief history of Bayport’s development

• **1964:** Port of Houston Authority purchased a major portion of the Bayport Property adjacent to the 7,200-acre Bayport Chemical Complex, south of the Bayport Channel, and located on Port Road in the Pasadena Industrial District.

• **1993:** PHA purchased additional 608 acres of land adjacent to the PHA’s Bayport property.

• **May 1998:** Original Bayport Container and Cruise Terminal Master Plan was released to the public.

• **1998-2000:** The Port sponsored public workshops and meetings, resulting in multiple changes to the plan.

• **October 1998:** The Port applied for permits from the U.S. Army Corps of Engineers.

• **December 1998:** The Corps, at the behest of the port, decided to do an environmental impact statement, instead of an environmental assessment.

• **September 1999:** The Corps held its scoping meeting for the Bayport EIS at the Pasadena Convention Center. Over 1,000 people attended.

• **November 1999:** A US$387 million bond election for phase one was approved by a 60-40 percent margin countywide.

• **January 2000:** The Port committed the local share of funds to the Houston-Galveston Area Council for port access projects including construction of grade separations for major roadways that would cross the port’s container railway west of State Highway 146.

• **October 2001:** The Corps released its Final Environmental Impact Statement and sound berms.

• **November-December 2001:** Two public workshops at the Pasadena Convention Center provided information on Bayport and the DEIS. Just a few dozen attended this Corps-sponsored event.

• **December 2001:** A public workshop, followed by the official public hearing, was conducted at the George R. Brown Convention Center; 3,000 to 4,000 attended, with the group evenly split between opposition and supporters.

• **February 2002:** The port makes further minor changes to the master plan to improve stormwater drainage and site and sound berms.

• **May 2002:** Cruise terminal design changed to reduce the number of berths to three from five. Mitigation was changed to address the verified wetland delineation at Bayport. Conservation easement size was increased to 173.5 acres.

• **April 2003:** The Texas Commission on Environmental Quality conducts a public meeting on the port authority’s 401 water quality permit.

• **May 2003:** The Corps releases its Final Environmental Impact Statement and opens a 30-day public review period.

• **December 2003:** The Corps issued its record of decision. Also, the TCEQ issued its decision on the Section 401B water quality statement.

• **January 2004:** Port of Houston Authority and U.S. Army Corps of Engineers sign and execute the federal permit for Bayport.

• **2006:** Phase 1A of Bayport is operational, including 1,660 feet of the ultimate 7,000-foot wharf and about 65 acres of the 1,043 acre facility. Additional phases will be built incrementally over many years according to market demands.
IMO 23rd Assembly
November 24 - December 5, 2003
London, U.K.

Resolutions on audit scheme, places of refuge and ship recycling adopted

MEMBER States of the International Maritime Organization (IMO) agreed on the need for an audit scheme to assess their effectiveness in implementing global shipping standards, with the adoption of an Assembly resolution on the subject at the 23rd IMO Assembly, which met at the Organization’s London Headquarters from November 24 - December 5, 2003.

The Assembly also adopted guidelines on places of refuge for ships in need of assistance and guidelines on ship recycling.

Altogether the session saw 30 resolutions adopted by the Assembly. Other issues covered by resolutions included the Organization’s work programme and budget for the biennium 2004-2005 and resolutions on technical issues relating to the Organization’s work on safety and security of shipping and prevention of marine pollution by ships.

The Assembly was attended by around 1,000 delegates representing 149 Member States and three Associate Members; representatives from the United Nations and specialized agencies; and observers from six intergovernmental organizations and 30 non-governmental organizations.

IMO Member State Audit Scheme

The Assembly resolution Voluntary IMO Member State Audit Scheme approved the establishment and further development of the scheme, to be implemented on a voluntary basis. It requests the IMO Council to develop, as a matter of high priority, procedures and other modalities for the implementation of the scheme.

The proposed IMO Member State Audit Scheme will be designed to help promote maritime safety and environmental protection by assessing how effectively Member States implement and enforce relevant IMO Convention standards, and by providing them with feedback and advice on their current performance.

Places of refuge

New Guidelines on places of refuge for ships in need of assistance were adopted. These guidelines are intended for use when a ship is in need of assistance but the safety of life is not involved. Where the safety of life is involved, the provisions of the SAR Convention should continue to be followed.

The guidelines recognize that, when a ship has suffered an incident, the best way of preventing damage or pollution from its progressive deterioration is to transfer its cargo and bunkers, and to repair the casualty. Such an operation is best carried out in a place of refuge. However, to bring such a ship into a place of refuge near a coast may endanger the coastal State, both economically and from the environmental point of view, and local authorities and populations may strongly object to the operation.

Therefore, granting access to a place of refuge could involve a political decision which can only be taken on a case-by-case basis. In so doing, consideration would need to be given to balancing the interests of the affected ship with those of the environment.

A second resolution, Maritime Assistance Service (MAS), recommends that all coastal States establish a maritime assistance service (MAS). The principal purposes would be to receive the various reports, consultations and notifications required in a number of IMO instruments; monitoring a ship’s situation if such a report indicates that an incident may give rise to a situation whereby the ship may be in need of assistance; serving as the point of contact if the ship’s situation is not a distress situation but nevertheless requires exchanges of information between the ship and the coastal State, and for serving as the point of contact between those involved in a marine salvage operation undertaken by private facilities if the coastal State considers that it should monitor all phases of the operation.

Ship recycling

The Assembly adopted Guidelines on Ship Recycling, which have been developed to give advice to all stakeholders in the recycling process, including administrations of ship building and maritime equipment supplying countries, flag, port and recycling States, as well as intergovernmental organizations and commercial bodies such as shipowners, ship builders, repairers and recycling yards.

The guidelines note that, in the process of recycling ships, virtually nothing goes to waste. The materials and equipment are almost entirely reused. Steel is reprocessed to become, for instance, reinforcing rods for use in the construction industry or as corner castings and hinges for containers. Ships’ generators are reused ashore. Batteries find their way into the local economy. Hydrocarbons on board become reclaimed oil products to be used as fuel in rolling mills or brick kilns. Light fittings find further use on land. Furthermore, new steel production from recycled steel requires only one third of the energy used for steel production from raw materials.

Recycling thus makes a positive contribution to the global conservation of energy and resources and, in the process, employs a large, if predominantly unskilled, workforce. Properly handled, ship recycling is, without question, a “green” industry.

However, the guidelines recognize that, although the principle of ship recycling may be sound, the working practices and environmental standards in the yards often leave much to be desired. While ultimate responsibility for conditions in the yards has to lie with the countries in which they are situated, other stakeholders must be encouraged to contribute towards minimising potential problems in the yards.

Technical co-operation

The Assembly confirmed the importance of technical co-operation as the key element in securing a general increase in the rate of implementation by developing countries of IMO conventions and standards.

The Assembly resolution Development and improvement of partnership arrangements for technical co operation encourages the development of effective technical co-operation partnership arrangements and invites Member States, international and regional orga-
nizations, non-governmental organizations and the industry to provide financial and in-kind support for implementation of International Technical Co-operation Programme (ITCP) activities through development of effective partnership arrangements with IMO.

IMO Budget and work plan

The Assembly agreed the work programme for the forthcoming biennium and budgetary appropriations of £46,194,900 for 2004-2005. This is a 7.7 per cent increase in the appropriation for 2002-2003. The Assembly also approved the long-term work plan of the organization up to 2010, including lists of indicative subjects for consideration by each Committee.

Approval of the appointment of Mr. Efthimios Mitropoulos as Secretary-General

The Assembly confirmed the appointment of Mr. Efthimios Mitropoulos of Greece as the new Secretary-General of the International Maritime Organization, for an initial term of four years, to succeed the incumbent, Mr. William O’Neil of Canada, when he steps down from the post at the end of this year.

Mr. William O’Neil appointed Secretary-General Emeritus

The Assembly agreed unanimously to honour Mr. O’Neil by designating him as Secretary-General Emeritus from January 1, 2004.

Conferences approved

The Assembly approved the holding of the following Conferences to adopt new or amend existing regulations:


Assembly officers

The Assembly elected His Excellency Mr. Mel Cappe, High Commissioner for Canada as President of the Assembly.

(December 18, 2003, IMO)

IMO: Accelerates single-hull tanker phase-out, new regulation on carriage of heavy fuel oil

IMO has adopted a revised, accelerated phase-out scheme for single hull tankers, along with other measures including an extended application of the Condition Assessment Scheme (CAS) for tankers and a new regulation banning the carriage of Heavy Grade Oil (HGO) in single-hull tankers.

The amendments to the International Convention for the Prevention of Pollution from Ships, 1973, as modified by the Protocol of 1978 relating thereto (MARPOL 73/78) were adopted at the 50th session of IMO’s Marine Environment Protection Committee (MEPC) and are expected to enter into force on April 5, 2005, under the tacit acceptance procedure.

The MEPC met at IMO Headquarters in London, December 1 and 4, 2003, under the chairmanship of Mr. Andreas Chrysostomou (Cyprus). The meeting ran concurrently with the 23rd session of the IMO Assembly which met from November 24 to December 5, 2003.

Accelerated phase-out for single-hull tankers

Under a revised regulation 13G of Annex I of MARPOL, the final phasing-out date for Category 1 tankers (pre-MARPOL tankers) is brought forward to 2005, from 2007. The final phasing-out date for category 2 and 3 tankers (MARPOL tankers and smaller tankers) is brought forward to 2010, from 2015.

The full timetable for the phasing out of single-hull tankers is as follows:

<table>
<thead>
<tr>
<th>Category of oil tanker</th>
<th>Date or year</th>
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<tbody>
<tr>
<td>Category 1</td>
<td>• April 5, 2005 for ships delivered on April 5, 1982 or earlier; • 2005 for ships delivered after April 5, 1982</td>
</tr>
<tr>
<td>Category 2 and 3</td>
<td>• April 5, 2005 for ships delivered on April 5, 1977 or earlier; • 2005 for ships delivered after April 5, 1977 but before January 1, 1978; • 2006 for ships delivered in 1978 and 1979; • 2007 for ships delivered in 1980 and 1981; • 2008 for ships delivered in 1982</td>
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Carriage of heavy grade oil

A new MARPOL regulation 13H on the prevention of oil pollution from oil tankers when carrying heavy grade oil (HGO) bans the carriage of HGO in single-hull tankers of 5,000 tons dwt and above after the date of entry into force of the regulation (April 5, 2005), and in single-hull oil tankers of 600 tons dwt and above but less than 5,000 tons dwt, not later than the anniversary of their delivery date in 2008.

Under the new regulation, HGO means any of the following:

a) crude oils having a density at 15ºC higher than 900 kg/m³;
b) fuel oils having either a density at 15ºC higher than 900 kg/m³ or a kinematic viscosity at 50ºC higher than 180...
nals under its jurisdiction, or deny ship-to-ship transfer of heavy grade oil in areas under its jurisdiction except when this is necessary for the purpose of securing the safety of a ship or saving life at sea.

Resolutions adopted
The amendments to MARPOL regulation 13G, the addition of a new regulation 13H, consequential amendments to the IOPP Certificate and the amendments to the Condition Assessment Scheme were adopted by the Committee as MEPC Resolutions.

Among other resolutions adopted by the Committee, another on early implementation urged Parties to MARPOL 73/78 seriously to consider the application of the amendments as soon as possible to ships entitled to fly their flag, without waiting for the amendments to enter into force and to communicate this action to the Organization. It also invited the maritime industry to implement the aforesaid amendments to Annex I of MARPOL 73/78 effectively as soon as possible.

Commemorative session
The Committee also held a commemorative session from 9:30 to 10:30 on Thursday, December 4, 2003 to mark its fiftieth session and celebrate the successful operation of the MEPC over the last three decades under the theme "MEPC - Past, Present and Future". Previous Chairmen of the Committee participated and delivered messages.

The Committee recalled the situation in the beginning of the 1970s when the MEPC was established, reviewed how the Committee had handled the environmental issues surrounding international shipping over the past 30 years and confirmed the value of the MEPC in the international community and in the future activities of the Organization.

(IMO Marine Environment Protection Committee (MEPC) - 50th session: December 1 and 4, 2003)
new age limits and new technical control requirements introduced in the MARPOL convention.

- A speeded up programme for the gradual phasing-out of single-hull oil tankers. Notwithstanding a number of limited exemptions, single-hull oil tankers will not be allowed to continue operation beyond 2010. The exemptions foreseen by the IMO concern a limited number of single-hull tankers which will be subject to new and more severe regular technical inspections.

- Special inspection arrangements for oil tankers to assess the sound structural state of single-hull oil tankers which are more than 15 years old have been extended and will be implemented earlier. All single-hull tankers, including the smallest ones which were initially not covered by the scheme, will now be subject to the Condition Assessment Scheme (CAS) from the age of 15 years. The CAS is an enhanced additional inspection scheme specially developed to detect structural weaknesses in single-hull tankers. Oil tankers, even those built recently, which do not meet the test requirements, may be refused entry into EU ports or permission to fly the flag of an EU country.

The GEROI SEVASTOPOLYA was deemed to leave Ventspils to reach Singapore with a carriage of heavy fuel oil, following the same route as that of the Prestige. The IMO decision will allow for these types of ships, which are transiting in EU waters without calling into EU ports, to be covered by these new safety rules.

Following the IMO decision and the GEROI SEVASTOPOLYA issue, the European Commission has decided to draw up a revised list of ships concerned, to urge them to apply immediately the ban on this type of ships, ahead of enlargement to take place on the May 1, 2004.

This final decision to amend Annex I of MARPOL Convention 73/78, has been taken, following months of intense negotiations, during the 50th session of the Marine Environment Protection Committee (MEPC) on December 4, 2003 in London. Under IMO MARPOL Convention rules, the new standards will come into force 16 months after their adoption, i.e. on April 5, 2005.

The MEPC has also approved a resolution inviting all parties to the MARPOL convention to apply as soon as possible the new rules concerning the carriage by sea of the most polluting types of oil (heavy grades of oil). The Commission will continue in its efforts to ensure that the countries closest to the EU, in particular Russia and the Mediterranean partners, follow the IMO recommendation on the early and effective implementation of the banning for the transport of heavy grades of oil in single-hull tankers.

Following the catastrophe originated by the accident of the oil tanker Prestige near the coast of Galicia in November 2002, the European Heads of State and of Government had unanimously agreed on the necessity of introducing at EU level stricter double-hull measures and of urgently submitting a formal proposal to the International Maritime Organisation (IMO) to have these stricter safety standards applied to the entire fleet world-wide.

(December 5, 2003, European Commission)

**EC: One year after the Prestige disaster**

ONE year after the Prestige disaster, the Commission publishes the first list of ships definitively banned from EU ports.

The Commission has published the blacklist of ships refused access to EU ports between July 22 and November 1, 2003 in the Official Journal. Publication of this information is required under the new European rules on Port State Control. By way of a warning, the Commission is also publishing on its Europa Internet server the indicative list of ships which may be banned if they are detained in an EU port again.

“The Prestige and the Erika would not be sailing in European waters today: no oil tanker of their type or age can now enter our ports, and single-hull oil tankers can no longer be used to transport heavy oil. Inspection of ships in EU ports is another essential measure: we must root out rust-bucket ships. And I hope that publication of this list of ships will be a warning to the shipowners and flag States concerned of the risk they run if their ships are detained again after being inspected, for it will mean that they are refused access to EU ports in the future.

This list may be consulted at: http://europa.eu.int/eur-lex/en/archive/2003/c_272/20031113/en.htm

A ban on entering EU ports has been imposed on ships which have been detained several times and are included on the blacklist published as part of the annual report of the Paris Memorandum of Understanding on Port State Control. In addition, the Commission is firing a warning to the shipowners and flag States concerned by publishing on the Internet the list of ships which will be banned if they are detained one more time on safety grounds. This list should be taken as a final warning to the parties concerned of the risk they run if their ships are detained again after being inspected, for it will mean that they are refused access to EU ports in the future.

This list may be consulted at: http://europa.eu.int/eur-lex/en/archive/2003/c_272/20031113/en.htm

An overview of all the actions taken may be consulted at: http://europa.eu.int/eur-lex/en/archive/2003/c_272/20031113/en.htm

(November 14, 2003, EC)
ESPO: Places of Refuge - Compensation needs further clarification

E

SPO and the European Institute of Maritime and Transport Law organized an international workshop on “Places of Refuge” on December 18 at the University of Antwerp.

Speakers from different international institutions and organizations such as IMO, CMI, IAPH, the European Commission, the European Parliament, EMSA, ECSA and ESPO were present.

Legal and practical advice was furthermore sought from the European Institute of Maritime and Transport Law, Spanish and UK government representatives as well as from a panel of Harbor Masters and Nautical Authorities.

EC: Proposes to extend the ISM Code to all ships

T

he European Commission is asking Parliament and the Council to extend application of the International Safety Management Code to cover all ships. “Thanks to this new regulation, maritime safety management will be enhanced for all ships operating in Community waters, whatever flag they fly” said Loyola de Palacio, Vice President responsible for energy and transport.

The Commission proposed that port State control of International Safety Management (ISM) Code certificates be extended to cover all ships. In practice, this means that Member States of the Union will be able to deny access to or refuse the departure of any ship not in possession of ISM certificates. In addition, classification societies and the bodies responsible for carrying out ISM compliance audits of shipping companies and vessels will have to meet the quality criteria laid down in this new proposal.

Following the Estonia tragedy, the European Community made application of the ISM Code mandatory, (1) but only in respect of ro-ro passenger ferries. The Regulation in question stipulated that a subsequent step would be to make the ISM Code mandatory for all companies operating other vessels, in accordance with the timetable laid down by the International Maritime Organisation (IMO). With this new proposal the Commission is fulfilling that commitment.

The International Safety Management Code forms part of the 1974 International Convention for the Safety of Life at Sea (SOLAS). Adopted by the IMO in 1993, the code is intended to encourage shipping companies to introduce procedures to ensure the safety of operations on board ships, during an incident or accident, and the prevention of pollution. These procedures are approved by certificates issued by the national authorities of the Member States, or by classification societies recognised by the Union to which the Member States’ authorities have delegated their competences.

Under the authority of the shipping companies, the procedures put in place a safety management system to be applied by the crew and staff on board ships, including in the event of an accident. In particular, such systems involve ongoing training and drills in the said procedures, and help crew and staff to remain alert and not be lulled into a routine liable to encourage incidents.


(Energy and Transport in Europe Digest No. 76, December 19, 2003)

The workshop especially focused on the financial implications of accommodating a ship in distress. Although all participants agreed that a proper system of compensation for places of refuge needed to be in place, covering both operational costs and damage, some questions were still left unanswered:
- Are the existing international funds sufficient and effective enough to cover all costs incurred to cover both pollution and economic damage?
- Would it make sense to look at ports as salvors earning salvage rewards?
- Would a policing system based on mandatory insurance for all ships work (no insurance, no entry)?

These points would have to be clarified on short notice in order to make concrete recommendations to the European Commission and other relevant institutions.

(DECEMBER 22, 2003, ESPO)

UNCTAD: Review of Maritime Transport 2003 Summary of Main Developments

Development of the world economy and seaborne trade

- World output in 2002 grew by 1.9 per cent, recovering from the poor growth of the previous year that only reached 1.2 per cent. The developed market-economy countries experienced growth below the world average at 1.5 per cent, while developing economies recorded 3.3 per cent growth. In 2003, growth in world output is expected to be between 1.9 and 3.2 per cent.

- The volume of world merchandise exports increased by 2.5 per cent, recovering from the contraction of 2001. Exports expanded most in Asia, with growth reaching 13.0 per cent with countries in the Far East taking the lead, Japan’s growth reached 8.0 per cent. Economies in transition recorded their fourth consecutive year of positive export volume growth, reaching 8.5 per cent. These economies also recorded a 11.0 per cent increase in imports, while those of developing countries in Latin America contracted by 5.5 per cent. The volume of world merchandise exports would probably continue to rise in 2003, contingent on developments following the implementation of US security measures and health controls to counter the SARS outbreak.

- The total industrial production index of the OECD decreased marginally to 118.1 (1995 = 100) in 2002. The result reflects the uneven industrial activity in the major economies.

- World seaborne trade (goods loaded) rebounded in 2002 reaching 5.88 billion tons. The annual growth rate was modest - 0.8 per cent - and is expected to increase slightly in 2003.

Development of the world fleet

- The world merchant fleet expanded to 844.2 million deadweight tons (dwt) at the end of 2002, a 2.3 per cent increase. Newbuilding deliveries were up by an impressive 8.4 per cent to 49.0 million dwt, and tonnage broken up and lost increased by 9.7 per cent to 30.5 million dwt, leaving a net gain of 18.3 million dwt.

- The fleets of oil tankers and dry bulk carriers together make up 71.6 per cent of the total world fleet. The fleet of oil tankers increased by 6.6 per cent, while the fleet of dry bulk carriers increased by 1.9 per cent. There was a 7.4 per cent increase to 82.8 million dwt in the containership fleet and a 2.1 per cent increase to 19.5 million dwt in the

ports and harbors January-February, 2004
• The average age of the world fleet decreased by almost a year to 12.6 years at the end of 2003, with 28.1 per cent of the fleet being 20 years or older. General cargo vessels had the highest average age at 17.0 years, and the container fleet was the youngest at 9.1 years.

• Registration of ships by developed market-economy countries and major open-registry countries accounted for 25.7 and 47.2 per cent of the world fleet respectively. Tonnage in open registries contracted by almost 1 per cent, and two-thirds of this beneficially owned fleet is owned by market economies and developing countries. Developing countries’ share of the world fleet was 20.3 per cent, or 171.3 million dwt, of which 126.9 million dwt is registered in Asia.

World fleet productivity and supply and demand
• The main operational productivity indicators for the world fleet - tons carried per dwt and thousands of ton-miles per dwt - decreased to 7.0 and 275 respectively. This corresponds to decreases of 1.4 per cent and 1.8 per cent from the figures for 2001.

• World total surplus tonnage increased slightly and at the end of 2002 stood at 21.7 million dwt, or 2.6 per cent of the world merchant fleet. Surplus capacity in the tanker sector increased to 19.1 million dwt, while overcapacity in the dry bulk sector dropped to 2.2 million dwt from 2.9 million dwt in 2001.

Freight markets
• The year 2002 was a mixed one for the tanker market. The overall volume of seaborne crude oil trade contracted by 1.4 per cent, but rates flared up by end of the year owing to the combined effect of the sinking of the Prestige and the national strike in Venezuela. The average freight indices for VLCC, medium-size crude carriers and small crude and product carriers decreased by 36.8, 30.0 and 31.4 per cent respectively.

• In 2002, seaborne shipments of the main bulks, particularly iron ore and coal, increased by 1.6 per cent. The improved balance between supply and demand resulted in positive evolution of time and trip-charter indexes, which closed the year up 44.1 per cent and 10.8 per cent respectively.

• By the end of 2002, freight rates on the main containerized routes, trans-Pacific, transatlantic and Asia–Europe were mixed when compared with the levels that prevailed at the beginning of the year. Rates on the route Asia-Europe fared particularly well, with eastbound rates increasing by 21.5 per cent and those in the opposite direction by 18.5 per cent. Westward rates across the Pacific and the Atlantic increased by 1.7 and 2.9 per cent respectively; however, eastward rates in these routes decreased by 1.3 and 2.6 per cent respectively.

Total freight costs by country groups
• World total freight payments as a proportion of total import value decreased to 6.11 per cent in 2001, down from 6.22 per cent in 2000. The freight factor was 5.12 per cent for developed market-economy countries, compared with 5.21 per cent in 2000, while for developing countries it was 8.70 per cent, down from the 8.88 per cent of 2000. The freight factor for the developing countries in Africa decreased to 12.65 per cent and the factor for developing countries in America increased slightly to 8.57 per cent. For Asian developing countries, the freight factor decreased to 8.35 per cent, while for those in Oceania the factor decreased to 11.70 per cent.

Port development
• World container port traffic expanded by 2.2 per cent over 2000, reaching 236.7 million TEUs. The ports of developing countries and territories handled 96.6 million TEUs, or 40.8 per cent of the total. In 2001 there were 51 developing countries and territories handling more than 100,000 TEU.

Trade and transport efficiency
• Following an Expert Meeting on Efficient Transport and Trade Facilitation to Improve Participation by Developing Countries in International Trade, UNCTAD conducted a survey on the feasibility of an international legal instrument for multimodal transport.

• Production of new freight containers was projected to reach 1.6 million TEU in 2002, an increase of 25 per cent above the level of the previous year. The bulk of the production was the standard dry freight container, accounting for about 95 per cent of the total. China continued to dominate this activity with a market share of 87 per cent. Prices of containers bottomed out during the first quarter of 2002 and increased by about 17 per cent by the third quarter.

Review of regional developments
• During the last decade the average annual GDP increase for 53 African countries was 3.1 per cent, lower than the 4.7 per cent recorded for developing countries. Annual GDP increases for 47 sub-Saharan countries fluctuated widely from year to year for several reasons, such as natural disasters, domestic or international political instability and fluctuations in prices of main export commodities and these imposed a heavy burden on the 34 LDC existing among them.

• During the period 1990-2001 the value of exports from Africa increased by 33.8 per cent to reach $141.2 billion, while in the same period the value of imports rose by 37.1 per cent to $136 billion. In 2001, sub-Saharan African countries accounted for 44 per cent of African exports and 41 per cent of its imports. Overall the African share in world trade is modest and seems to be decreasing: about 3 per cent of the value of exports and imports in 1990 and around 2.4 per cent in 2001.

• Europe, notably the European Union, is the market for about half of African exports. North America is the destination for a little less than a fifth, which is roughly the same share for Japan and other Asian countries. Middle East, Latin America and intra-African markets account for the balance of African exports – between 10 and 15 per cent.

• Since 2000 the total of goods loaded and unloaded in African ports has fluctuated around 750 million tons per year, with the share of sub-Saharan countries being about a third, namely 250 million tons. Hence, the continent accounts for 6.2 per cent of the worldwide loaded and unloaded cargo, while sub-Saharan Africa accounts for almost 2.1 per cent of that total.

• In 2002 the African merchant fleet, including open registers (i.e. Liberia), accounted for 82,422,000 dwt or 9.8 per cent of world fleet. Without open registers, the fleet was 5,406,000 dwt, equivalent to 3.2 per cent of the fleet of developing countries and 0.6 per cent of the world fleet.

• There is considerable imbalance in the total cargo moved by sub-Saharan countries as loaded goods average 190 million tons per year, while unloaded ones accounted for only 60 million tons. The bulk of loaded cargo, estimated at almost 170 million tons, was crude oil, mostly from Nigeria, Gabon and Angola. Most of the balance was dry bulk cargo such as bauxite from Guinea and iron ore from Mauritania. The remaining tonnage of loaded cargo and fourth-fifths of the total unloaded cargo were general cargo, which increasingly is carried in containers. One-fifth of unloaded cargo was refined petroleum products such as gasoline. Concentration is a feature of container services notably in West Africa, where the number of lines was reduced from 37 in the mid-1980s to 9, with some of these still belonging to the same owner.

• The plight of landlocked sub-Saharan African countries is highlighted by the high cost of road transport along a number of existing corridors. This is due to sub-standard roads, cumbersome border procedures and limited cargo flows. The freight factor for import trades for sub-Saharan African countries in 2001 was 13.84 with this factor reaching 20.69 for landlocked countries. The average factor for all African countries was 12.65 in 2001.
 IMO Meetings in 2004

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**Upcoming Conferences**

**TOC2004 Asia**
March 2 – 4, Singapore

**TOC2004 Asia** will take place in Singapore, the gateway to south-east Asia. This event will bring together local and international operators, partners and suppliers to the Asian port and terminal industry, to meet and do business over 3 days.

In 2003, over 1,200 participants visited to the exhibition and conference, which took place in Hong Kong. This incorporated over 300 delegates/speakers and 700 visitors.

**TOC Asia Conference**
The TOC Asia conference runs in parallel to the exhibition, with top tier management and directors from the leading Asian and international port providers to share their experience and expertise.

**Day One**

**General Session:**
**The Container Market Outlook**
- World container trade growth and liner shipping activity - the short to mid-term outlook
- Strategic drivers for the ocean carrier industry and the impact on terminal services
- Trends in the global and regional container vessel fleet
- Vessel trends and shipping network design - what are the implications for terminal capacity and performance?

**General Session:**
**The Terminal Market Outlook**
- Terminal capacity demand versus supply: a global and regional overview
- Competitive drivers in the terminal handling business
- Redefining service and customer relationships
- Executive Round Table & Conference Debate: Transhipment & Hub Port Strategies - Current Trends & Future Perspectives

**Day Two**

**STREAM A: Business Development**

**Parallel Session A1**
Adapting to new maritime security requirements - the impact on information flows and operational processes
**Parallel Session A2**
The outlook for China
- China’s role in global container trade

**STREAM B: Operations & Technology**

**Parallel Session B1**
- New perspectives on terminal productivity
- Measuring and benchmarking terminal productivity
- Strategies to increase berth and vessel productivity and the implications for container yard system

**Parallel Session B2**
The role of IT and automation in improving terminal efficiency
- The impact of intelligent agent systems on vessel scheduling and turn-around
- Advances in IT for container yard optimisation - using fuzzy logic to enhance performance
- Improving efficiency at the truck-terminal interface - the role of vehicle appointment systems
- CASE STUDY BRIEFING Developing a fully automated facility at Container Terminal Altenwerder

**Seminar I - Equipment Procurement & Maintenance**

**Seminar II - Port Investors Forum Asia 2004**

**Seminar III - Terminal Control & Communications Systems Discussion Group**

**Fee:**
- Full Conference Pass (March 2-3 and entry into any workshop/seminar on the morning of March 4) **GBP 945.00**
- W orkshop/Seminar Pass: Equipment Procurement & Maintenance Practical W orkshop (March 4 a.m.) **GBP 199.00**
- W orkshop/Seminar Pass: Terminal Control & Communications Technology discussion group (March 4 a.m.) **GBP 199.00**
- W orkshop/Seminar Pass: Port Investors Forum Asia (March 4 a.m.) **GBP 199.00**

For further information:
Helen W halley
Conference Manager
Lloyd’s List Events
Informa Maritime & Transport Group
69-77 Paul Street, London, EC2A 4LQ, UK
Tel: +44 20 7553 1508
Fax: +44 20 7553 1820
E-mail: Helen.W halley@informa.com
### 2004 APEC Seminar Schedule

- **Port Management**
  - January 26 - February 6, 2004
- **IT, EDI, and Internet in Transport Business**
  - May 10 - 21, 2004
- **Port Security**
  - April 19 - 30, 2004
- **Tasks and Responsibilities of Forwarders, Agencies and Shipping Lines**
  - June 14 - 26, 2004
- **Container Terminal Management**
  - May 31 - June 11, 2004
- **Port and Freight Railway Management**
  - March 08 - 19, 2004
- **Port Environmental Protection Technology**
  - September 06 - 17, 2004
- **New Developments in Port Engineering**
  - October 11 - 22, 2004
- **Gestion Portuaire** (French Spoken)
  - November 15 - 26, 2004
- **Port Logistics**
  - December 06 - 17, 2004

For further information:
- **APEC (Antwerp/Flanders Port Training Center)**
  - Italiëlei 2
  - B-2000 Antwerp, Belgium
  - Tel: +32 3 205 23 22
- **APEC**
  - Italiëlei 2
  - B-2000 Antwerp, Belgium
  - Tel: +32 3 205 23 27
  - E-mail: apec@haven.antwerpen.be
  - URL: http://www.portofantwerp.be/apec

### 2004 IPER Seminar Schedule

- **Port Competition and Strategic Management**
  - April 5 - 16
- **Improving Container Terminal Operations**
  - May 3 - 7
- **Engineering and Regulation of Port Concessions**
  - May 10 - 14
- **New Partnership in Port Organisation**
  - June 2 - 4
- **Port Finance**
  - June 7 - 18
- **The Advanced Course on Port Operations and Management**
  - September 6 - October 8
- **Planning, Operating and Monitoring Port Terminal**
  - October 18 - 29
- **Implementation of Logistic Platforms in Ports**
  - November 15 - 19
- **The Management of Port Equipment**
  - November 22 - 26

For further information:
- **IPER (Institut Portuaire D’Enseignement et de Recherche)**
  - 30 rue de Richeilieu
  - 76087 Le Havre Cedex
  - France
  - Tel: (0) 2 35 41 25 70
  - Fax: (0) 2 35 41 25 79
  - E-mail: iper@esc-lehavre.fr
  - URL: http://www.havre.cci.fr/iper/
2004 ITMMA Short-Term Specialized Courses

- **Shipping**
  - February 16 - 18
- **Airport and Airline Economics**
  - March 1 - 4
- **Hinterland Transportation**
  - March 29 - April 1

For further information:
- Prof. Dr. Theo Notteboom
- Associate Professor
- Co-ordinator, Short-Term Specialized Courses
- University of Antwerp
- ITMMA House, Keizerstraat 64, B-2000 Antwerp
- Tel.: +32 (0) 3 275 5151
- Fax: +32 (0) 3 275 5150
- E-mail: itmma@ua.ac.be or theo.notteboom@ua.ac.be

PSA Institute:
Training Calendar 2004

- **Port Management & Operations Course**
  - June 7 - 18
- **Understanding and Applying IMDG Code**
  - August 2 - 6

For further information:
- Training Manager
- PSA Institute
- #03-02 PSA Vista
- 20 Harbour Drive, Singapore 117612
- Tel: +65 6771 7331
- Fax: +65 6771 7320
- E-mail: p@psa.com.sg
- URL: http://www.psa.com.sg

ITMMA: Hinterland Transportation
March 29 - April 1, 2004
Antwerp, Belgium

Program

**Monday March 29, 2004**

- 8:00 Arrivial of participants
- 9:00 Word of welcome Prof. Dr. Willy W Inkelsman - dean of ITMMA, University of Antwerp
- 9:10 Introduction by the co-ordinators Prof. Dr. Theo Notteboom (UGent/LUC/UA-ITMMA) and Prof. Dr. Frank W Il oxo (UGent/LUC/UA-ITMMA)

10:20 Coffee break
10:40 Modal choice and logistics costs
  Prof. Dr. Frank W Il oxo (UGent/LUC/UA-ITMMA)
12:30 Lunch
14:00 Hinterland transport modelling
  Prof. Dr. Eddy Van de Voorde (UA-ITMMA)
15:50 Coffee break
16:10 Hinterland transport operations
  Prof. Honoré Paelinck (Port and Transport Consulting)
18:00 End of day 1

**Tuesday March 30, 2004**

- 8:30 A comparison of intermodality in the US/Canada and Europe
  Prof. Dr. Brian Slack (Concordia University - Montreal)
- 10:20 Coffee break
- 10:40 A comparison of intermodality in the US/Canada and Europe
  Prof. Dr. Brian Slack (Concordia University - Montreal)
- 12:30 Lunch
- 14:00 The economics of hinterland networks and inland terminals
  Prof. Dr. Theo Notteboom (UA-ITMMA)
- 15:50 Coffee break
- 16:10 Container transportation by barge
  Prof. Dr. Theo Notteboom (UA-ITMMA)
- 18:00 End of day 2

**Wednesday March 31, 2004**

- 8:30 Distribution centres and hinterland transport
  Prof. Dr. Frank W Il oxo (UGent/LUC/UA-ITMMA)
- 10:20 Coffee break
- 10:40 Collaborative supply chain management: benefits of cooperation for hinterland transportation
  Prof. Dr. W out Dullaert (UA-ITMMA)
- 12:30 Lunch
- 14:00 Company/port visit
- 18:00 end of day 3

**Thursday April 1, 2004**

- 8:30 European hinterland policy Prof. Dr. Roger Vickerman (Centre for European, Regional and Transport Economics, University of Kent)
- 10:20 Coffee break
- 10:40 Liberalisation of the rail freight market in Europe
  mr. Koen Kerckaert (Belgian Rail)
- 12:30 Lunch
- 14:00 Inland barge transport - a policy perspective
  ms. Karin De Schepper (Inland Navigation Europe)
- 15:50 Coffee break
- 16:10 Shortsea shipping - a policy perspective
  mr. Willy De Decker (Shortsea Promotion Centre Flanders)
18:00 Recap by the co-ordinators
  Prof. Dr. Theo N otteboom & Prof. Dr. Frank W Il oxo
18:30 end of day 4

Co-ordination:
- Prof. Dr. Theo Notteboom (University of Antwerp, ITMMA)
- Prof. Dr. Frank W Il oxo (Ghent University/ LUC/UA-ITMMA)

Fee:
- Full course at €750
- Day 1, March 29, 2004 at €200
- Day 2, March 30, 2004 at €200
- Day 3, March 31, 2004 at €200
- Day 4, April 1, 2004 at €200

For further information:
- Prof. Dr. Theo Notteboom
- Associate Professor
- Co-ordinator, Short-Term Specialized Courses
- University of Antwerp
- ITMMA House, Keizerstraat 64, B-2000 Antwerp
- Tel.: +32 (0) 3 275 5151
- Fax: +32 (0) 3 275 5150
- E-mail: itmma@ua.ac.be or theo.notteboom@ua.ac.be

AAPA: Planning and Research Seminar
April 21-23, 2004
New York, N.Y., U.S.A.

This two-and-one-half-day seminar, will examine the broad range of important issues of interest and concern to port directors, port planning professionals, board members, and others involved in planning for the contemporary port. Panel discussion topics will address both container port and bulk/breakbulk port issues. Topics may include: changing trade flows; vessel trends; short sea shipping; improving landside and waterside infrastructure; labor management relations; and maximizing terminal capacity and addressing no growth community opposition.

Registration Fee:
- $610 members
- $725 non-members

For further information:
- Cerena Cantrell
- American Association of Ports and Harbors
- 1010 Duke Street
- Alexandria, VA 22314 – 3579, U.S.A.
- Tel: +1 703-706-4717
- Fax: +1 703-684-6321
- E-mail: ccantrell@aapa-ports.org.
- URL: http://www.aapa-ports.org/programs/education.htm
UNESCO-IHE: 40th International Seminar on Port Management
March 30 - April 23, 2004
Delft, The Netherlands

Aims
The International Seminar on Port Management, organised annually since 1964 in close cooperation with the Municipal Port Management of Rotterdam and Amsterdam, provides a comprehensive overview of the organisational and managerial aspects of modern ports.

Objectives
Participants will gain the necessary knowledge and skills required for the efficient management of a port, thus enabling them to develop and evaluate port policies with a thorough understanding of a port’s importance to the national economy and international trade.

Key Description
In 2004, the seminar focuses on Port Reform, whereby the “World Bank Port Reform Tool Kit”, published in 2002, is used. Various aspects of the handling of containers and ‘state-of-the-art’ of modern container terminals are being extensively dealt with through lectures and terminal visits.

Lectures on Port Management, Port and Shipping Logistics, Port Master Planning, Port Performance, Port Strategy, Port tariffs, Port Reform, Port Privatisation, Hinterland Connections, Information Logistics, Environmental aspects, etc. are part of the programme.

A workshop on Resource Control Management provides the participants with hands-on experience.

Every year, the visits organised to the Port of Amsterdam (including various terminals, sea locks, harbour tugs), the Port of Rotterdam (including the ECT Delta Container Terminal, EMO - Bulk Terminal, MSR Ship Simulator) are highly appreciated.

After the 3-week Port Seminar, a one-week study tour to ports in Belgium and France is scheduled as an optional exposure activity.

The Port Seminar is an integral module of the International Masters Programme in Water Science and Engineering, with the specialisation in Coastal Engineering and Port Development, and is open to port managers, senior policy makers etc. as a stand-alone seminar.

All participants who complete this course receive a Certificate of Attendance from the UNESCO-IHE Institute for Water Education.

Lecturers/Trainers
Lecturers are given by representatives from U N C T A D (Switzerland), the World Maritime University (W MU, Malmo, Sweden), Port of Rotterdam, Port of Amsterdam, World Bank, Government of the Netherlands, Erasmus University, Delft University of Technology; Private Consultants (United Kingdom), Consulting Engineers, Terminal Operators (such as ECT, EMO etc.), Shipping Lines and UNESCO-IHE.

Fee
£2040 for 3 weeks
£1020 for 1-week study tour

For further information:
UNESCO-IHE Institute for Water Education
P.O. Box 3015
2601 DA Delft
The Netherlands
Tel: +31(0)15 2121 715
Fax: +31(0)15 2122 921
E-mail: ihe@unesco-ihe.org
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Sarah John
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New Publications

“Watchkeeping Safety and Cargo Management in Port”

This publication sponsored by the UK P&I Club sets out to demonstrate in a practical way the requirements of good watchkeeping and cargo management in port.

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BUSINESS PROFILE

The Port of Charleston is the busiest container port along the Southeast and Gulf coasts and ranks fourth nationally. On the entire East and Gulf coasts, only the Port Authority of New York & New Jersey handles more containers than Charleston. The Charleston Customs district ranks as the nation’s sixth largest in dollar value of international shipments.

Operated by the South Carolina State Ports Authority (SCSPA), Charleston and her sister ports in Georgetown and Port Royal served 2,307 ships in the 2003 fiscal year ended June 30.

The Port of Charleston’s container volume reached an all-time record high in the most recently completed fiscal year, rising 11% from the previous year. Asia, the Indian subcontinent, the Middle East and Eastern Europe led the growth and discounted weakness in European trades.

North Europe remains Charleston’s largest trade, representing 36% of total containers through the port. Asia accounts for 23%, followed by Latin America (13%), the Mediterranean (11%) and the Indian subcontinent (6%). In all, 40 ocean carriers serve more than 150 nations direct from Charleston.

Top commodities across Charleston docks include agricultural products, consumer goods, machinery, metals, vehicles, chemicals and clay products. Leading growth in 2003 were consumer goods, such as furniture and toys, textiles and fabrics, machinery, chemicals and metals.

Charleston is principally a container port, yet breakbulk cargo totaled 613,000 tons, up 15% from FY02, and the port recently gained operational control of a 100-acre breakbulk terminal on the former Charleston Naval Base and Shipyard.

In addition to the 700 South Carolina companies from every county in the state that regularly ship through the SPA, there are hundreds of transportation companies that facilitate trade. These businesses include the SPA and its 600 employees; 40 steamship lines; eight stevedores and hundreds of longshoremen; 131 truck lines; two Class I railroads; two tug companies; 51 customs house brokers and freight forwarders; and hundreds of other firms.

MAJOR PROJECTS

Currently, there are more than $1 billion in infrastructure projects underway in the Port of Charleston to improve the flow of waterborne commerce to and from the U.S. Southeast’s leading container port:

1. The $150-million Charleston Harbor Deepening & Widening Project
2. A $128-million, two-year terminal improvement plan
3. Construction of a new $635-million bridge across the main shipping channel
4. New terminal construction on the former Charleston Navy Base

The $150-million Charleston Harbor Deepening Project began in 1999 is rapidly nearing completion in February 2004. In less than a year, Charleston will offer some of the deepest shipping channels on the East and Gulf Coasts (-45 feet MLW in inner harbor and -47 feet in entrance channel).

While long-term development of new capacity is important, Charleston is focused on improving existing facilities. Since the late 1990s, land utilization has increased to well over 3,000 TEUs per acre, and local drivers commonly make eight moves per day with an average turn time of less than 30 minutes. Over the next two years alone the Port will invest more than $128 million of internally-generated funds into improving public marine terminals.

The $635-million replacement of two old bridges spanning Charleston’s main shipping channel is also progressing.
When completed in 2005-2006, the Ravenel Bridge will be the largest cable-stayed bridge in the U.S., offering higher and wider clearance for post-Panamax vessels and the potential for two-way vessel traffic beneath.

In early 2003, Charleston submitted permit applications for a new terminal on the former Charleston Naval Shipyard. The proposed terminal features 3,000 feet of berthing space and nearly 250 acres of container storage/support area.

The State Legislature directed and approved this port expansion in 2002, and in March 2003 unanimously approved a resolution encouraging “expeditious permitting.” The state’s U.S. Congressional Delegation and S.C. Governor Mark Sanford have both also joined the chorus calling for expedited permitting. A contract with the environmental consultant was approved in November 2003.

ORGANIZATIONAL STRUCTURE

The SCSPA is an enterprise agency structured as a private business. Although officially an “arm of the state” with all the powers of the State, it has not received operating or capital subsidies in more than two decades.

Port-issued revenue bonds have provided the funds to complete development of the Port’s largest container facility, the Wando Welch Terminal, and millions of dollars in other projects. These bonds and the interest payable on them are an obligation of the SCSPA – not the State or taxpayers.

The Port of Charleston is operationally unique as well. All container lifting equipment on the dock and in the storage yards is operated by the SCSPA’s public employees, not union members.

Productivity remains a focus for the Port of Charleston, with the port earning a well-deserved reputation as among the best in the world. Port-wide vessel productivity topped 38 moves per crane per hour in 2003, with several ships achieving more than 50 lifts per crane per hour. Land utilization tops 3,000 TEU per acre and truck turn times are stable at less than 30 minutes.

SECURITY

The Port of Charleston strives to maintain a balance between tighter security requirements and the need to keep commerce flowing. To achieve this, Charleston has expanded resources and received more than $7 million in federal grants.

Since 9/11, the number of Customs inspectors in Charleston has more than doubled, rising to some 80 officers. This speeds any necessary inspections. In addition, Charleston now has three mobile VACIS (Vehicle and Container Inspection System) machines, which can scan a shipping container in seconds. The Port Police force has grown 25%, and federal funding has helped with video surveillance and perimeter security measures.

Additionally, the Port of Charleston will become a national staging ground for $13 million in innovative, new anti-terrorism measures and devices. About $9 million will go to a command center for Project Seahawk, a new effort by federal, state and local investigators to pool security resources under one roof, share information and intelligence, and prioritize threats. The other $4 million will be used to test equipment that screens cargo for radioactive materials and chemical and biological weapons. New radiation portal monitors will be installed in 2004.

ECONOMIC IMPACT

To determine the Port’s positive contributions and effectiveness in achieving its economic development mission, 1,200 businesses from across the state of South Carolina were surveyed, revealing a tremendous economic impact.

An economist and research team completed a study of the current Port operations, and the results were staggering. If existing port operations were to cease, the state’s economy would have 281,660 fewer jobs over the long-term. Overall, the total economic impact of Port operations as measured by the gross state product is approximately $23 billion, or 17% of the state’s total economic activity.

Numerous companies like BMW, Michelin, Bosch, Fuji and more than 600 other importers and exporters probably would never have located to South Carolina without access to Charleston’s world-class port.
U.S. Department of Homeland Security: Enhancing security with $179 million grants

A part of the Department's commitment to enhancing security at our nation's key ports and facilities. Secretary of Homeland Security Tom Ridge is pleased to announce $179,025,900 dollars in Port Security Grants. The Port Security Grant Program provides resources for security planning and projects to improve dockside and perimeter security which is vital to securing our critical national seaports. These new awards will contribute to important security upgrades like new patrol boats in the harbor, surveillance equipment and the construction of new command and control facilities. This grant program represents one layer of the Department of Homeland Security’s system of defenses for our nation’s ports that includes monitoring the people, cargo and vessels entering our ports from the time they arrive in the United States.

“The Department of Homeland Security is committed to further securing our nation's highways, mass transit systems, railways, waterways and pipelines, each of which is critical to ensuring the freedom of mobility and economic growth,” said Secretary Ridge. “These projects are critical to the mission of securing our ports.”

The Transportation Security Administration, the United States Coast Guard, and the Department of Transportation’s Maritime Administration evaluated the Port Security Grant Applications and selected the grant award recipients. The latest round of grants has been awarded to 442 projects in 326 locations to 235 applicant organizations from across the nation.

“The Department is committed to improving security at our maritime facilities, and we know that our ports are not secured from Washington. The relationship between the government and the private companies that run these facilities is a crucial one that we are committed to strengthening to protect our nation’s ports,” said Under Secretary for Border and Transportation Security Asa Hutchinson.

In addition to these awards totaling $179 million, the Department of Homeland Security also awarded $170 million from the FY’03 budget from the Port Security Grant Program in June and $75 million in port security grants for specific projects from the FY ’03 Supplemental Budget from the Office for Domestic Preparedness in May 2003.


U.S. ports laud additional federal security grants

U.S. ports seeking federal grants for 1,065 security enhancement measures learned today that 442 of the plans will be funded. The news came as the Transportation Security Administration (TSA) named recipients of $179,025,900 in the third round of federal grants for port security.

Applications totaling over $987 million had been submitted by ports across the country seeking funding assistance in order to comply with new U.S. Coast Guard security regulations that take effect next year. The grants are a combination of $104 million in FY ’02 funds and a portion of the $125 million in FY ’04 appropriations for port security.

“We applaud TSA for providing a considerable portion of the 2004 appropriation in this round of grants to help secure America's ports,” stated AAPA President Kurt Nagle. “It is vital for our nation’s security that these investments in port security be made in a timely manner.”

Nagle says federal assistance is key to ensuring ports can address enhanced security demands.

“Public ports’ financial resources pale in comparison to the enormous needs, yet America cannot afford for port security to go unfunded. While the latest round of funding is significant, it covers only about 18 percent of the costs ports identified in the security projects set forth in their recent applications.”

Nagle said ports have already spent hundreds of millions of dollars to boost security since 9/11, and expenses continue to rise. According to U.S. Coast Guard estimates, ports will need to spend $5.4 billion on enhanced security measures over the next ten years to comply with new federal regulations mandated by the Maritime Transportation Security Act (MTSA), with $1.125 billion of that to be invested in the first year alone.

To help ports implement these heightened requirements MTSA calls for a federal grant program for port security. Since September 11, 2001, Congress has appropriated three rounds of TSA port security grants totaling $513.2 million and one $75 million grant from the Office of Domestic Preparedness. However, substantially greater resources are needed. For FY’05 AAPA urges a federal funding level of $400 million for TSA’s port security grant program to cost-share with local port authorities and facility operators to make the enhancements required under the new regulations.

While ports are challenged to manage security expenses of unprecedented magnitude, Nagle said they must simultaneously carry out their vital role as America’s commerce catalyst. With 95 percent of international trade passing through U.S. ports and trade projected to more than double by 2020, ports are finding it necessary to spend about $1.7 billion per year on operations and another $1.5 billion annually on capital improvements to support burgeoning trade growth.

“International trade has been growing steadily each year, with strong benefits to the American economy,” said Nagle. “But that can only continue if ports are prepared to handle it – and that means investing now in both the immediate and long-range future. In terms of security, both physical and economic security are paramount to the country’s well-being. America simply can’t afford to compromise one for the other.”

(December 10, 2003, AAPA)

Canaveral: Celebrates 50 Years

It was not without a fight that Port Canaveral was built. The proposal to dig the harbor was rejected seven times before it was overwhelmingly approved by freeholders of the Port district.
at the polls in 1947. The dream became a reality on November 4, 1953 when residents and statesmen of Florida joined together for the dedication of Port Canaveral. Today, the small ‘oil and shrimp’ port is the second busiest cruise port in the world, contributing $808 million to the Central Florida economy.

Anniversary Day

There was a whirlwind of celebration with the culmination of activities commemorating the 50th anniversary of the dedication of the Canaveral harbor. A celebration of the past and plans for the future marked the start of the week of events. On Tuesday, November 4, 2003, Port Commissioners joined Executive Director Malcolm E. McLouth in a media news conference to announce future plans. Some of the plans include construction of a Maritime Center, upgrading some of the older cruise terminals, and building new passenger terminals to meet the demand.

Immediately following the media news conference, Canaveral Port Authority employees were treated to a private celebration at Rusty’s Raw Bar, a restaurant owned by the Fischer family, who were in the commercial seafood industry and became the first tenant at the Port in 1953. The day’s festivities concluded with a spectacular fireworks show enjoyed by Port employees and residents of the community. It was especially exciting for passengers aboard the Norwegian Dawn, which was preparing to leave after spending the day in port during the weekly scheduled call at Canaveral.

‘Birthday’ Party for Customers and Partners

On November 7th, the Port Authority hosted a customer and tenant appreciation reception with a fifties theme, including guest appearances by Elvis Presley and Marilyn Monroe impersonators. Port Commissioners paid tribute to the pioneers who harbored the dream of Port Canaveral and those who helped to develop it into a world-class seaport for cruise, cargo, and recreation. Colleagues from the cruise, cargo, governmental, and other sectors celebrated with the five members of the Canaveral Port Authority Board of Commissioners and the 180-member staff. Well-wishers included Florida State Representative Bob Allen, who read a resolution adopted by the Florida House of Representatives commending Port Canaveral for achieving such a tremendous milestone. The highlight of the evening was the musical performances of The Joe Davis Show featuring Joe Davis, formerly with Bill Pinkney’s Original Drifters.

Community Rocks Around the Dock

Staged outdoors near the waterfront in the Cove restaurant and entertainment area at Port Canaveral, the week ended with a community celebration on November 8th. Several hundred people joined Port commissioners and staff in the outdoor festival with tents set up to resemble a 50s diner; a 50s drive-in movie theater; and a 50s dance hall. Celebrants participated in hula-hoop contests, 50s style dance and costume contests, harbor boat tours, and a special drawing to win a free cruise aboard a Disney Cruise Line ship. They also were treated to children’s carnival games, classic automobiles, port history films, birthday cake and performances from Elvis, Marilyn, and Joe Davis.

(Rosalind E. Postell, Canaveral Port Authority)

Houston: Bayport Project Receives Water Quality Certification

The Port of Houston Authority (PHA) today welcomed the announcement by the Texas Commission on Environmental Quality (TCEQ) that the Bayport Container and Cruise Terminal project has received certification under Section 401 of the Clean Water Act. The TCEQ’s announcement follows last week’s release of the U.S. Army Corps’ decision of record (ROD) recommending approval of a permit for the Bayport project.

“We’re pleased with the outcome of TCEQ’s review process,” stated Jim Edmonds, Chairman of the PHA Commission. “The TCEQ reviewed the Bayport project for consistency with the goals and policies of the Texas Coastal Management Program in accordance with the regulations of the Coastal Coordination Council and determined that the project is consistent with the applicable goals and policies.”

Last April, PHA participated in TCEQ’s public meeting to discuss water quality issues related to the Bayport project. The meeting at the Bay Area Community Center in Seabrook, Texas was requested by State Rep. John Davis under Section 401 of the Clean Water Act. More than 500 citizens expressed their views of support and opposition.

“The Port Authority continues to work with the community regarding this proposed facility,” Edmonds said. “We’ve set a new standard in the maritime industry for environmental stewardship and community responsiveness,” he added.

Last week, Edmonds touted the environmental integrity of the $1.2 billion container and cruise terminal project in a compelling commentary he delivered during the public comment period of the Coastal Coordination Council’s regional meeting in Kemah.

Bayport opponents are expected to request a full council review of the project. Edmonds said that such a request would be based on erroneous claims that Bayport is not consistent with the Texas Coastal Management Plan.

“The Bayport facility is designed with a balanced approach to meet the demands of trade and commerce, protect the environment and preserve the quality of life in surrounding communities – now and in the future,” Edmonds stated. “The port authority has worked diligently to develop an extensive mitigation program that meets CCC’s objectives and satisfies the wide variety of stakeholders – including residents, government regulators and others. It has been a difficult and lengthy task.
However, we believe that we have a better product because of this process. “Planned for construction in an industrial zone, Bayport has been designed with the highest environmental standards and procedures,” Edmonds explained. “Our plans go well beyond the letter of the law, and we push to exceed standards and requirements for protecting the environment as well as responding to considerable community input. We’re very proud of our industry-leading and award-winning environmental program.”

(December 17, 2003, Port of Houston Authority)

**THE PORT AUTHORITY OF NEW YORK & NEW JERSEY**

NYNJ: Congress approves more than $130 million projects

CRITICAL channel-deepening and environmental projects at the port of New York and New Jersey will continue to advance under a funding bill approved this week by Congress. The deeper channels will allow new, larger ships to enter the harbor, maintaining the port’s competitive edge as the leading port on the east coast of North America.

The fiscal year 2004 Energy and Water Development appropriations bill, which funds U.S. Army Corps of Engineers civil works projects, includes $110 million for channel-deepening projects in the port. The funding will allow for the continuation of federal channel-deepening projects under construction in the Kill van Kull-Newark Bay, the Arthur Kill and Port Jersey channels. In addition, $2.6 million was provided for harbor estuary restoration feasibility studies. Another $19.2 million was appropriated for ongoing federal channel maintenance dredging projects.

New Jersey Governor James E. McGreevey said, “The port of New York and New Jersey is a tremendous economic engine for the state of New Jersey and the entire region, supporting more than 228,000 jobs. Our mission in New Jersey is to create an economy that has a job for everyone. The port’s redevelopment program, including the channel deepening projects, is critical to sustaining this region’s economic activity. This funding – the largest allocation of federal funding for these projects to date – is vital if these projects are to remain on track.”

New York Governor George E. Pataki said, “President Bush has made the port’s channel-deepening projects a national priority. Congress has endorsed this concept through their actions to fund these projects. In addition, Congress is investing to protect our environment by funding studies that we expect will lead to significant projects to restore habitats in the harbor’s estuary benefiting citizens of both New York and New Jersey.”

Port Authority Chairman Anthony R. Coscia said, “The channel-deepening program is the centerpiece of our five-year, $1 billion port redevelopment effort, which will provide the modern infrastructure necessary to serve the 18 million consumers in the region and maintain the port of New York and New Jersey’s position as the premier port on the East Coast of North America. We thank members of the New York and New Jersey congressional delegations for their unwavering support. We especially want to thank Congressman Rodney Frelinghuysen for his leadership on the House Appropriations Committee. He and Congressman Robert Menendez have been steadfast and invaluable advocates for the port.”

Port Authority Vice Chairman Charles A. Gargano said, “Cargo activity in the port of New York and New Jersey grew 14.6 percent in the first half of 2003. These channel deepening projects are necessary to continue this growth. The deepened channels will accommodate larger, deeper-draft vessels that are today’s industry standard and will allow the port of New York and New Jersey to remain competitive.”

Port Authority Executive Director Joseph J. Seymour said, “Today the largest armada of dredging vessels ever deployed in a single port is hard at work digging deeper channels that are an essential component of the harbor’s overall marine infrastructure. This funding ensures that this work will continue uninterrupted. We are equal to the challenge of completing studies necessary to advance essential environmental programs to protect and restore the waterways throughout the New York harbor estuary. This funding will ensure that all of these projects remain on schedule. We thank our Senators, House Members and President Bush for their continued support.”

In 2002, each of the port’s various channel-deepening projects was consolidated into a single New York-New Jersey harbor appropriations. This consolidation provides greater flexibility in funding and managing projects, which have the potential to reduce cost, improve schedules and minimize impacts on the environment and surrounding communities.

The Port Authority is the local partner with the Army Corps of Engineers for the following projects:

**Kill van Kull-Newark Bay 45-foot deepening:** The Corps recently awarded the last contract for this project, which is on schedule to be completed by the end of 2004.

**Arthur Kill 41-foot deepening:** Work began on this project in 2003. The channel leading to Howland Hook on Staten Island is scheduled to be completed by the end of 2005. The remainder of the project is scheduled to be completed by the end of 2006.

**Harbor-wide 50-foot deepening:** The Port Authority and the Army Corps are finalizing a Project Cooperation Agreement (PCA), the formal agreement that assigns rights and responsibilities between the two agencies. It is expected that the PCA will be signed in the spring of 2004. Construction contracts can be awarded soon after the signing. The Port Authority did receive a special permit from the Corps to proceed with drilling and blasting rock to the 50-foot depth in the Bergen Point section of the Kill van Kull. That work is well under way.

The State of New Jersey is the local sponsor for the Port Jersey 41-foot deepening project, which is scheduled to be completed by 2005. The New York-New Jersey environmental programs funded in the appropriations bill include both the Hudson-Raritan Estuary Restoration project and studies on the Gowanus Canal in New York, and the Lower Passaic River and the Meadowlands in New Jersey.

(November 20, 2003, Port Authority of New York & New Jersey)

**Port of Seattle**

Seattle: 2003 Cruise Season sets new records

W hen the final figures on the port of Seattle’s 2003 cruise season were tallied, it added up to another record year.

The port saw 99 cruise ship calls and 345,000 passengers between May and September. The numbers represent an increase of 31 percent in vessel calls and 41 percent in passenger volume over 2002.
“It’s a thrill to see our port and our city emerge as a competitive and growing center for the Alaska cruise industry,” said Port Commission Chair Patricia Davis. “It helps us fulfill our mission of creating economic vitality.”

The port’s second cruise ship facility, Terminal 30 opened in May. The two-berth, 95,000-square-foot facility complements the one-berth Bell Street Pier Cruise Terminal, which opened in 2001.

Holland America’s 1,380-passenger Amsterdam and Princess Cruise Line’s 2,600-passenger Star Princess were homeported at Terminal 30. The vessels called in Seattle each Saturday during the 2003 cruise season.

Norwegian Cruise Line’s 2,400-passenger Norwegian Sun and Norwegian Sky called at Bell Street Pier on Saturdays and Sundays, respectively.

“We’re expecting even more cruise ships and passengers in 2004, along with a corresponding increase in the economic activity the cruise industry generates here,” Davis said. “More ships mean more business for the region’s maritime and tourism industries.”

The port projects a total of 140 cruise ship calls and more than 500,000 passengers for 2004.

Holland America and Princesses will both add Sunday departures from Terminal 30 to complement the Saturday sailings, which will continue. Princess’s 2,700-passenger vessel Diamond Princess will sail on Saturday while its sister ship Sapphire Princess will offer Sunday departures from Seattle. Holland America has not yet named the ships that will be homeported at Terminal 30 in 2004.

Norwegian Cruise Line will continue its two sailings from Bell Street Pier with the 2,240-passenger Norwegian Star on Saturdays and the 2,400-passenger Norwegian Sky on Sundays.

Celebrity Cruise Line will come to Seattle in 2004 with Friday departures aboard the 1,870-passenger MERCURY.

“We are working with local businesses to make the most of the economic benefits the cruise industry brings to this region,” said Port of Seattle CEO M. R. Dinsmore. “Local hotels, restaurants and retailers, as well as maritime industry businesses such as pilots, longshore workers and marine fuel suppliers benefit from the cruise industry’s presence here,” Dinsmore said.

The cruise industry estimates that each homeport call by a cruise ship adds $750,000 in business revenue to the local economy.

(November 4, 2003, Port of Seattle)

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**World Port News**

Seattle: Shippers rank Port of Seattle #1

**T**he port of Seattle was rated number one in customer service among U.S. ports in a poll conducted by Marine Digest, a national maritime industry trade publication.

More than 1,200 shippers were surveyed during the months of July, August, September and October.

Factors that may have contributed to the port of Seattle’s strong showing include the investments the port has made in recent years in its marine terminals, road and rail connections and other infrastructure. Efficient terminal operations, strong relationships with shippers and a willingness to work on their behalf to solve problems is another reason for the port’s solid reputation.

The poll, which also ranks the top ocean carriers and marine terminal operators will be published in the December issue of Marine Digest.

(November 14, 2003, Port of Seattle)

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**Tacoma: Millionth Mazda Crosses port Docks**

**T**he millionth Mazda vehicle to be imported to the United States through the Port of Tacoma – a Velocity Red 2004 Mazda RX-8 still covered in protective wrap – recently rolled off an auto transport ship at the Port’s Blair Terminal.

“Everyone at Mazda is proud of our long-standing relationship with Auto Warehousing Company and the Port of Tacoma,” said Jim O’Sullivan, president and CEO, Mazda North American Operations. “Today, over 28,000 Americans – designers, assembly workers, dealership employees, port operators and sales and marketing personnel – work together to bring quality Mazda cars and trucks to American consumers.”

Tacoma-based Auto Warehousing Company (AWC), one of the largest auto processing companies in the United States, handles about 3.2 million vehicles each year – about one-fifth of vehicles sold in the United States.

“This vehicle represents a milestone in a continuing partnership,” said Port of Tacoma Commissioner Dick Marzano. “Mazda has its choice of business partners, and they have made a commitment to Tacoma. And the Port – with our facilities and our labor partners – has made a commitment to Mazda and the auto industry to ensure their long-term success. We have the ability and willingness to grow and meet the needs of these important customers.”

Robert DeWald, the Port’s Senior Director of Industrial Development and Real Estate, added, “25 years and 1 million cars can only be accomplished with good people, particularly Dan Merryfield, Manager of Mazda’s Port Operations in Tacoma and Ron Hitter, Director of Port Operations and Logistics.”

The landmark vehicle was promptly transferred to the Port’s new $40 million Marshall Avenue Auto Facility, where the vehicles of Port customers Isuzu, Kia, Mazda, Mitsubishi and Suzuki are processed. In 2002, the vehicles of these manufacturers accounted for a Port record 180,000 autos. At 146-plus acres and built to be among the most efficient in the nation, DeWald says the auto facility is capable of storing and processing more than 19,000 vehicles at a time.

The facility, which includes buildings for offices, washing and vehicle maintenance, is designed for quick, efficient transfer of autos from ship to processing, and to truck or rail, explained DeWald.

Mazda has been importing vehicles through Port of Tacoma facilities for the past two and a half decades. “We congratulate Mazda USA on this landmark occasion and we look forward to the day that Mazda number 2 million to crosses our docks,” DeWald concluded.

(December 22, 2003, Port of Tacoma)

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**Tacoma: 2004 budget focuses on long-term investment**

LOSING 2003, a year in which the port of Tacoma projects a record 1.73 million TEUs (twenty-foot equivalent ‘containers’) and projects a record $83.8 million in total revenue, the Port Commission has authorized a 2004 budget designed to continue the port’s focus on long-term investments in facilities, regional economic development and the environment.

The $194.7 million budgeted for 2004 capital improvements represents the first year of the port’s five-year, $321.3 million capital improvement plan. The $194.7 million budgeted for 2004 includes $35.4 million for the new Auto Warehousing Company Marshall Avenue Auto Facility, which opened in May.
Capital Improvement Program (CIP). According to Andrea Riniker, Executive Director, these new capital projects and investments are not only supporting the port of Tacoma’s expansion plans, but are also helping fulfill the port-wide objectives of fostering customer success while strengthening the Tacoma-Pierce County economy.

The core projects in the 2004 capital budget include the new Evergreen container terminal on the Blair Waterway and associated infrastructure, as well as significant investment in regional transportation enhancements, environmental cleanup and wildlife habitat restoration.

Of the $194.7 budgeted for capital improvement in 2004, explained Port of Tacoma Commission President Dick Marzano, $50 million will be funded by earnings and cash on hand, with the balance funded through revenue bond debt. “With historically low interest rates and an expanding trans-Pacific market, this is the ideal time for the port to make these investments. They not only provide long-term growth for our regional economy, but generate hundreds of construction jobs during tough economic times.”

While the port of Tacoma is having another record year, Marzano emphasized the long-term nature of port investments. “For 2004 and 2005, we are projecting steady growth, but not the dramatic growth of 2002 and 2003. The infrastructure we invest in today will begin to pay dividends in 2006.”

Also important, says Marzano, is minimizing the port’s Pierce County tax levy. For six consecutive years, the Port Commission has not increased the tax millage rate, keeping it at 18.59 cents per $1,000 of assessed valuation; this amounts to $37.18 on a $200,000 home. The port is legally allowed to levy a tax of 45 cents per $1,000 of assessed valuation. “It is important that we strive to keep the tax levy as low as possible, while remaining fiscally responsible,” he said.

Utilized for general obligation bond debt service and capital spending, the tax levy is projected to generate $9.2 million in 2003.

(December 11, 2003, Port of Tacoma)

ESPO: Ready for EU Enlargement

GENERAL Assembly of ESPO, which met in Riga on November 6 and 7, formally endorsed the full membership of EU newcomers Latvia, Lithuania, Poland, Malta, Cyprus and Slovenia. All these countries were already present in the organisation as observers, some even since the creation of ESPO in 1993.

“We furthermore received a clear commitment from Estonia that they will join us this year” ESPO David Whitehead said “and we are already preparing ourselves for the second wave of enlargement in 2007, with Bulgaria and Romania as observer members.”

The Riga meeting, which was attended by the Head of the European Commission’s Port Policy Unit, Wolfgang Elsner, focused on the implementation of the ISPS Code and forthcoming European port security legislation. Part of the debate was also devoted to the market access to port services’ Directive which is likely to undergo its final vote in the European Parliament next week.

“Port Services Directive failed

HE European Parliament today rejected the compromise on the market access to port services’ Directive with a narrow majority of 229 votes against and 209 votes in favour. This means that the legislative procedure has been closed with no result. The Directive, which was first proposed by the European Commission in February 2001, failed.

In an initial reaction, ESPO Chairman David Whitehead said: “The vote against the Directive in Parliament today is very disappointing after all the successful progress that we made in improving the original proposal of the Commission. The conciliation agreement included almost everything we campaigned for.” “There was a mixture of motives in rejecting the Directive,” he added. “Some MEPs believed that the conciliation agreement did not go far enough. There was also strong union pressure on MEPs with some emotional and uninformed lobbying.”

“The future is now very uncertain,” David Whitehead concluded, “We will lose momentum in dealing with State aid and financial transparency. Above all, there is a threat of action against individual ports now that the protection offered by the Directive is no longer available. We will look at all these issues and the way forward at the next ESPO Executive Committee meeting on December 10.”

(December 11, 2003, ESPO)

ESPO: Port Services Directive failed

ABP: Welcomes Parliamentary Report on UK Ports

B O Lerenius, Group Chief Executive, Associated British Ports Holdings PLC (ABP), today (Thursday, November 13) welcomed the House of Commons’ Transport Select Committee’s report on UK ports.

Speaking from ABP’s Port of Southampton, Mr Lerenius said: “This is the first time that Parliament has examined the modern ports industry of the UK and it is very encouraging that MPs of all political parties are positive about what they have found. The ports industry makes a very big contribution to the success of the UK economy and it is good to see this being publicly recognised.”

(December 12, 2003, ESPO)
The report, compiled under the chairmanship of senior Labour MP, the Hon. Mrs Gwyneth Dunwoody, says that: “The UK ports industry makes a vital and unique contribution to the country’s economy, commercial activity and social well-being.”

The report also acknowledges the many changes which have occurred since the large-scale privatisation of the UK ports industry in the 1980s - changes that have placed UK ports at the leading edge of world productivity and efficiency. The Committee recognises the urgent need for additional container port capacity in the UK, stating that: “Suitable berths are essential if the United Kingdom is to retain direct shipping services rather than being served by transshipment from Continental ports.”

Mr Lerenius continued: “Right here, in Southampton today, we can see the pressing need for additional port capacity to secure the long-term future of this leading UK hub. We look forward to the earliest possible approval by the Government of our Dibden Terminal project so that the Port of Southampton can continue to contribute to the UK’s prosperity.”

The Committee links the issue of port capacity with improving access for freight trains to and from major harbours. Mr Lerenius continued: “We are working closely with the Strategic Rail Authority and Network Rail to seek a way of delivering an increase in the capacity of the railfreight route between Southampton and the West Midlands. This work is essential for the existing Port of Southampton to maintain its competitive position. We welcome the Committee’s conclusion that rail-infrastructure links require planning and funding by the Government.”

(November 13, 2003, Associated British Ports Holdings PLC)

**ABP: Trading Update – Year ending December 31, 2003**

Keeping with its usual practice, Associated British Ports Holdings PLC is today issuing its trading statement for the year ending December 31, 2003, prior to the group’s preliminary results announcement, scheduled for February 18, 2004.

**HIGHLIGHTS**

The key highlights are as follows:

- Underlying group pre-tax profit for the year ending December 31, 2003 is expected to be in line with current market expectations.
- Turnover from the core UK ports and transport activities for the year ending December 31, 2003 is expected to increase by at least 5 per cent compared with the previous year.
- Underlying operating profit from the UK ports and transport activities for the year ending December 31, 2003 is expected to grow by at least 5 per cent compared with 2002, supported by new contracts that have been secured over the past four years.

**PORTS AND TRANSPORT – UK**

Business at the UK ports has continued to make progress and growth has been experienced in the first 11 months of this year in roll-on/roll-off trade, deep-sea container traffic, vehicle imports and exports, agribulks, forest products, imported coal and cruise-ship calls. Turnover from the group’s UK ports and transport operations is expected to show an increase of at least 5 percent in the year to December 31, 2003.

The group’s cost reduction programme announced in 2002 is now substantially complete and will result in cost savings of at least £1.5 million during 2003 and at least £3.0 million per annum from 2004. In 2003, these savings should balance the impact on the group’s margins arising from previously reported increased insurance costs and growth achieved by the group’s lower margin value-added services operation, ABP Connect. Consequently, operating margins within the UK ports and transport business are expected to be similar to 2002.

These factors are anticipated to lead to an increase of at least 5 percent in underlying operating profit from the UK ports and transport activities compared with 2002. This growth rate represents an improvement over the 3 percent growth for the full year 2002 and the 4 percent growth achieved in the first half of this year.

New revenue-related investments that have been added to the group’s UK ports business portfolio during the second half of the year include:

- at the Port of Hull, investments totaling £1.4 million in timber storage facilities, backed by 10-year agreements with North Sea Lumber (Sales) Limited and Rix Shipping;
- a £1.2 million investment in a roll-on/roll-off facility at the port of Southampton under a long-term contract with Channel Freight Ferries; and
- a 10-year agreement with Rowlinson Timber to invest £1.0 million in a new timber terminal at the port of Immingham.

These developments are in line with the group’s strategy to grow existing business and develop new business through rigorously targeted investment. These projects have construction lead times of up to six months and will contribute to the group’s results once they become operational.

The group continues to plan major growth projects on the Humber Estuary and at Dibden, Southampton. The necessary planning consents from the Department of Transport for the development of a shortsea container riverside terminal at the port of Hull and a roll-on/roll-off riverside terminal at the port of Immingham are expected to be received in 2004.

The group already has the necessary powers to develop a further coal import riverside terminal at the port of Immingham. The necessary approvals to develop a further riverside terminal at the port of Hull will be sought in due course. Following the decision of one of the group’s roll-on/roll-off customers to move from the Port of Immingham at the end of next year, development plans for the coal import and shortsea container terminals are now more advanced than those for a new roll-on/roll-off terminal.

The inspector’s report on the public inquiry into the application to develop Dibden Terminal, the planned deep-sea container port at Southampton, was submitted to Government, on schedule, at the beginning of October.

November saw the publication of the House of Commons’ Transport Select Committee report on UK ports, which recognises the clear need for additional container-port capacity in the UK. The report states that: “Suitable berths are essential in the United Kingdom if it is to retain direct shipping services rather than being served by transshipment from Continental ports.” These findings are consistent with the group’s own view on the urgent need for additional container-port capacity in the UK.

The Government’s decision regarding the application to develop Dibden Terminal is expected in 2004.

In line with the group’s strategy, construction of all of these terminals will only commence when customer commitments to these facilities have been obtained.

**PROPERTY INVESTMENT AND DEVELOPMENT**

The group’s policy of selling non-operational port-located property and exploiting the potential of the property portfolio continues. As previously reported, the contrasting level of sales made last year and during the course of this year will result in total operating profit from UK and USA property investment rentals...
being lower than last year.

As previously reported, the exact timing of property sales is always difficult to predict. The group is currently awaiting planning approval in respect of the sale of 29 acres of land at the port of Garston. On the basis that this approval falls into next year, the group currently expects operating profit from property development for the full year 2003 to be modest compared with the £12.0 million level achieved in 2002.

PROSPECTS
While the general economic climate still remains somewhat uncertain, the group’s UK ports business has the advantage of having many long-term contracts with quality customers. This, together with the group’s strong cash flow, diverse spread of geographical and cargo risk and increased growth experienced in the second half of this year, leads the group to believe that the new contracts which have been secured over the past four years will underpin growth for the group’s UK ports business in 2004.

HE National Ports Authority (NPA) has received final tenders for the development of a ship-repair facility at the Port of Richards Bay.

The two-stage process started in March 2002 with stage one calling on tenderers to express their interest in the project and to make submissions on their organisations’ composition and expertise.

Tenderers were short-listed and invited to participate in the second stage, which ended on October 7, 2003. This stage required that short-listed candidates submit detailed proposals.

Mr Mvikel Matutu, General Manager of NPA’s maritime services, said the purpose of building a ship-repair facility at the country’s major bulk cargo-handling port, was to increase NPA’s capacity to service the global ship-repair market. Matutu said the adjudication of the final bids started in October this year, and is expected to take two months. The site handover will take place next year.

The extent and nature of the proposed facility will be determined by various factors, such as market analysis, an environmental impact assessment, feasibility study and participation by Black Economic Empowerment (BEE) groups.

Matutu added that the port of Richards Bay’s deep-water channel (-19 metres) and available land of 25 hectares lent itself to the development of an extensive facility to accommodate larger vessels calling at the port.

An independent adjudication committee will recommend a preferred bidder at the end of the adjudication process. Matutu said the appointed bidder would enter into a B.O.O.T. concession agreement with the NPA.

Said Matutu: “The agreement requires that the bidder builds, owns, operates and transfers ownership of the facility to the NPA on expiry of the concession contract. “A monetary value for the project is not available yet.”

PORT OF LONDON

A new report highlights the major economic contribution of the port of London to the capital and the surrounding regions. It reveals that the port generates over 35,000 full-time jobs and contributes £3.4 billion to the economy each year.

The study has been commissioned by the Port of London Authority (PLA) and carried out by independent consultants SQW Limited. It underlines the positive impact on the regional economies of the port of London and related shipping and marine activities.

Highlights of the report include:
• 30,306 people are employed directly in port of London terminals, and in related shipping activities and services (another 5000 jobs created indirectly)
• £3.41 billion gross value added annually to the London and south east economy planned investment in the port of London in next five years is estimated at £769 million (£1.3 billion in next ten years)

Commenting on the report, PLA chief executive Steve Cuthbert said:
“The port of London is a vital part of the transport infrastructure of London and the south-east. This new report also emphasises the importance of the port and its related marine activities to the wider economy and for employment in the regions it serves.”

(November 21, 2003, Port of London Authority)

T THE 5 millionth TEU in the port of Antwerp was unveiled on December 4 by HRH Prince Philip in the presence of Flemish Minister-President Somers and Flemish Minister for Mobility, Public Works and Energy Gilbert Bossuyt.

The port of Antwerp has come a long and remarkable way. From its first container in 1967 it gradually went for its first record: it rounded the cape of one million TEUs per year in 1978. Through sustained growth and development, the Port reached the two million TEU mark in 1993, the three million TEU mark in 1997 and 4 million TEUs were handled in 2000. Today, merely three years later, we are celebrating another milestone. The handling of the 5 millionth TEU is a fact!

Between 1990 and 2002, Antwerp’s annual growth rate was approximately 10%. As a result, its market share in the Hamburg-Le Havre range increased by 5.18% to 21.2%. Within the Hamburg-Le Havre region, the joint market share of the inland ports Antwerp and Hamburg increased from 36.2% in 1990 to 45% in 2002.

Antwerp is now the tenth-largest container port in the world and the third-largest in Europe.

(December 4, 2003, Antwerp Port Authority)
He said approximately 1667 vessels went through the port in 2001/2002, handling 80 million tons of cargo over the same period. “Developing a ship-repair facility at the port of Richards Bay is a good business opportunity, while it expands services offered by the port.”

(October 27, 2003, National Port Authority of South Africa)

Riga: “B.L.B. Baltic Terminal” concludes seasonal ground improvement work

“B.L.B. Baltic Terminal” one of the largest stevedoring companies of the Freeport of Riga, has concluded its ground improvement season, during which time three stages were completed. The Lielriga Regional Environmental Board has reviewed the results of the work, and indicated that it is satisfied with what has been accomplished. It added that further work will be undertaken in 2004.

Since commencement of the improvement work, oil product levels detected in the Milgravis Channel have not exceeded permissible norms, indicating that such products are now being effectively contained to the benefit of the natural environment.

Improvement of the terminal’s land-and-water-side areas will recommence once winter has passed. With the majority of the improvement work already having been completed, the forthcoming season should see the project’s completion.

(November 7, 2003, Freeport of Riga Authority)

Australian Customs Service: Container x-ray strategy wins PM’s Award for Excellence

CUSTOMS introduction of world-leading container examination technology to Australia has been recognised by the Prime Minister’s Award for Excellence.

Customs Chief Executive Officer, Lionel Woodward, accepted the gold award on behalf of Customs at a ceremony in Canberra. Mr Woodward said the $190 million project involved a complex process encompassing sourcing the technology and establishing systems for its use.

Solid project management, and ongoing cooperation with partner law-enforcement agencies has seen the strategy deliver major results at container examination facilities in Melbourne, Sydney and Brisbane.

Since the commissioning of the first facility in Melbourne in November 2002, container examination technology has enabled the detection and seizure of:

• One and a half tons of drugs, including a single shipment of three-quarters of a ton of pseudoephedrine (used in the production ofamphetamine-type stimulants)
• 30 million undeclared cigarettes
• Eleven tons of undeclared tobacco
• Significant quantities of undeclared alcohol
• A large number of goods infringing intellectual property rights

The PM’s Award for Excellence coincided with two more significant milestones in the Customs container x-ray project announced this week.

The Melbourne and Sydney facilities were accredited as Quality Management Systems under ISO 9000:2001 standards by the International Standards Organisation.

The fourth examination facility was commissioned by the Minister for Justice and Customs, Senator Chris Ellison, in Fremantle, Western Australia on 18 November.

(November 21, 2003, Australian Customs Service)

Manila: MICT handles 1 million TEUs for 2nd consecutive year

INTERNATIONAL Container Terminal Services, Inc. (ICTSI) recently serviced its one-millionth container for the year at the Manila International Container Terminal (MICT), ICTSI’s flagship operation.

This is the second time that the MICT hit the one-million mark. The first time was last December 18, 2002, when the MICT handled for the first time its one-millionth container since it started operations at the MICT in 1988. This year’s one-millionth container arrived at the MICT two weeks earlier than last year’s. The terminal handled a total of 1,043,464 TEUs in 2002.

This year’s one-millionth container is a 40-foot import container from Singapore discharged from Evergreen-Uniglory’s 1,894-TEU capacity Poseidon VII. The MICT handled 698 TEUs, 298 of which were discharged and 400 of which were loaded. Poseidon VII’s next destination is Kaoshung, Taiwan.

“We remain enthusiastic that volumes at the MICT will be sustained, if not, increase every year,” says Francis M. Andrews, ICTSI Senior Vice President and MICT General Manager.

For the first nine months of 2003, the MICT handled 823,909 TEUs, up by eight percent from last year’s 764,791 TEUs. Andrews notes, “Terminal activities are getting brisker.”

Wojna Zbigniew masters Poseidon VII, while Wajszczyk J erzy is the vessel’s chief engineer. Poseidon VII is one of eight Evergreen-Uniglory ships that regularly call at the MICT in a month. In a week, the Taiwan-based liner averages eight calls at the MICT.

Witnessing the handling of the one-millionth TEU were ICTSI officials led by Felipe C. Pacheco, terminal manager; and Augusto D. Oblego, and Romeo A. Salvador, operations managers. Evergreen-Uniglory officials present were Chen Chao Hsien, junior vice president for finance; Gerry Dumangcas, deputy senior vice president; Renato Villapando, deputy

34 PORTS AND HARBORS January-February, 2004
ports.

cargo handling fee at Korea's two major
will be offered 10% - 50% discounts of
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December 2003 in order to lure transship-
ports of Busan and Gwangyang from
N Korea, a volume incentive system
will be launched in the ports of Busan
and Gwangyang from December 2003.
The Ministry of Maritime Affairs and
Fisheries announced that a volume inen-
tive system would be operated in the
ports of Busan and Gwangyang from December 2003 in order to lure transship-
ment cargoes.

Recently, the Korean ports have been
faced with challenges such as the rapid
growth of Chinese ports, foreign shippers’
extension of direct sea routes to China,
and decreases in transshipment cargo vol-
une in the Korean ports. In this regard,
the Ministry expects that this volume
incentive system will serve to boost busi-
ness at the Korean ports by offering for-
ign shippers unprecedented incentives.

Basically, the volume incentive system
gives high-volume shipping companies
breaks a port use fees. Under the system,
shipping companies that handle trans-
shipment cargos of over 0.2 million TEU
per annum at the ports of Busan and
Gwangyang, or which have increased
transshipment cargo volume by more than
20 percent compared to the previous year,
will be offered 10% - 50% discounts of
cargo handling fee at Korea's two major
ports.

The conditions for reductions on port
fees apply differently depending on cargo
volume, number and size of vessel, and
 tonnage. The volume incentive system will
be valid Dec. 2003 - Nov. 2005 at the two
ports and the decision on whether to con-
tinue it will be made in consideration of
industry trends of cargo handling.

(MOMAF) (Korea): Volume
Incentive System in the Ports
of Busan and Gwangyang

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MPA: Strengthening maritime
bilateral ties between
Singapore and Germany

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MPA: Strengthening maritime
bilateral ties between
Singapore and Germany

Dr Hans-Jürgen Froböse, Director
General for Shipping and
Aviation, Federal Ministry of
Transport, Building and Housing,
Germany, will be visiting Singapore from
Dec 18 to 19, 2003. He is in Singapore at
the invitation of the Maritime and Port
Authority of Singapore (MPA) under its
Distinguished Visitors Program (DVP).

Dr Froböse, 62, was appointed the
Director-General for Shipping and Aviation
in November 1998. He oversees the
Directorate-General of Civil Aviation,
Space Flight and Shipping, which is under
the purview of the German Federal
Ministry of Transport, Building and
Housing. The directorate manages matters
related to international and EU maritime
transport, shipping, protection of the
marine environment and marine pilotage.

Prior to this appointment, Dr Froböse
had served in various high level posts in
the German Federal Ministry of Transport
(Bonn) and the Ministry of Economics,
Technology and Transport (Hanover). He
received his doctorate from the University
of Göttingen.

During his two-day stay in Singapore,
Dr Froböse will be calling on Mr Peter
Ong, Permanent Secretary for Transport
and Chairman of MPA. He will also be
meeting RADM (NS) Lui Tuck Yew, Chief
Executive of MPA and other MPA senior
officials. Besides the meetings, Dr Froböse
will be touring MPA’s maritime amenities
and visiting the aviation facilities of the
Civil Aviation Authority of Singapore (CAAS).

Established in 1997, MPA’s DVP contin-
ues to be a useful platform for the MPA to
meet and establish long-term working
relationships with key personalities from
the international maritime community. The
program has been an effective channel for
exchanging opinions on global maritime
issues and enhancing Singapore’s bilateral
maritime relations.

(December 18, 2003, MPA)

Shanghai: Celebrates the
Breakthrough of
10 million TEUs

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Shanghai: Celebrates the
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SINGAPORE

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(December 18, 2003, MPA)
the US east coast and west coast, South America, Europe, the Mediterranean, the Arabian Gulf, Africa, Australia, Korea, Japan, Taiwan, Hong Kong, and Southeast Asia. Over 80 Chinese and foreign shipping companies are operating shipping services from the port. 1409 international and domestic container liner ships sail from Shanghai per month.

In order to build Shanghai into an international shipping center and a container hub port in North-east Asia, Port of Shanghai is expanding its container handling capacity through the construction of both the Wai Gao Qiao new container terminals and the first phase of Yangshan Deep-water port.

(December 19, 2003, Corporate Affairs Department of Shanghai International Port (Group) Co., Ltd.)


TRADE figures, released today in Sydney Ports’ 2003 Annual Report, show rail strengthening its role as a key facilitator of transporting cargo within metropolitan Sydney - moving more trade to and from Sydney’s ports.

As Sydney’s ports set an all time high for container trade, 1.16 million TEUs*, rail has also set a new record by moving an extra 30,000 containers* this past financial year, transporting 255,000 TEUs compared to 225,000 TEUs in 2001/02 to and from the ports.

Sydney Ports CEO, Greg Martin said that with more than 85 percent of the goods exported or imported through Sydney’s ports originating or destined within the metropolitan area, freight rail plays an important role in distributing cargo to this growing market.

“The volume of containers moved by rail has increased significantly over the past eight years from 79,000 TEUs in 1995 to 255,000 TEUs this past financial year,” Mr Martin said.

“Sydney Ports’ objective is to achieve at least a 40 percent rail modal share in the medium term which is consistent with both government’s and private operators’ desire to push more cargo on to rail.

“Currently, close to 25 percent of containers move by rail to and from the port. Significant volume growth has been achieved over the past 12 months to all terminals within the Sydney metropolitan area. Traditional rail exports from regional areas have had to contend with the challenges of last year’s drought across NSW. A strong agricultural economy over the next two years should help push rail modal share towards 30 per cent."

Mr Martin said Sydney’s figures for the modal share of cargo moved by rail exceed its major competitors. Melbourne and Brisbane ports’ rail modal share for containerised cargo is approximately 18.8 and 18 percent respectively.

Mr Martin said that while rail will continue to grow its share of cargo, road will still play a significant role in moving cargo to and from the ports as trade grows. Other highlights for the year include:

- Top four finalist for best OH&S strategy, National HR Awards 2002
- Successful Port Safety Operating Licence audit with no non-conformances maintaining our international safety standards
- Electronic Data Interchange shipping manifest uptake target of 85 percent achieved
- A new record of 196,000 motor vehicle imports.

Sydney Ports has also released an Environment Report providing information on its environmental activities and initiatives and its ongoing commitment to continuously improving environmental management and performance.


(Tuesday, November 25, 2003, Townsville Port Authority)

The vegetation was selected and placed specifically to best represent a natural coastal area while also incorporating traditional landscape designing techniques.