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Strange bedfellows...
And in this issue we look at the plethora of new concepts and technologies that ports would have found strange just a few years ago.

March 2006
ISSUE 02  VOL 51

REGULARS

Comment: It's a new era, says Dr. Satoshi Inoue

News: Latest port developments, people, contracts and more

Open Forum: Roger Holt from Intercargo urges ports to fill the gap between shipowners' responsibilities and port provision of reception facilities

Cover Story: Ports are catching up with their customers and working to shoulder social and environmental responsibilities

Maritime Update: Security budgets, EU ports policy, court initiatives and inland waterways developments

IAPH Info: What happened in Karachi at the IAPH Asia/Oceania Regional Meeting, a preview of the Mumbai mid-term board meeting and your response to the security probe

Bulletin Board: Farewell to Peter van der Kluit, membership dues for 2006 and meet P&H's new editor

Last Word: Wake the slumbering giant that is IAPH membership – Frank van Zoelen's rallying call

FEATURES

Greening of ports: Sydney fought a long and complicated battle for expansion, as Marika Calfas outlines

Any ports in a storm: Stormwater runoff from paved areas can be a significant source of pollution, but there are solutions...

Tough talking: Wireless technologies to improve ports' competitiveness via intelligent information networks are available today, says Fred Trompet

Billion dollar business: Ports will spend huge sums on cargo handling equipment this year as container terminals continue to expand

Corporate social responsibility: it's an important tool for identifying and managing risk that ports should take onboard, as Dale Neef argues

Polish port plan's progress: One of privatisation's success stories, Gdansk container terminal is now taking shape, says Jim Wilson

Privatisation: Not every port has coped with the past decade's unprecedented challenges – Rudolph Meyer examines the evidence

Government policy vs private enterprise: UK ports wait uneasily as the government prepares to outline its future policy, Tony Slinn reports

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The updated "Form of Contract for Dredging and Reclamation Works" has been prepared by the Fédération Internationale des Ingénieurs-Conseils (FIDIC) in close collaboration with the International Association of Dredging Companies (IADC).

The ultimate decision on the form and content of the document rests with FIDIC. The aim has been to produce a straightforward document which includes all essential commercial provisions, and which may be used for all types of dredging and reclamation work and ancillary construction with a variety of administrative arrangements. Under the usual arrangements for this type of contract, the Contractor constructs the Works in accordance with design provided by the Employer or by his Engineer. However, this form may also be suitable for contracts that include, or wholly comprise, contractor-designed works. In addition, the Employer has a choice of valuation methods. The form is recommended for general use, though modifications may be required in some jurisdictions. To assist in the preparation of tender documents using these Conditions, Notes for Guidance are included.

The electronic version is only obtainable through the FIDIC Website www.fidic.com. The printed Soft cover version will be issued in March and can be obtained through IADC as well.

AGREEMENT

GENERAL CONDITIONS

RULES OF ADJUDICATION

NOTES FOR GUIDANCE

FIDIC, 1st Edition 2006. Electronic (PDF) € 130.00
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A new era

Since the early 1980s, many of the world’s ports have engaged private terminal operators to provide efficient services to customers and achieve higher productivity – the impressive reports now reaching us from IAPH member ports on last year’s cargo throughputs are testimony to that system’s success.

But the past decade’s unprecedented growth, and forecasts of more of the same over the coming several years, bring new demands: ports not only need to take short-term measures to avoid congestion, but also to take an aggressive view of their future.

It is truly the start of a new era. While terminal operations may rely on the private sector, port authorities need to take responsibility for long-term planning, covering, among others, infrastructure provision; safety and security; environmental measures; trade promotion; IT system development and integrated links to hinterlands.

It’s a mission that cannot be effectively accomplished by port authorities alone. The key to management success is to develop innovative partnerships with all other members of the port community, be they government agencies or private concerns. Tomorrow’s port authority will need to be like an orchestra conductor, blending players’ skills to produce a harmonious whole.

Tomorrow’s port authority will need to be like an orchestra conductor, blending players’ skills to produce a harmonious whole.

IAPH will play its part through regional and technical committee meetings. Next month we’ve organised a special session of panel discussions on port reform as part of the Mumbai mid-term board meeting (April 9-12). The board will also look at themes and issues for IAPH’s 25th World Ports Conference, to be held in Houston April 27 to May 4, 2007. International issues such as places of refuge and logistics chain security are up for discussion.

And I look forward to hearing your views! PH

Dr. Satoshi Inoue
Secretary General – The International Association of Ports and Harbors

S

COMMENT

COMMENT
MSC MOVES TO TERMONTE IN MONTREAL
Mediterranean Shipping Co (MSC) has awarded a long-term contract to Termont Terrmont Montreal (TM), to handle its cargo at the Canadian port of Montreal. Termont Terminal operates the Maisonneuve container terminal at the Quebec port and is jointly owned by Logistec Stevedoring and NYK Group-owned Cerescorp.

JINZHOU EXPANDS
Two container berths have been completed at Jinzhou as the result of collaboration between China Shipping Terminal Development and the Jinzhou port authority. The two berths are 53m long and can handle 800,000 teu per year.

SUSTAINABLE PORT
Plans for a new port and industrial area costing an estimated Dh8bn ($2.7Bn) have been announced by the Abu Dhabi Government. The new port will be located at Taweelah and it will be known as the Khalifa Port & Industrial Zone. It will be designed to handle containers and bulk cargoes and will be constructed with environmentally sustainable features.

TASPORTS IS BORN
Tasmania’s four ports have been integrated into a single organisation, to be known as the Tasmanian Ports Corporation (TasPorts). The move means that the ports of Hobart, Bell Bay, Devonport and Burnie fall under the control of a single body for the first time in their history. The Tasmanian state government is hoping that the new organisation will put an end to the battles that saw ports playing each other off to win shipping companies’ business.

X-RAYS IN BRAZIL
The southern Brazilian port of Sao Francisco do Sul (SFDS) has ordered a mobile X-Ray scanner so that Customs can check the contents of containers. The scanner will greatly speed up customs checks and help SFDS comply more readily with IPS norms, and when it arrives it will be only the third scanner to be deployed in Brazilian ports. Santos had the first, and Itajai – which is just 80 km away – installed the second one in January of this year.

A view of how the port will look in five years time

$600M port opens for business
One of the world’s largest ports – the $600M first phase of the $1.8Bn Pusan Newport Co (PNC) development – has started operations after being opened by the president of South Korea, Roh Moo-Hyun.

DP World will manage and operate the port, which aims to be one of the world’s biggest, for the next 50 years. The development is close to the industrial region centred on Busan city.

The three berths in the first phase total 1.2km in length and are able to cater for the new generation of ultra large container vessels (ULCVs), with two more phases to be completed. It hopes to handle 1M teu in its first year of operation. The $500M second phase is scheduled for completion at the end of 2007 and will include a further three berths – due to be in operation in 2009 and estimated to cost $500M. On completion, handling capacity will be at least 5.5M teu and berths will stretch 3.2km.

PNC is making a bid to become a gateway hub for North East Asia, placed as it is strategically between Japan and North East China. Over 4M m² of terminals and logistics support has been designated as a free trade zone, while container handling equipment includes the nine largest ship-to-shore cranes built to date. They are able to handle the new, wider container vessels, with a rail gauge of 42.7m covering nine traffic lanes and with an outreach over 22 rows.

The 28 cantilevered rail mounted gantry cranes (RMGCs) constructed by Doosan Heavy Industries work over nine rows, stacking six containers high and have a lifting capacity of 65 tonnes. The semi-automated cranes are equipped with GPS and trailer positioning systems along with safety features for the protection of trucks.

New LNG facility in Spain
Spain’s new €340M ($404M) LNG regasification facility at the port of Sagunto, near Valencia, has started receiving shipments as tests are completed on tanks before full operations begin.

Owned by Spanish electricity companies Union Fenosa, Iberdrola, Endesa Generación and Omán Oil Holding Spain, the facility is expected to import about 20% of Spain’s annual LNG consumption and will be fully operational by the end of April. LNG ships transporting gas largely from Egypt will call at the plant once a week. Once unloaded at Sagunto, the LNG will be distributed through Spain’s network of gas pipelines. The two tanks at the facility can each store 20% of gas.

North China’s port plans
Tianjin, in north China, has announced investment plans of RMB787bn ($875M) to improve its port infrastructure this year. This is in addition to the $613M which was spent on infrastructure construction last year. In all, $4.59Bn has been earmarked for port development at Tianjin up to 2010. Priority is to construct deepwater channels and expand container facilities.
Storm brews over mega terminal acquisitions

There were protests around the world as DP World emerged as the successful bidder for UK-based P&O Ports. Singapore’s PSA backed out of the contest when the Dubai group raised its offer to $7.4Bn.

The controversial bid, with observers estimating a premium of 44% paid by DP World, has seen accusations of monopoly from all over the world. In the US, senators called for a review of the move by the Department for Homeland Security. In India there was also an outcry.

As P&H went to press, President George W. Bush’s administration confirmed that approval of the DP World takeover of P&O Ports’ USA interests was ‘final’, but it is thought there could be future challenges at the port leasing level.

There is anguish in terminal circles as the high premium – thought to work out at over $400 for each ton of capacity at a P&O port – is far above market rates. Similar deals recently have seen $200 - $300 paid per ton of capacity. DP World arranged a $6.5Bn term loan and revolving credit facility to fund the takeover. Barclays Capital, the investment banking division of Barclays Bank, and Deutsche Bank have been appointed the lead arrangers and book runners to manage the package. In addition to this package DPW, also has a two-year Islamic bond issue which raised $3.5Bn in January. This is the biggest bond of its kind to date and was arranged through Barclays and the Dubai Islamic Bank.

The price DP World paid is all the more remarkable set against the geography of P&O Port’s asset spread. About half is outside the highly valued Asian region.

The challenge for the new DP World group’s major rivals, however, is to keep up the geographic spread of assets. Neither PSA nor Hutchison Whampoa have a presence in the USA.

All the leading operators will now be accelerating their activities in China, set against this benchmark deal. New acquisition targets for the big four – which also include the Maersk group – are likely to be regional, rather than multi-national companies. There is plenty of scope for more concentration of terminal operating ownership as in some areas there are large terminal operators who do not feature so actively on the world stage.

A €200M ($240M) project to create Deepwater Port in the Greater Dublin Area. The project is aimed at catering for growing freight volumes through east coast ports of 6.5% a year over the last 15 years. DPC is a semi-state owned, multi-modal port. The site chosen for the new facility is considered to be the last greenfield deepwater port opportunity on the east coast of Ireland. It will have an initial annual capacity of up to 10M tonnes, compared with today’s limit of 1.3M tonnes. The new deepwater port location is on the east coast central shipping corridor with direct motorway access to key Irish markets, north and south. More info at: www.droghedaport.ie

Joint venture partners are invited to help build the new Bremore Deepwater Port

$240M project open for bids

A $240M project to create one of Ireland’s largest ports has been thrown open to worldwide participation as the country battles port congestion. Drogheda Port Company (DPC) has announced an open competitive process for a joint venture partner for the development of its Bremore

Port updates

BOOST TO ANTI- TERROR TRAINING
Counter terrorism training for USA port police officers has been given a boost with a $30M programme launched by the Department of Homeland security. The Florida State University (FSU) will receive $6.2M to fund security courses through its Learning Systems Institute (LSI). Target students include port employees who deal with visitors and vendors, port and tenant employees, security guards, port administrators, cruise and passenger terminal security personnel and personnel responsible for directing the management of response and recovery following an incident.

RECORD YEAR AT TEESPORT
Teesport, the UK’s third largest port, has reported a record year for 2005, handling 55.8M tonnes compared with 53.9M in 2004 – a rise of 3.5% year on year. This will be good news for the port’s new owners, the Australian investment bank, Babcock & Brown Infrastructure, which has just completed the purchase of the port. The extra 2M tonnes came from project cargo for the Ormen Lange pipeline, additional steel slab traffic and a rise in general cargo. The port’s dry bulk and bulk chemical traffic was stable in volume terms but shortsea container and car shipments fell.

CHITTAGONG TERMINAL
Bangladesh’s Chittagong Port Authority (CPA) is busy evaluating bids to set up a $58M international container terminal, the first facility of its kind in the country. The terminal operator should be finalised by August said CPA chairman AMM Shahadat Hossain.

OMAN PORT PLANS
Oman is inviting bids for a US$400M project to build a commercial port at al-Duqm in the south east of the country. The project will include dredging the channel to accommodate large ships. Last year Oman signed an agreement with South Korea’s Daewoo Shipbuilding and Marine Engineering to provide consultancy services and design drydocks at the port.
People

**MØLLER-MAERSK VP**
AP Møller-Maersk has appointed Niels-Henrik Lindegaard as vice-president. He joined the company in 1982 gaining promotion to senior director in 2002. Lindegaard is responsible for the group’s sale and purchase of oil as well as risk management of all prices.

**IN COMMAND**
Thad Allen has been nominated by President George W. Bush to succeed Thomas Collins as commandant of the US Coast Guard. If confirmed by the Senate, Allen would assume command of the USCG in May when Collins retires. Allen is probably best known for his role in leading the federal response in the wake of Hurricane Katrina.

Allen’s service includes chief of staff and commanding officer at headquarters; commander of the Atlantic Area, Fifth Coast Guard District; commander of the Seventh Coast Guard District; director of resources; and commander of the cutter Citrus. In response to 9/11, he led Coast Guard operations to re-position the Atlantic fleet in support of local port commanders and to establish critical command and control capability.

**AT THE HELM**
Neil Cross has been appointed chairman of BMT. He has been a non-executive director on BMT’s board since 1997 and is chairman of the board’s investment sub-committee, a member of the audit sub-committee and a trustee of the BMT employment benefit trust.

**ALL CHANGE AT CP SHIPS**
The board of CP Ships has appointed Adolf Adrion as its CEO, replacing Ray Miles, who resigned at the end of last year, following the completion of Hapag-Lloyd’s acquisition of the company. In another change at CP Ships, Ulrich Kranch was appointed CFO.

**POLICE CHIEF**
Virginia Port Authority has named Andrew Engemann as chief of the port police department, to follow Donald Boyd who has retired after 14 years of service. Engemann began his tenure with the VPA police last year after 31 years of law enforcement experience.

Rail box moves cut pollution at LA

The Port of Los Angeles (POLA), where the IAPH EXCO member Geraldine Knatz has just taken over as executive director, reported a record 23% increase in rail movements last year.

There were than 1M on-dock rail lifts at POLA, accounting for nearly a quarter of all containers passing through the port last year.

“We’re moving in the right direction,” said Knatz. “Our customers are doing a fantastic job of making rail usage a priority, as the numbers clearly show. We’ve nearly doubled the number of on-dock lifts in three years – and we’re not slowing down.”

Added David Freeman, Los Angeles Harbor Commission president: “An efficient rail service is critical to the future of this port. Moving cargo by rail instead of by truck cuts down on air pollution. It’s a good story that will get better as our port and co-operating shippers implement the use of cleaner-burning fuel to serve this region.”

There are four on-dock facilities serving six of the seven operational container terminals at the port through a 57-mile network of tracks. Between 10-12 trains leave the port every day, taking the equivalent of 2,500 trucks off the roads.

Building starts for intermodal project

The Alabama State Port Authority has taken another step toward its goal to establish a container and rail intermodal terminal on the Central Gulf of Mexico.

It has awarded HDR Inc a $4.2M engineering design and construction management services contract for the authority’s proposed intermodal container transfer facility at Choctaw Point.

James K Lyons, director and CEO of the port authority, said: “This contract for HDR to design and ultimately manage the construction of the rail intermodal terminal accelerates our phased construction of Choctaw Point Terminal.” The contract represents the last in a series of engineering contracts for Choctaw Point, which have cost the authority $75M.

APM Terminals and CMA CGM will be partners with the port authority at the container terminal. “We believe the increased container volume we are currently experiencing, coupled with the anticipated volumes that will develop when stage 1 of the container terminal is completed, will warrant a functional rail intermodal yard to increase services and efficiencies for shippers,” Lyons added.

More info at www.asdd.com

Construction of Choctaw’s intermodal terminal gets underway

Ports call for privatisation reforms

Indian container terminal operators have demanded a more open privatisation policy in the port sector, as they claim the present system favours port trusts.

They are calling for more operational freedom for private operators. The demand comes in the wake of DP World’s takeover of P&O Ports and its three terminals at Nhava Sheva, Mundra and Chennai.

According to HR Srinivasan, CEO (India) for PSA International, while the development of container terminals continues, related infrastructure projects are needed to ensure the smooth flow of cargo through Indian ports.

Capt Ankit Vaishnav, COO of Visakha Container Terminal (VCTPL), said the licence agreement between the landlord port and the private operator has to be made more ‘privatisation’ friendly.

“The terms and conditions are heavily in favour of the landlord port,” he said.
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EU port funds hint

A hint that more funds could be made available for port development in the European Union (EU) was made by Joe Borg, the European commissioner for maritime affairs. He told a seminar in Brittany – organised to discuss the future of the region’s maritime policy that funds available for ports from the European Regional Development Fund could be increased from the €28m allocated previously.

"Important decisions will also have to be made as to how the EU structural funds can be best utilised," he said. "It is possible that the maritime policy, as suggested in the Green Paper, will enable the continuation of funding at, and possibly beyond, current levels."

He said that "considerable progress" had been made in the drafting of the Green Paper, which is scheduled for adoption this year. Then a consultation period will run for a year.

There were about 1,200 ports in Europe, he added, "some of them ranking among the largest in the world, which provide shipowners and seafarers with high quality ancillary services."

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Cash & cargo

A1 AT VIRGINIA
Moody’s Investors Service has affirmed its A1 rating of the Virginia Port Authority’s (VPA) outstanding terminal revenue bonds, saying the port was ‘stable’ and positioned for continued growth. The Moody’s analysis said the port’s strengths included ‘a strong competitive position as the third largest container port on the U.S. East Coast; a track record of good financial performance and ample debt service coverage; continued commitment to operating efficiencies and spending controls; current and projected low debt and cash funded port improvements.’

BOX JOINT VENTURE
China International Marine Containers, the world’s largest container manufacturer, will set up a joint venture with two shareholders of Dutch container manufacturer Burg Industries. The joint venture company, called Newco, will be established between CIMC, Cees Van der Burg and Peter Van der Burg. CIMC will invest €37.5m ($44.9m) for a 75% stake with the Burg brothers pooling €12.5m for the rest of the equity. The venture will then buy out Burg Industries, whose assets, including shares, are valued at €110m.

LOGISTICS LISTING
Neptune Orient Lines’ joint venture company in China, CMA Logistics, will seek a listing on the Growth Enterprise Market section of the Hong Kong Stock Exchange. CMA Logistics will place an offer of 55,000,000 shares to professional and institutional investors. The offer price is expected to be between HK$2.30 and HK$2.70 per share. The offer price is expected to be between HK$2.30 and HK$2.70 per share.

TRAFFIC’S UP IN DUNKIRK
Dunkirk handled 205,000 teu in 2005, a 2% increase over 2004. The port handled a record 33.3m tonnes of general cargo, up 5% compared to the 31m tonnes seen in the previous year. Imports totalled 38.3m tonnes, a 2% increase, with exports up 12% to 15m tonnes.

AND DOWN IN ITALY
The three biggest container terminals in Italy, Gioia Tauro, Taranto and Voltri, all reported declining traffic volumes in 2005. Combined traffic dropped 177,000 teu, to 4.7m teu last year, a fall of 3.6%.
**Proven Results**

**Tecon Rio Grande** is Brazil’s second largest container terminal by volume and moves between 35,000 and 40,000 containers per month; it is considered one of the most modern terminals in Brazil with a comprehensive, sophisticated terminal operating system. Strategically located 900m from the industrial district of Rio Grande, the Terminal can be reached by road, water, or rail with direct access to the main production areas in the south of Brazil as well as the Mercosul countries.

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*Paulo Bertinetti, Managing Director, Tecon Rio Grande*

At Navis, we’re committed to helping our customers meet or exceed their business goals. Since 1988, our software solutions have set the standard for terminal operating systems. By defining and enabling industry best practices, Navis solutions deliver superior results in the form of increased throughput, lower operating costs, and enhanced customer service.

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Experience the progress.
Officials from the US Port of Tacoma travelled to Japan for the 7th sister port conference with the Port of Kitakyushu. The ports have met either in Japan or the USA every two years since 1984.

At the conference, Port of Kitakyushu managers updated their colleagues from the USA on new facilities, such as the Hibiki Container Terminal, the New Kitakyushu Airport and a logistics project. The Port of Tacoma described its Pierce County Terminal and plans for the Blair Waterway development.

Environmental management of the port area was a new issue in this year’s conference. Tacoma’s plan for the creation of habitat areas and the conservation of wetlands were discussed, plus Kitakyushu’s bay-water purification scheme using seashells.

“Port environmental issues generated very fruitful discussions, sharing best practices,” said Norihiko Yamagata, director general of the Port of Kitakyushu.

Looking ahead to the next meeting, Timothy J Farrell, executive director, Port of Tacoma, commented: “We will discuss logistics for the car industry.”

**Courses & Seminars**

**IPER SEMINAR**
IPER seminar Improving Bulk Terminal Operations is from April 3-7 in Le Harve, France. More info at www.iper.fr

**PORT STATE CONTROL**
The International Chamber of Commerce Port State Control Course runs April 3-13 at the University of London. More info at www.icc-ccs.org

**TERMINAL MANAGEMENT**

**PORTS & DREDGING**
The 42nd International Port Seminar takes place April 24-May 12, 2006 in Delft, Holland, then the IADC Seminar on Dredging and Reclamation from May 15-19. More info at www.unesco-ihe.org

**ENGINEERING**
Education, Training and Continuing Professional Development of Engineers in the Maritime Industry, will run May 17-18 in London. More info at hg@rina.org.uk
Communities often think that port expansion will have a detrimental affect on an area, but as Marika Calfas explains, one major container port project will improve the environment in Sydney.

There was no doubt that economically the Port Botany expansion project (PBE project) was needed to handle growing trade generated by the New South Wales economy. It was the environmental and social issues that took up time, in the planning process, as the local battle took shape for hearts and minds to get approval for the four berth container port over 51ha of reclamation.

The environmental and social aspects of port expansion can be more challenging to deal with than the economics and the way in which these issues are managed can affect costs, timing and stakeholder acceptance. They are of great concern to communities, elected representatives and the approving authorities.

There were three key environmental and social measures in the PBE project:
- Penrhyn Estuary habitat enhancement
- public domain improvements and
- construction and operational management plans.

**Habitat enhancement**
The Penrhyn Estuary is an important feeding and roosting habitat for migratory shorebirds, many protected by international treaties, yet bird use had declined by 50% over the past 30 years.

The estuary is in a degraded state with contamination from historical industrial activities. Mangroves are colonising the intertidal flats, which are the preferred shorebird habitat.

The PBE project will substantially enclose the estuary and surround it with port operations, at the same time, rehabilitation works will expand the shorebird habitat, potentially attracting more of them.

- creation of intertidal sand and mudflats, expanding the area from about 1.5 to 12.5ha
- expansion of saltmarshes from about 1.4 to 5ha
- creation of about 8ha of seagrass habitat to transplant seagrass lost in the reclamation
- restriction of public access into the estuary to a boardwalk and viewing platform
- construction of a 4m noise wall along the port operational edge of the estuary, to minimise noise and light impacts and
- provision of a 130m wide tidal channel to provide flushing of the estuary and a route for shorebirds to enter and exit.

**Recreation improvements**
The PBE project will be adjacent to a degraded beach. During consultation the public asked for the beach to be enhanced.

- a four-lane recreational boat launching ramp with car and trailer parking, enclosed fish cleaning facilities and public amenities
- walkway and cyclepath along the beach corridor
Sydney’s new project will give the area more wildlife habitat and more recreational facilities

Achieving the environmental and social outcomes for the project required considerable time, patience and resolve and connected into a park via a pedestrian bridge:
- beach nourishment to address existing erosion issues and expand the useable beach area, and
- landscaping in the sand dunes behind the beach.

Management plans
More management plans are to be developed to address a range of environmental and social issues including:
- noise management plan – comprising noise barriers, terminal equipment noise control, removal of audible safety alarms at night and noise monitoring
- traffic management plan – comprising the identification of preferred truck routes, driver education and awareness raising and more efficient vehicle timetabling and scheduling
- bird hazard management plan, to manage potential impacts on airport operations
- dangerous goods management – time restrictions on goods held at port, separation of classes of goods and a first flush drainage system to contain any spills.

Challenging time
Achieving the environmental and social outcomes for the project required considerable time, patience and resolve. Resources were taken up in information collection and analysis, multi-party negotiation and stakeholder consultation. At times it appeared that agreement on an outcome was unobtainable.

Stakeholders
Stakeholders with an interest in the project ranged from the local and regional community to stevedores, non-governmental organisations and government agencies. Three levels of government were involved, local government (council), NSW state government and the Australian federal government. The PBE project needed approval at state and federal level.

Managing the differing objectives and competing interests of the stakeholders required an extensive programme of engagement, consultation, negotiation and discussion.

Obtaining agreement on the Penrhyn estuary habitat enhancement plan was particularly challenging as it involved at least five state government agencies and one federal government agency.

The state government’s focus was on NSW conservation, whereas the federal government took a more strategic view of shorebird conservation at national and international level. However, even amongst the state government agencies there were competing interests and differing objectives.

Workshops were used to communicate to government agencies and get agreement from them.

Science
The ecological aspects of the PBE project, particularly relating to Penrhyn estuary, required many experts to address the ecological aspects. Even so there is scientific uncertainty when dealing with ecology.

Resources
Risk assessment workshops were held to assess the likelihood of success of the plan. Experts were engaged to provide further advice and undertake peer reviews of work done by specialists. The risk assessment process identified a high likelihood of success.

Following submission of the environmental impact assessment documentation, continual requests for further information were received from the approval authorities. Each request required more specific details of the project to be developed, such as the details of monitoring and management plans.

Additional site monitoring and modelling were needed, resulting in increasing costs and delays. Added to this, there was an element of uncertainty as to whether the project would be approved and whether the additional expenditure was justified.

A lengthy journey
In total, the PBE project took four years to be approved, including two years each for the environmental assessment process (2001 – 2003) and the approval process (2003-2005).

A 10-volume environmental impact assessment document was published. The journey’s end has not yet been reached, as approval has only been granted for the first stage of the project.

The next stage, the provision of an additional berth and 12ha of land, is the subject of further examination by an independent panel. PH

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Any ports in a storm

Stormwater runoff is a significant source of pollutants for ports, and there are several possible solutions, as Bridget Hogan explains.

Everyday rubbish, litter and debris, sand, silt, and sediment, petroleum products leaking from motor vehicles, heavy metals in the dust from motor vehicle brake pads and diesel exhaust, animal faeces, excess fertilisers and pesticides, and other pollutants are carried to ports by urban runoff as a result of rain or excessive irrigation, other sources of water in the urban environment.

Dealing with this unpleasant cocktail is one of the more difficult environmental challenges for ports. And there is no doubt that governments are demanding action and will continue to follow this issue in the future.

One port already busy trying to improve matters is the Port of Los Angeles, which last year began a $1.5M water quality modelling study focusing on stormwater contamination from the Dominguez Channel, the major stormwater channel feeding into the harbour.

It has installed a stormwater treatment system at the China Shipping terminal to remove oil and sediment from storm runoff. The oil-sediment separator captures oil spills and suspended solids and prevents non-point source pollution from entering the water of the port.

The Virginia Port Authority’s (VPA) innovative system of managing stormwater runoff at Norfolk International Terminals (NIT) is gaining international attention.

The project was developed within budget whilst maintaining the terminal’s capacity and efficiency.

One of the issues the port addressed throughout the project was whether the cost of environmental projects could outweigh their returns. “The answer is ‘no’, said Jeff Florin, the VPA’s chief engineer. “What we did at NIT South was look at a set of options for managing stormwater there and then we developed an effective, economic plan that employed two systems that met all of the necessary environmental requirements and regulations.”

In developing the stormwater management system, the VPA’s engineering department worked closely with USA-based Moffatt & Nichol, which specialises in the design and development of marine cargo terminals.

The port weighed three options for the stormwater management system, all of which had their pros and cons, said Kevin Abt, VPA’s deputy chief engineer. One was to dig a conventional treatment pond, but that would have taken nearly 3ha away from cargo operations.

A series of large underground collection pipes was considered, but there were questions about whether the pipes could, over time, withstand the terminal’s heavy cargo loads and volume. The final option was an under-wharf detention basin where stormwater would...
Dealing with this unpleasant cocktail is one of the more difficult environmental challenges for ports...
At home and in the office we are wedded to our phones and our computers – we cannot imagine working without them. Now it is time for terminals and berths to follow this example – at the end of the line is the expectation of a more efficient and profitable industry.

Ports are no longer simple cross roads or drop points for goods – they are an integral part of complex, global supply chains. This puts the intermodal industry under great pressure. In addition, port operators need to find ways to increase their revenues by offering additional, value-added services to their customers. As a matter of fact, both business and non-business drivers exist for technology investments in ports, to enable operations to be conducted competitively.

Ports around the world are in a fierce competitive battle to improve the quality of service while improving their bottom line. Customers are demanding online container traceability – the movement of data must be as efficient as the movement of goods. An additional challenge for some port operators will be the job of handling ultra large container ships (ULCS).

Ports also face non-business drivers. The introduction of the International Ship and Port Security (ISPS) code and USA’s Maritime Transportation Security Act means detailed security criteria on all vessels and facilities are

**Ports have only just started to make use of:**

- Crane diagnostics: using vehicle-mount computers for remote monitoring and preventive maintenance,
- In lane checking: handheld terminals used to pre-check vehicles queued to enter a facility,
- Integrated gate security: security cameras record the licence plates of incoming traffic,
- Biometrics: recognition of eye imprints, fingerprints or faces, to make gate security more effective.

If port operators work more collaboratively they should be able to achieve business goals without adding to operating costs that would erode profitability. They will be able to do more with less.
The task is simple: to transport vehicles on and off the correct vessels and store them in ports as safely, efficiently and quickly as possible. To help it achieve this, the carrier has gone wireless with an internet protocol (IP) wireless solution from LXE and IP network provider, Cisco Systems. The project at Southampton will take up to three years to roll out.

The old system for monitoring cargo movement and storage in the port simply involved vehicles being manually counted on and off vessels and then allocated to parking bays on site, using 'dumb' terminals on the quayside running a batch system that was periodically uploaded.

In Southampton mobile terminals with internet connectivity, a battery life of up to 10 hours and easy-to-use control pad, are used to monitor traffic around the port. Every vehicle moving on and off the vessels contains a barcode, which is scanned using the terminal and then allocated a specific storage bay within the port area, all in real-time. The information is accessible by Wilhelmsen offices world wide thanks to the wireless IP network.

Wallenius Wilhelmsen carries 1.7M vehicles by sea with a fleet of 60 car carriers and 1.5M by land each year on every continent.

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More and more ports are going wireless for more efficient operations

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Case Study Two:

RF (wireless) network and rugged mobile computers were provided for the Port of Houston Authority’s (PHA) 25.5ha Bayport Terminal. The solution included all components of the RF network plus VX6 vehicle-mounted computers and MXS handheld computers. The system will interface with the Navis EXPRESS and SPARCS terminal software systems.

Specialist Spire Antennas which provide increased coverage, superior performance and greater throughput. It makes 2.4 GHz wireless technology a viable and preferred option for ports over traditional narrowband RF technology options.

"The RF network and terminals need to be reliable, even in inclement weather, short of a hurricane," said Jeff Davis, PHA’s container operations manager. “We have full confidence that LXE’s products will do well in Houston’s often hot and humid climate.”

Fred Trompet is ManCom Manager for LXE International in Belgium. More info at: www.lxe.com
The world market in cargo handling equipment, including service and maintenance deals, is a huge one – and growing almost daily. The huge expansion in the provision of container facilities at ports is estimated to have created demand in the order of $8Bn a year.

Some $2Bn of that ordering spree from world ports and terminals is thought to be on order for USA ports alone. At stake is the need to boost productivity and handle even bigger ships.

The cargo handling world is one that is exploding with ideas as manufacturers vie to outdo each other in the features they provide. The research and development area in each company varies. Some are developing generic models and others are developing specialised machinery to meet the individual demands of particular ports.

Features continue to be more ingenious. Those that were considered extras in the past are now sold as standard, and there is more and more effort being put into areas such as automation, emissions – both noise and air – power, torque and longevity.

The traditional makers of cargo handling equipment are facing the biggest competition from a sector that will surprise no-one – China. About one in four of port cargo handling units are now estimated to come from the Shanghai ZPMC works – but ports are not always eager to buy from the company despite the low cost and the attractive fast delivery times.

“Ports want to be able to specify individual characteristics for their cargo handling equipment, and not be told by manufacturers what they should buy,” said one industry insider. So, despite longer lead times – running into several months – manufacturers in Europe are still enjoying boom times.

Orders for Europe and the USA are dominated by environmental concerns and ports in Asia are slowly starting to make similar demands. In the USA, concerns centre on exhaust emissions, in Europe it is about noise and light pollution.

A representative of one manufacturer observed that a recent international sales summit for the group had devoted about half of its programme to environmental issues – to the bemusement of representatives from some areas of the world. When they asked about this emphasis, which certainly hadn’t been prominent even two years ago, they were told that this was the future.

So far, however, there is little evidence that ports are looking at alternative fuels. A very few units are in operation around the world using LPG, but the market has not taken off. Automation seems to be the big interest – although not all ports are committing at the

Special equipment for working in temperatures of \(-60\)°C has been designed for Dudinka in Russia

Billion dollar grip

The cargo handling equipment market is now a multi-billion dollar business, as Bridget Hogan explains
Terminals like CUT in California (above) are buying equipment to cater for an ever growing container ship fleet moment. Many are making enquiries, however. This is a new business segment that manufacturers are busily developing new products in.

The $8Bn market is going to increase year on year, say manufacturers. They are busy developing intelligent units that lengthen the time between servicing and reduce accidents and downtime.

At the Port of Charleston, where 25% of the volume comes from Asia, new cranes and other equipment that will allow containers to be stacked higher will begin arriving in June. The port says last year it experienced growth all year round.

On the west coast, Tacoma’s expansion projects will see $434M spent over the next five years on capital improvements. “International trade will continue to grow and our transportation system must grow with it,” said Timothy J. Farrell, the port’s executive director.

Xiamen International Container Terminals (XICT) has taken delivery of five new rubber-tyred gantry cranes (RTGCs). The equipment was manufactured by ZPMC. The specification called for them to stack containers one-over-five and they are equipped with automation technology and wireless network connections.

Edward Tang, GM of XICT said: “We are committed to investing in the latest equipment to ensure that we maintain high levels of customer service and productivity. The new RTGCs enable us to handle the increasing container traffic volumes in Fujian province.”

The Port of Felixstowe has an order for 12 RTGCs due for delivery in May. This follows a major order at the end of last year when it took delivery of one ship-to-shore gantry crane and nine rubber-tyred gantry cranes from Shanghai.

The Port of Hamburg will be buying massively to handle the expansion which will see it increasing capacity from today’s levels of 8.5M teu to about 14M teu by 2010. It has a budget of €746M to spend on all developments.

South African Port Operations (Sapo) placed the country’s largest single port equipment order when it signed for 14 Liebherr super post-Panamax STS cranes and 25 straddle carriers from Kalmar – in addition to an order for 53 last year. The twin-lift STS cranes will span 52m with a height under the spreader of 37m. Eight will be delivered to Durban’s container terminal between March and October 2007 and six will be operational by July 2008 at the Cape Town container terminal.

In addition, Kalmar is to supply 12 one-over-five rubber tyred gantries for the new Pier 1 Container Terminal at Durban, currently under construction.

A terminal operator in Russia, RAO Norilsk Nickel of Dudinka, on the river Yenisey and close to the Arctic Circle has taken delivery of a follow-up order for two specialist Liebherr LHM 250 units. The special design can cope with temperatures as low as -60°C and of melt waters in the spring that flood the terminal.

The ‘cool’ crane design features a completely new steel construction using special low temperature steel material as standard steel would literally break like glass under such conditions.

California United Terminals (CUT) in the Port of Long Beach has ordered five 16-wheel all-electric RTGCs from KCI Konecranes. They will replace older diesel hydraulic units currently used at the terminal’s container yard.

Investment is not all with the container terminals. Associated British Ports (ABP) has recently invested over £700,000 ($1.2M) in replenishing the handling equipment at its Port of Ayr. The port was looking for the flexibility to handle dry bulk and packaged cargo, as well as scrap metal and project cargoes. PH
All cargo residues, like the coal on the hatch covers of this bulk carrier, are now classed as garbage

Mind the gap

A bridge is needed to link the responsibilities ships face for disposing of cargo residues and those demanded of ports, says Roger Holt, secretary general of Intercargo

Why should the International Maritime Organization’s (IMO) convention on the prevention of pollution by garbage from ships – MARPOL Annex V – be causing problems today when the legislation has been in place since 31 December 1988? In all, 125 contracting states have ratified Annex V, representing 95.76% of the world’s maritime fleet. In other words, Annex V has been around for a long time and has been generally accepted by member states at the IMO. So what is all the fuss about?

It has been long recognised that the cargo residues from bulk carriers (the remnants of cargo remaining in the hold, or on deck, as spillage) after completion of discharge, come within the definition of operational waste.

The difference now is that there are amendments to Annex V that highlight clearly that there are some very important procedures which must be followed for a ship to be fully compliant.

While the amendments are important to the continued reduction in pollution from ships, these changes impose even more obligations on the ship with seemingly little extra emphasis on the supporting role of port states and their obligation to provide adequate port waste reception facilities. Instead, emphasis is placed on the ship to comply. The port state is required to inspect and/or detain ships which may be unable to meet the requirements of the regulation.

It is now perfectly clear what obligations a ship is under when it has completed discharge, but it is not clear how a ship can physically present itself with clean holds to back load at a port or terminal within one of the special areas. Intercargo is aware that it is not easy for a ship to clean for loading after a discharge in either north west Europe or the Mediterranean.

As already noted, ports and terminals are obliged to provide reception facilities to receive cargo residues, but how many actually do? There are important issues to be resolved here and the dry bulk sector seems to be particularly vulnerable. Most port agents will say that reception facilities are available at their ports but, since there are no standards set for such service and no accepted terms and conditions to apply, such information may not be as useful as it first seems.

In reality, cargo residue can amount to...
tonnes of material, which can be very difficult for the crew to handle without proper lifting gear and other mechanised equipment. It is also a difficult procedure for the crew to undertake, since it is a task that is always performed under pressure of time, both from the operator and the terminal. The intent is always to get the ship off the berth as quickly as possible.

Much more needs to be clarified on the question of port reception facilities and the extent to which they are available. This question is currently under scrutiny by the European Commission (EC) in its efforts to determine member states’ implementation of the European Directive on Port Reception Facilities. Governments have also been urged to respond to a questionnaire on alleged inadequacy of port reception facilities and to report their experiences to the committee with the aim of identifying problem areas and developing a future action plan.

There are issues with Annex V that need attention and Intercargo will be reviewing these with industry partners to develop a strategy for practical improvement. Annex V may seem a logical piece of legislation. In theory, we would totally agree that we must all learn how to respect and protect the marine environment. The practical solutions to achieve this end are, however, rather less clear.

More info at: www.Intercargo.org

Open Forum

Ports and terminals are obliged to provide reception facilities to receive cargo residues, but how many actually do?

IMO moves in

IMO has recognised that provision of reception facilities is crucial for effective MARPOL implementation, and its Marine Environment Protection Committee (MEPC) has strongly encouraged member states, particularly those implementing the MARPOL Convention as port states, to fulfil their treaty obligations on providing adequate reception facilities. Governments have also been urged to respond to a questionnaire on alleged inadequacy of port reception facilities and to report their experiences to the committee with the aim of identifying problem areas and developing a future action plan.

Last year, the MEPC approved both a revised, consolidated format for reporting alleged inadequacy of port reception facilities and an MEPC circular on waste reception facility reporting requirements. The committee also agreed to develop a port reception facility database as a module of the IMO global integrated shipping information system.

IMO hopes the circulars and the database will help the industry identify where there are inadequacies in the provision of reception facilities. It says this should help the industry tackle the problem ‘more effectively’.

Annex V: Prevention of pollution by garbage from ships


Cargo residues are now included in the garbage categories listed on the individual pages of the garbage record book:

- When the garbage disposal being recorded is cargo residue, the position of the ship (latitude and longitude) must include the start and stop positions of the disposal
- Cargo cannot be discharged in a special area (as defined in regulation 5), except for food waste when at least 12 nautical miles from land. If a ship is within a special area then cargo residues cannot be disposed into the sea.
Corporate social responsibility makes business sense and is coming to a port near you. The implications for the industry are outlined by Bridget Hogan.

Ports have always had to look both ways – outwardly to the international world of maritime trade and back towards their hinterlands. Now businesses in all sectors are waking up to a new era where new words appear on the balance sheet: sustainability, corporate social responsibility (CSR), corporate citizenship, corporate social investment and stakeholder expectations.

There may not be a single definition of CSR, but ports, in line with other industries, are now realising that good business practice involves activities that have not been considered part of the balance sheet in the past. At the centre of all CSR initiatives is a quality management programme. This impacts on the workplace through employees and trades unions; on the marketplace through customers, shareholders and financial analysts; on society at large through the environment and local communities.

Public opinion throughout the world is looking for a more mature management approach. Traditionally in the USA, CSR has been seen as philanthropic. Companies make profits, unhindered except by fulfilling their duty to pay taxes, with donations to charitable causes. The European model concentrates on operating business in a socially responsible way, complemented by investment in communities for solid business case reasons.

The pressure on business to play a role in social issues will continue to grow. In some instances it is felt that businesses can take a lead in addressing those issues in which they have an interest where national governments have failed to come up with a solution. Using the power of the supply chain, such companies are well-placed to have a real influence.

According to the Port of Rotterdam’s Peter Mollema, ports are now following other commercial operations away from the traditional view, expressed by Milton Friedman, that: “The business of business is business.” Mollema told the IAPH/PAPC gathering in Kenya that the Port of Rotterdam was building a corporate social responsibility (CSR) programme into its corporate strategy being developed for 2006 – 2010.

“CSR can be seen as the business contribution to our sustainable development goals,” he said. The essence is how businesses take account of social, economic and environmental elements in the way they operate.

“Specifically, we see CSR as the voluntary actions that business can take over and above compliance with minimum legal requirements,” he said. “These can address both a business’s own competitive position and the interests of wider society.” The move from the single to the triple bottom line is nothing less than a change of historical vision, he added.

The task facing the CSR team at Rotterdam is to incorporate profit, planet and people – Mollema’s three Ps – into that new triple bottom line. The business approach is to create added value for the port, clients and stakeholders, he explained.

He pointed to the European Sea Ports Organisation (ESPO) which urges ports to function in the wider...
community. The organisation says port managements have a crucial role to play in stimulating CSR in their activities. High environmental, safety and security standards are needed for good commercial practice.

Mollem explained how Rotterdam had identified three cornerstones on which to base the development of the port’s CSR policy.

The first one identifies two sustainable developments – the building of a green quality port and community investment through a community programme.

Second is the port’s triple bottom line – Mollema’s three Ps. All must be incorporated into the decision-making process for the port.

Finally, he added, there is the communication and stakeholder dialogue, which involves internal and external reporting.

Moving on, the conference heard: “In today’s competitive global environment, effective environmental risk management is increasingly becoming a key to sustainability as we strive to meet the stakeholder expectations today and in the future. Managing external risks associated with environmental impacts, energy production and consumption demands a precautionary approach and complex planning.” Words not from a port, but from a cement company, Lafarge, albeit with lessons that could equally apply to the maritime industries, and particularly ports that may leave behind landscapes scarred by terminal and infrastructure developments.

Lafarge has developed and is implementing programmes that sustain cleaner, safer and more efficient operations that directly enhance the business. It has also worked on building relations with investors and shareholders.

The Lafarge group commitment towards CSR encompasses industrial efficiency, value creation, protection of the environment, respect for people and cultures and preservation of natural resources and energy, explained Paula Kahumbu, general manager of Lafarge Eco Systems, based in Kenya.

At an international level, the corporation is an active member of the World Business Council for Sustainable Development’s (WBCSD) Cement Project, and is one of ten companies that have made a voluntary commitment to a series of projects over the next five years.

The most important of these projects is climate protection through using alternative fuels and raw materials. This has been adopted in the group’s environmental policy, under which each plant has to restore all quarries, minimise the use of non-renewable resources and, where feasible and safe, replace them with substitute raw materials, alternative fuels or biomass.

The company also provides financial and human resources, employee training and awareness to facilitate continuous improvement in environmental performance.

The company’s targets include: safety at all sites, CO₂ emissions to be reduced by 20% per tonne of cement between 1990 and 2010, conservation of natural resources – replace 25% of fossil fuels with alternative renewable material and restoration plans in place by 2006 in 80% of all quarries.

Kahumbu outlined the strategy, which is aimed at continuing operations by securing development and forestalling crises by developing relationships with the communities adjacent to its plants. In its drive for economic sustainability, it aims to recreate social and ecological ecosystems disrupted by its developments. She considers the best example of this policy to be the Haller Park in Mombasa, Kenya, operated by Lafarge Eco Systems.

“Haller Park is a showcase of industrial responsibility towards repairing environmental damage created during industrial development,” she said. “In the 1960s Bamburi Cement recognised the future impact of the quarrying and made an early commitment to restore all quarries – 30 years before any legislation was enacted in Kenya and many years before the term ‘restoration ecology’ was even coined.”

Haller Park is home of a special Lafarge charge. The Tsunami orphaned a baby hippo, named Owen, that was moved to the park. Now Owen has adopted a giant tortoise, Mzee, as his mother. Under the new family arrangements Owen has gone from strength to strength, reported Kahumbu. “The hippo’s survival would not have been possible were it not for our restored quarries.”

Today companies cannot get away with leaving dirty footprints,” Kahumbu warned “Society demands that all industries restore damage, and the public judges how well we do it – through public complaints and consumer boycotts. We know that without social support and endorsement any business cannot be sustainable in the long run.”

Lafarge’s development of the Bamburi cement facility, 8km north of Mombasa in the 1950s, contributed to the area’s infrastructure and economic development. The organisation says port managements have a crucial role to play in stimulating CSR in their activities. High environmental, safety and security standards are needed for good commercial practice.

The IAPH has donated $25,000 to the international charity Save the Children to help the education programme in Afghanistan. The initiative was as the result of a proposal by immediate past president Peter Struijs as part of IAPH’s 50th anniversary programme.

The association raised $20,000 by collecting $50 from membership and non-membership registration fees for the World Ports Conference in Shanghai last year and topped up the balance from the IAPH general account. The donation will be made every conference year for at least 10 years, until the 2013 Conference.

Members will hear a report on how the past donation has been used at each conference and recommendations for a new project will put forward by the secretariat for endorsement. More info at www.savethechildren.net
and in some cases, producing a better environment. The high water table allows for accelerated forest growth and ecosystem recovery. These restored quarries therefore represent a safe reservoir for indigenous species, many of which are vulnerable to local extinction.

“The project demonstrates that the restoration of industrial wastelands is not only possible, but economically worthwhile,” Kahumbu declared. “By restoring the natural capital, the final use of the quarries can be self-sustaining both ecologically and economically.”

And she has a message for other industries, including ports, on the cost of the work. “The rehabilitated quarries generate revenues through eco-tourism, recreation, education and business,” she explained. “It makes business sense to restore these quarries.”

The Haller Park attracts 100,000 visitors each year – covering maintenance costs – many coming to see the hippo and tortoise combination of Owen and Mzee. “It is considered a key showcase of Lafarge’s commitment to biodiversity conservation and environmental awareness and sustainable development.

Growing environmental pressure and concerns have created a niche market for restoration practices,” she claimed. “The company has embarked on an ambitious development of rehabilitation to transfer experiences to other Lafarge quarries in East Africa.

“The business world seems to be tuning in to the reality that it must embrace a broader spectrum of responsibilities than before. Certainly, many now appreciate that the earth’s natural resources are finite.”

In New Zealand, Ports of Auckland handed over Pollen Island (top) as part of an agreement to allow container terminal expansion. In Kenya, wildlife is thriving at Haller Park (above).

In New Zealand, Ports of Auckland handed over Pollen Island (top) as part of an agreement to allow container terminal expansion. In Kenya, wildlife is thriving at Haller Park (above).

Cement in Kenya

Lafarge’s Bamburi Cement Company operates a dedicated facility at Kenya Port Authority’s Mbaraki Wharf for loading bulk cement and fluorspar for export, purpose-built in 1968 by the then East African Railways and Harbours Corporation. Bamburi has a concession from Kenya Ports Authority to manage its own operations and to perform its own refurbishment work.

Social policies are wanted

A 2005 global survey of 195 fund managers by Mercer Investment Consulting revealed that positive screening for environmental, social and ethical factors is entering mainstream investment analysis. Investors feel companies that adopt socially responsible practices could avoid future liabilities and losses.
We have pledged to provide seamless and efficient port services in the Philippines, Brazil, Poland, Madagascar and Japan.

That’s our commitment, and it’s unbreakable.
Corporate social responsibility (CSR) is becoming an important tool for identifying and managing risk among companies in all industries and of all sizes. It is now being adopted by ports and harbors worldwide. So what is CSR and why is it so important to port authorities?

Corporate social responsibility still means different things to different people, but over the past few years the movement has evolved well beyond its original scope of philanthropy or community service. CSR today encompasses a broad set of company performance measurements in important ‘extra-financial’ areas such as the environment, employee health and safety, transparency and corporate governance. In fact, the phrase CSR has today become synonymous with a company’s triple bottom line – financial, social and environmental results. This reflects in part, a growing appreciation that poor performance in these areas can harm an organisation’s reputation, market standing and share value just as much as poor financial performance.

In other industries, CSR is already at work. For the garment industry it means, for instance, the elimination of sweatshop labour in factories. For the maritime industries it will mean addressing crew and employee welfare, emissions, pollution and security issues.

The ports and harbors industry, of course, has its own CSR issues. As the centre of employment and industry for cities and regions, ports tend to be economic engines, providing not only direct employment, but also contributing to a vast range of secondary services in the local economy that range from housing to restaurants, estate agents and local shops. Their very scale means that ports assume a special relationship with their community’s economy.

At the same time, a port authority can undermine the goodwill of that community through contamination of local land and water sources, noise pollution from port operations, or restricted public access to the waterfront. Social issues play an increasingly important role in maintaining the good will of ships’ crews and stevedore interests that resonate with local citizens.

Possibly the most important CSR issue facing the ports and harbors industry today is that of security. At the centre of global supply chains, ports must be able to verify that their security processes are capable of preventing sabotage or allowing contraband to enter the country. That responsibility has been highlighted by new rules which require ports to oversee a standardised, auditable approach to port security. These measures are contained in the ISPS code and the supporting ISO/PAS 20858:2004 standard, which covers maritime port facility security assessments and security plans.
Customers will expect port operations, as a key component of their supply chain, to adhere to the same high standards of CSR that they have adopted themselves.

These are the types of issues – environmental, social, safety, security – that are of critical importance to port and harbor managements. This is not only because their actions directly affect the wellbeing of the local community. Other stakeholders such as investors, insurers and employees, care about a port’s performance in these important areas.

As port managers have long understood, these are the stakeholders whose support is needed when proposing new projects or ‘selling’ their services to the broader shipping industry. In many ways, good management of CSR issues is necessary to provide a port with a licence to operate.

And not all pressure for better CSR performance comes from the local community. Customers, too, are demanding that port managements demonstrate responsible social and environmental policies. After all, it only makes sense that companies like Toyota, Chiquita, British Petroleum or Volvo – all strong proponents of formal CSR programmes – will expect port operations, as a key component of their supply chain, to adhere to the same high standards of CSR that they themselves have adopted.

Many would contend that, in the modern world, good performance in these areas is just good port management. But that, of course, is exactly the point. Social, environmental or corporate governance issues need to be seen as part of a total management policy – every bit as important as good financial or operational performance.

For all these reasons, port authorities around the world are beginning to adopt formal CSR programmes that openly focus on improving their performance in these key areas. There are many examples.

Associated British Ports (ABP), for instance, has a CSR steering committee that works directly with company leaders to ensure responsibility for CSR policy is allocated throughout the group.

It also provides a discussion forum that helps port managements to address the myriad CSR issues that continually arise from the introduction of new regulations, local concerns or non-governmental organisation activism.

The quality of its CSR Report (published annually since 2003) has meant that ABP has consistently appeared in the top 100 quality reports listed in the UK’s business in the community’s corporate responsibility index.

Similarly, in New Zealand, Ports of Auckland has a CSR programme that, combined with the sustainability section of its annual report, led to a listing in 2004 on a special Financial Times good practice index in the UK.

The European Sea Ports Organisation, active in promoting a European framework for corporate social responsibility, recommends that ports should consult actively with their local community on environmental matters and produce a publicly-available annual environmental report.

The influential Ecoports research foundation initiative involves port authorities, universities and environmental experts. Funded by the European Commission, it is quickly becoming a Europe-wide approach for monitoring good environmental management procedures.

It was started by a group of European port authorities and produces a set of audit tools, a best practice data base and various training modules that provide port managers with leading practice examples in environmental management. The initiative is now moving into Asian ports.

Individual ports are also focusing on improving their social and environmental performance. As part of its air quality mitigation programme, the Port of Los Angeles (POLA), for example, is in the middle of a five-year programme to provide financial incentives to harbour-area businesses to encourage reduction of harmful air emissions in its port operations.

POLA has approved $2.3M for the programme, including $185,000 to upgrade the older yard tractors, eliminating an estimated 465 tonnes of nitrogen oxide from the air over a seven-year period. An additional $2.2M in project proposals is being finalised.

All of these efforts demonstrate how important these ‘extra financial’ issues are and how important it is to address them openly and holistically, so that all interested parties – the public, investors, regulators, activists, shipowners – are confident that ports are safe and efficient.

But, in the shipping industry, there is much more to be done. Port authorities need to develop formal CSR frameworks that go beyond mere public relations and actually deal with improving their social and environmental performance.

They need to set common standards of performance so that they can be assessed and rated against their competition.

And, possibly most importantly, port authorities need to begin to openly publish their triple bottom line performance as part of their annual reports. Only then can ports assure the broader community that they are truly socially responsible.

Dale Neef is the managing director of ProActive Sustainable Logistics and the author of several books on globalisation and CSR, including Managing Corporate Reputation and Risk, and The Supply Chain Imperative.

More info at: www.proactivelogistics.com
A great, big, shiny, new, 1M teu port is taking shape in northern Poland. James Sutcliffe, CEO of DCT Gdansk, tells P&H that construction is now well underway. "We kicked off on 12 October 2005. The site had already been cleared and it’s now been organised."

Confidence in the project is high – as evidenced by the €190M investment which DCT attracted late last year. The funding is on a 50/50 basis by DV bond which provided the senior debt, and Macquarie Bank of Australia, which injected the equity.

"Since January [2005] we’ve been looking at funding options. It’s been a very tough process – it required a lot of investigation and due diligence," Sutcliffe comments.

He also adds that shipping lines are excited about the development and that companies are considering being based in Gdansk and then feeding out from there, especially up to the Northern Baltic. "It’s beginning to change people’s perceptions about shipping in the Baltic," comments Sutcliffe.

Two feeder lines have already contracted for 150,000 teu, although no further details have been disclosed. Sutcliffe adds that there is the possibility of direct calls from China, India and Canada.

Long process
It’s been a long process getting to this stage. The local port authority proposed a port back in February 2000 and it ran an open tender towards that goal. Sutcliffe scented an opportunity and rounded up a management team comprising seasoned port operators, entered the tender and won in the face of strong competition.

"I basically said that there’s an opportunity in Gdansk, do you want to come and join me, and they did," comments Sutcliffe.

Factors such as Poland’s new membership of the European Union have lead to forecasts of increased commerce between the Baltic Sea countries. Poland is expected to see its regional trade rise from 54.3M tonnes last year to 135M tonnes in 2010.

Pent-up demand
DCT contends that the opportunity exists because of a huge pent-up demand for another major port
It is estimated that 13% of revenue is spent on logistics in Poland, compared with about 6% elsewhere in the EU.

DCT Gdansk at a glance

Management
Serial port investors and operators James Sutcliffe, Derek Peters and Robin MacLeod; serial entrepreneur Brian Craig and accountant Robert Sinclair, a property and finance expert

Projected throughput
Feeder operators have contracted for 150,000 teu with initial projections looking at about 350,000 teu. Up to 1M teu when complete

Land use
About 33.5ha ‘on-land’ with a further 0.7ha on land reclaimed from the sea

Facilities
Open-sea access plus 15m draught. About 200m of quay initially, then up to 650m and 310m wide, providing two deepsea berths. A further extension up to 950m is planned for later in the build

Four ship-to-shore gantry cranes capable of spanning 16 loaded containers. The cranes will move a minimum of 25 boxes per hour per crane and will be supported by four yard gantries

Both ro-ro and lo-lo capability

Logistics centre — ‘the Hub’ — a joint venture with DCT Logistics, the City of Gdansk and the port authority planned following completion of the port

Transport
Extensive rail links: a block-train can reach Odessa within three days compared to 10 days by ship.
Road: A1 highway through Poland to populous southern areas, links to wider European road networks. Dual carriageway over the Vistula.

Population of ‘urban hinterland’
In excess of 100M — can serve St Petersburg, Moscow, Odessa, Poland, Germany and the Netherlands

Operational status
Likely to be partly operational by February 2007 for vessel handling, fully operational by October 2008

Source: DCT Gdansk

It’s a simple equation: a large distant population and more trade equals more demand for cargo. But that demand has been held back by bad infrastructure and poor provision of logistics services. Analyst and consultant Transport Intelligence estimates that 13% of revenue is spent on logistics in Poland, compared with about 6% elsewhere in the EU, owing to a lack of firms offering logistics services. And then there’s an added infrastructure problem.

Bad concrete
“From bumpy landing until bumpy takeoff, you spend your time in Poland looking at bad concrete. Everything is made of it … Commies love concrete, but they don’t know how to make it,” wrote novelist and humorist PJ O’Rourke in his book *Holidays in Hell*. And the previous ruler’s love affair with bad, bumpy, concrete has helped to hold back demand for cargo transport.

But now the Poles are busy constructing the A1 — a major three-lane motorway running from the Gdansk-Gdynia-Sopot tri-city area south near Lodz down to the Czech border. Once completed, in about 2012, it’s forecast to release a lot of the pent-up demand thereby creating the conditions for a new port.

“By the time we finish they will be, excuse the pun, well down the road,” quipped Sutcliffe. PH

More info at: www.dctgdansk.iriswaypoint.com

Pointing to the future: DCT Gdansk hopes to handle the goods for the 100M people in its hinterland when it opens for business

in Northern Poland — the other is operated by ICTSI in Gdynia. For example, major retailers such as Tesco, Carrefour and Ocean have a huge need for improved cargo transport and logistics. With the opening up of Eastern Europe, there has been a major shift in trade patterns with feeder and assembly plants being set up in south and south eastern Europe. And then there is the demand from the Polish urban population — who are mostly located in the middle or southern part of the country.

Demand held back
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There exists a clear rule – without transport there is no economic development and, where transport is efficient, the better the development. More than 90% of world trade is transported by sea and ship sizes (especially in the container trades) are increasing. There is a continuously growing world demand for adequate port facilities. Logistics challenges facing transport to hinterlands are accelerating worldwide. And over the past ten years, ports experienced changes to development conditions that nobody could have predicted.

It is not new that in a continuously changing world the producer and consumer markets develop very fast and that, with only few exceptions, no state administration can react quickly enough to cope with them. The main role of governments should be to create a safe and transparent basis for development, so that an investment-friendly environment is developed to promote private sector engagement. Government participation in ports should be limited to that of ruler and controller and to a certain extent as the provider of basic common user infrastructure. Governments (national, regional, local) dispose of a wide range of effective instruments to steer and control private enterprises and ports, including policies on finance and tax; foreign trade; price and tariffs; dedicated port laws and regulations and employment.

There are three reasons why governments should encourage private sector engagements in ports and other infrastructure developments:

- The attraction of private capital – usually public financial resources are tight, while private purses are well filled.
- The import of modern technology, based on techno-economic criteria – which is especially important for investments in less developed countries.
- The availability of foreign know-how – which makes private involvement attractive to governments.

Port privatisation, however, will only be a success story if three major pre-requisites are fulfilled:

- decentralisation of the organisational structure, which should include a delineation of the functions and duties of public authorities;
- the transfer of responsibilities and liabilities to the private sector and the provision of adequate port facilities;
- the availability of foreign know-how.

Case Study 1

The longest-lived project was in Argentina and took place over eight years from 1986-1994. The tender process suffered numerous delays and the transfer of port terminals to private concessionaires was two years behind schedule. After the painstaking tender process, the general terminal situation improved, but concessionaires claimed unfair competition from provincial facilities enjoying better financial conditions than those that applied in the city of Buenos Aires. Furthermore, there is substantial container handling over-capacity as the province of Buenos Aires gave permission for the development of additional facilities adjacent to municipal installations. Government arrangements therefore precluded economies of scale.

Case Study 2

The fastest project Rogge Marine Consulting has completed – within only 18 months – was the privatisation of KLASCO, the Klaipeda Stevedoring Company in Lithuania. It included the amendment of 22 laws, including one to the country’s constitution, and of 19 bye-laws. The transfer of ownership took place in March 1999. Klaipeda is Lithuania’s largest port for passengers and goods and handled 90% of Baltic Sea trade in Soviet times. It now ranks sixth behind other ports in the region.
Deregulation of the country’s laws should abolish obsolete laws, rules and regulations and include increasing transparency in those remaining. Furthermore, administrative requirements and interference should be minimised. Finally, to liberalise business relationships, legal and administrative requirements that hinder economic growth and private participation should be abolished to provide an attractive business environment.

The process of port privatisation can be described in five steps. First, the asset assessment defines the targets for privatisation. Second, transforming a port for privatisation should result in value enhancement strategies. Third, creating an environment for privatisation increases the chances of success. Fourth, the disposition process as a result of identifying investors, establishing investor-related marketing plans, identification of financing options and a strategic approach to the timing of the disposition process. Fifth, post-privatisation issues are instrumental to long-term financial relationships. Liabilities and benefits have to be shared between the public and the private sector so that an overall magnitude of cost and revenues is established.

Many lessons have been learned from privatisation so far. We should look into the past to analyse, understand and take into account government and vested interests. Once the status-quo has been assessed, the co-operation needed from the various parties should be made clear. Finally, a realistic development scenario needs to be prepared and agreed.

Another lesson learnt is that private sector engagement mainly affects three groups of people: the public, the private and the unions. The International Transport Workers’ Federation has analysed the advantages of privatisation of ports and it supports privatisation. For its part, the private sector must listen to the demands of the union and, jointly with the public sector, find fair solutions for rightful labour demands. In any case, a public monopoly should not be replaced by a private monopoly. After all, the public monopoly is there to serve all, whereas the private one has only to serve its shareholders.

Rudolf Meyer is MD of Rogge Marine Consulting in Bremerhaven, Germany

Government participation in ports should be limited to that of ruler and controller and to a certain extent as the provider of basic common user infrastructure.

In March 2005, a study was completed in Indonesia looking at private sector participation in port infrastructure under a decentralisation policy. This included selection for long-listing eight to 12 ports out of 725 and short-listing four others as model ports. There was a review of the legal and regulatory framework, including decentralisation and shipping laws. A study of risk allocation and mitigation concentrated on the development of adequate tools, such as contractual arrangements, insurance policies, guarantees, etc, and the development of standard bidding and contracting documents. Since the approval of the proposals, these have been circulated to all international financing institutions for their consideration.
Government policy vs private enterprise

The unease felt by one country’s port industry over government involvement in port development is outlined by Tony Slinn

There is a fierce debate raging in the UK ports industry over what the extent of government involvement should be, a debate that mirrors others taking place in countries around the world. According to UK Major Ports Group (UK-MPG) director John Dempster, the major worry is that the government role would extend to where port development was permitted to take place.

Growth figures for ports were not published by the government “so all plans start with consultants arguing about the need for extra capacity,” Dempster explained to the Society of Maritime Industries’ Ports & Terminals Group. “You can’t have it both ways: private industry at no cost to the exchequer, but government telling us what to do,” he said. “I foresee an intense debate, but any government move to tell us ‘develop X, but not Y’ will be opposed by my members.”

While planning and public inquiries had delayed expansion projects, UK ports’ capacity – especially at container terminals – was stretched, leading to congestion, Dempster continued.

“The dramatic trade increase, about 9%, coupled with a series of events in 2004, caused problems, especially in Southampton. Matters were not helped when the government refused [the expansion project at] Dibden Bay.

“Things have improved since then with conditional approvals for port developments at London Gateway, Bathside Bay and Felixstowe South.”

Other schemes were in the pipeline, Dempster added, including projects at Liverpool, Hunterston, Bristol, Tees and Scapa Flow – “The Orkneys are optimistic about a container hub at Scapa Flow,” he said, “but I must say I don’t think people in the industry...
will be putting a lot of money into that.”

He did, however, think that the current spate of takeovers would continue. “Mersey Docks, PD Ports and of course P&O, spring to mind,” he said. “My guess is that this is not the end of the story – UK ports are clearly seen as attractive to overseas investors.”

“But what are the long-term implications?” he asked. “If I were in government, I’d be wondering if it’s healthy that strategic UK assets were being taken over by foreign investors.”

Returning to his central theme of government influence on ports, Dempster felt the heralded Ports Policy Review was likely to be published in March. He said UK-MPG members were also concerned about:

- Landside links to ports, and
- The status of trust ports.

Trust ports are independent statutory bodies without shareholders and include UK-MPG and IAPH member the Port of London.

“Dare I say it, but it’s almost extortion that the government’s trying to screw every last penny out of ports to fund road and rail infrastructure,” he continued, pointing out that both London Gateway’s and Bathside Bay’s conditional approvals were subject to government agreement over landside links, road improvement in particular.

“The question is, how deep in the national infrastructure are ports expected to go?” he asked. Ports accepted they should provide direct links between roads and rail, but not national infrastructure.

“Containers measuring 9ft 6ins, for example, are a problem for rail networks, requiring special wagons and, on some lines, for bridges to be raised and widened,” he continued. “The government wanted ports to help fund that – our members turned it down flat.”

Reviewing government plans for trust ports, Dempster added: “The treasury has ruled that some of them should be reclassified as being in the public sector. This is an area we feel should be sorted out. Some trust ports are in competition with private ports and there’s industry feeling that this is not fair.”

The UK Labour government of Prime Minister Tony Blair has pledged in election promises to publish a Marine Bill, preceded by consultation.

“This will have profound implications,” said Dempster. “Government has committed itself to marine spatial planning, but it’s unclear how that will work.

“Proponents say it would be helpful to developers, cutting time and cost and getting schemes through public inquiries. Some of us feel this will just create another huge area of bureaucracy. The ports industry is keeping a beady eye on what’s likely to emerge!”

Other areas of particular concern, he felt, included plans for:

- A new marine agency – Dempster commented: “It will depend on what this consists of. If, heaven forfend, it’s an environmental body under a new guise, we will have major worries.”

- Consent arrangements – consents to developments in the marine environment may be streamlined.

- New marine conservation measures – improved legal protection across the whole breadth of the marine biodiversity jurisdiction.

- Members breathed “a very heavy sigh of relief” over the defeat of the planned European Ports Directive, but Dempster warned that the EU will continue to be interested in ports.

Concluding, Dempster felt that a green or white paper on ports was probable. “We can look forward to quite a lot of EU activity,” he said, “though I expect a healthy breathing space in the meantime.”

Private enterprise has been given the go-ahead to develop Felixstowe South, but what will be the extent of future intervention?

**Felixstowe South goes ahead**

One major development is to go ahead — the £250m (£434m) plus, 1.5M teu capacity Felixstowe South project has gained approval from Derek Twigg, UK transport minister.

Felixstowe will develop a 1,350m quay offering four berths with 16m alongside. The berths will be served by 13 gantry cranes taking the port’s capacity to 5.2M teu a year and maintaining its position as the UK’s leading container port.

Twigg commented: “The proposed reconfiguration of the port will contribute significantly to meeting the national need for additional container handling capacity in a sustainable manner.”

Chris Lewis, CEO of Hutchison Ports (UK), said: “There is a substantial and very obvious need for further UK port capacity, to cope with ever-increasing volumes of international trade.” Felixstowe South will be developed in two phases, the first of which is due in 2008. When fully completed it will create over 600 direct and nearly 900 indirect jobs.

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**Future proof?**

New capacity at UK and Irish box ports is vital if they are to regain market share lost over the past decade. That’s the conclusion from Ocean Shipping Consultants (OSC), whose new report, European and Mediterranean Container Ports to 2015, states that these ports have seen their share of total North European throughput shrink from almost 25% to 20.5% between 1995 and 2004.

That’s in contrast to such European giants as Rotterdam, Antwerp and Hamburg, which have seen market share rise from 63.7% to 67.2% over the same period. It’s a shift that reflects the growth of transshipment cargo and increased feederings from the European mainland to the UK and Ireland because of near saturation at Britain’s deepsea container ports.

“As substantial new port capacity begins to come on stream, however, it can be expected that the western north continent will regain share from the east – and the UK from the north continent,” the report predicts. And as a result, “the market share of western north continent ports is expected to remain broadly stable.”

While the UK’s share will decline ‘until new capacity becomes available’, the government’s conditional approval for new deepsea ports at London Gateway and Bathside Bay, as well as the just-approved expansion at Felixstowe, should see growth of 36% to 42% up to 2010 say OSC, lifting the total to around 12M teu. During that period, OSC also predicts North European container ports will see a traffic increase between 45% and 55%, bringing the total to over 60M teu — “by 2015, they could be handling somewhere between 76M teu and 87M teu,” the report concludes.

More info at www.osclimited.com
Inland waterways action plan

A programme to increase the use of Europe’s inland waterways by freight transport has been launched in a bid to improve the region’s transport system.

The European Commission says its NAIADES action programme will run until 2013, and is aimed at easing congestion, reducing delays and harm to the environment. Shifting more freight to water will help the region to deal with the constantly growing freight flows and will work well within logistics chains, it says.

The EC vice-president in charge of transport, Jacques Barrot, commented: “The NAIADES action plan is a contribution to Europe’s strategy for growth and employment. With a fleet of 11,000 vessels and a capacity equaling 10,000 trains or 440,000 trucks, inland waterways can make transport in Europe more efficient, reliable and environmentally friendly. Europe cannot afford to leave that potential untapped.”

Inland Navigation Europe welcomed the initiative saying: “By embedding inland shipping in the overall transport policy, better use can be made of the existing asset of waterways. This would help to create a sustainable economy.


Ports in the USA may have to forego expansion and growth to pay for mandated security improvements if the proposed White House budget is approved by Congress, warned the American Association of Port Authorities (AAPA).

Bernard Groseclose, president of South Carolina’s ports and this year’s AAPA chairman, said the security grant funding scheme proposed by President George W Bush could stall port growth.

Under the proposed budget, President Bush would merge the port security grant programme into a broader system to cover all public transportation infrastructures - potentially diluting funding needed by ports.

Groseclose and AAPA president Kurt Nagle urged Congress to refuse Bush’s plan and retain the separate PSG scheme - as it did last year with a similar White House proposal.

The two port executives also asked that the number of port grants be raised from last year’s 66 to include all ports that serve international shipping and that the total amount of the grants be raised from last year’s $175M. Homeland Security officials say that the number of ports eligible for grants under the next round is being raised to 100.

“Security threat to port expansion

Security threat to port expansion

The federal share of the seaport facility security funding partnership needs to be increased, not reprogrammed and diluted,” said Nagle. “Another top federal priority should be to adequately fund the US Army Corps of Engineers, to keep the nation’s deep-draught channel maintenance projects on schedule. Simply put, we believe all authorised channel projects with positive benefit-cost ratios should be maintained at their authorised project depths. “It’s not in the nation’s best interest to dilute the focus on maritime security.”

More info at: www.aapa-ports.org

Inert gas call for smaller ships

An Inter-Industry Group (IIG) has been established by several organisations, including IAPH, to identify and address factors influencing procedural compliance on board tankers.

After investigating explosions on smaller chemical and products tankers, it is recommending inert gas be installed in these vessels.

It will put its recommendations to the International Maritime Organization (IMO) Maritime Safety Committee in May. It will call for amendment of the SOLAS convention to install inert gas systems to new oil tankers of less than 20,000dwt and to new chemical tankers.

IIG said the prime cause of the incidents was a failure to follow procedures and a number of the incidents occurred during periods when a vessel was incorrectly assumed to be gas-free. It feels that inert gas is needed as an additional safety measure.

Industry partners in IIG say they will take part in any studies on what is generally considered to be a complex operational issue particularly for chemical tankers.

New Customs rules

The revised Kyoto Convention on the Simplification and Harmonization of Customs Procedures has entered into force. It has been brought in by 44 countries, which account for 80% of international trade, including many of the world’s major trading nations such as the USA, Japan, China and Germany.

The measure is regarded as a blueprint for modern and efficient Customs procedures in the 21st century. Once implemented across the globe, it will provide international commerce with predictability and efficiency, according to World Customs Organization.

WCO secretary general, Michel Danet, said: “Customs administrations play a vital role in the growth of international trade and the development of the global marketplace.

“ This role has now expanded to include national security, in particular the security and facilitation of legitimate trade from the threats posed by terrorism, trans-national organised crime, commercial fraud, counterfeiting and piracy.

“The efficiency and effectiveness of Customs procedures can significantly influence and advance economic competitiveness and social development by promoting international trade and investment in a safer trading environment.”
Switching freight to sea

Ministers from all over Europe met in Ljubljana, Slovenia to discuss the European Union’s ambitious motorways of the sea programme. This aims to help reduce road transport congestion, bypass natural barriers such as the Alps and the Pyrenees, and improve access to peripheral regions.

Road freight transport in the European Union is expected to increase by 70% by 2020 and even double in the new member states. Motorways of the sea are expected to offer a competitive alternative to road transport, absorbing some of this increase.

Motorways are based on frequent and regular maritime links between sea routes and a limited number of ports or port regions with sufficient capacity and with very good hinterland connections.

Four motorways of the sea corridors have been highlighted covering the Baltic Sea, Western Europe, South-Eastern Europe and South-Western Europe.


A coalition led by Intertanko is mounting a legal challenge over the European Union’s controversial pollution directive. Intertanko has been joined by Inter-cargo, the Greek Shipping Co-operation Committee, Lloyd’s Register and the International Salvage Union, to take the case to the High Court in London.

It is the first time this procedure has been invoked for a shipping matter – and the first time that leading players in the industry have got together to pursue their joint interests through the courts. For practical reasons the coalition has been kept to five members, but members say they have background support from other organisations.

The coalition is asking for the case to be referred to the European Court of Justice in Luxembourg.

The case against the EU hinges on two main areas. “Firstly, it conflicts with international law and secondly it fails to comply with the established EU principle that there must be legal certainty, particularly in legislation involving penal sanctions,” said Peter Swift, managing director of Intertanko. The EU claims the directive adds to the MARPOL convention, but the coalition argues that it actually contradicts it by imposing criminal liability for accidental discharge. It also argues that there must be a legal certainty in the directive but its notion of ‘serious negligence’ is not a legally established concept and there is no guidance or explanation on exactly what this means.

There is also uncertainty over the liability of third parties, such as classification societies, cargo owners and salvors, who are also involved in pollution incidents.

More info to be found at: www.intertanko.com

Logistics in €7 billion study

European logistics companies want to take part in a €7 billion research programme into intermodalism proposed by the European Commission (EC).

Members of EIRAC, the European Intermodal Research Advisory Council, say they will propose a ‘realistic and feasible’ business plan in 2007 which will enable the EC to make the best use of the funds.

EIRAC, which is made up of over 50 CEOs and managing directors of key players in the transport market, has spent six months compiling an initial report to the research and transport commissioners.

It says that by 2020, 40% of goods in Europe will be moved by the intermodal transport system, as transport of freight, even bulk, will be increasingly unitised. “This consistent use of intermodal transport will enable Europe to cope with the growth of demand for transport and associated services, lower the burden on the environment and enhance competitiveness,” EIRAC said.

Now it plans to make contact with similar organisations across the transport chain.

The report was written by Wando Boevé, of Europe Container Terminals which is chairman of EIRAC, and Benoît Passard, of Kalmar Industries.

More info at: www.EIRAC.net

Keep security rules ‘simple’

The International Chamber of Commerce is calling for greater co-ordination among public authorities on the implementation of supply chain security rules.

The ICC’s Commission on Transport and Logistics expressed concern about differing advance cargo information requirements, coupled with sometimes impracticable demands on companies to police the operations and processes of their international trading partners.

It says that the global nature of transport requires that appropriate security regulations and standards be achieved through international consultation and consensus. In addition, trade facilitation, through the simplification of procedures, can go a long way in delivering the quality and infrastructure necessary for efficient security controls.

The chair of ICC’s Commission on Transport and Logistics, Johannes Fritzen, said: “We believe that effective security measures are needed to ensure that the international transportation system is protected from acts of terrorism.

“But international standards and measures should aim at compatibility, simplicity and ease of deployment from country to country. There will be counterproductive effects if companies are faced with many different and conflicting national approaches to improved security”.

Industry has expressed concerns over impractical demands placed on companies to police supply chains by their international trading partners.
MARITIME UPDATE

Boxing in terrorism

Transport ministers from 14 countries including Japan, China, the USA, Indonesia and Malaysia urged tighter container security measures at a conference in Tokyo.

They urged the International Maritime Organisation to work with the World Customs Organization to improve the security of maritime containers in the international supply chain, without compromising efficiency.

Ministers called on the organisations to bring in new ship security proposals to protect ships from becoming targets of acts of terrorism, piracy, or armed robbery.

“We recognise that acts of terrorism pose a serious threat to international maritime transport and that acts of piracy and armed robbery against ships recur with alarming consequences,” ministers said in a statement, and added: “We therefore believe that it is essential to reduce the vulnerability of international maritime transport to such unlawful acts.”

Governments should carry out inspections or audits of port facilities to ensure the continued compliance of port facilities located within their territory with the requirements of SOLAS Chapter XI-2 and the ISPS Code. The ministers agreed to exchange information on how they were complying with the measures to ensure best practices at ports implementing the rules.

IMO and other organisations are to be asked to provide necessary assistance and support in the implementation of security measures at ports through international and regional efforts.

Ministers will also co-operate in the education and training of port state control officers, to promote effective implementation of SOLAS chapter XI-2 and the ISPS Code.

Represented at the meeting were Japan, China, South Korea, Singapore, Malaysia, Australia, Britain, Indonesia, France, Germany, Italy, Russia, the United States and Canada, along with the IMO and three other industry organisations.

Inspections record

A concentrated inspection campaign by the members of the Tokyo MOU has resulted in a record number of inspections.

Between September and November of last year, 5,040 inspections were carried out on 4,599 ships.

Each inspection asked 21 questions covering operational aspects of SOLAS and MARPOL, with 144 detentions were recorded and numerous less serious deficiencies noted.

Some 8% of ships inspected were not adequately maintaining or testing life saving appliances equipment and 7.3% of ships inspected were not keeping this equipment available for immediate use, reported the inspectorate. In 6.6% of ships inspected maintenance plans for fire protection systems were not effectively implemented.

Alarmingly, on 7.8% of ships inspected, the passage plans required under Chapter V of SOLAS were not satisfactory.

“While in general we are pleased with the results of the campaign, these problem areas of maintenance are a cause of continuing concern. If this equipment is not adequately maintained in the seagoing environment, it quickly deteriorates and we ask: how long will it take ship operators to work this out?” said Mitsuyoshi Okada, secretary of the Tokyo MOU.

The Tokyo MOU plans a new campaign lasting until April. In conjunction with the Paris MOU, inspectors will target ships to check they are complying with pollution prevention measures in MARPOL Annex I.
PORT OF BARCELONA:
New terminals, new opportunities

Call for bids for operation of the Prat Wharf Terminal:
www.apb.es/prattender
Email: prattender@apb.es
Tel.: (+34) 93 306 88 66

The Port of Barcelona is the leading port on the Mediterranean: 45 million tonnes of total traffic, more than 2 million containers, 800,000 vehicles, 450 regular lines, the leader in cruise ships, etc. In recent years the Port has maintained steady growth of more than 10% per year.

Now the Port of Barcelona is doubling its land and sea areas, tripling the space set aside for logistics activities and improving its road and rail connections to consolidate its position in Europe.

Prat Wharf, the first container terminal built in the new expansion area, will have an area of 93 hectares and a berthing line of more than 1500 m., 16,5m. draught, railway terminals and 2+2 lane roads. The first phase of operations will begin in January 2008 and will make it possible to expand maximum capacities to 85 million tonnes and 4.5 million containers.
Delegates gather for the Karachi Asia Oceania regional meeting

Private and public interests debate port issues

The two-day 7th IAPH Asia Oceania regional meeting hosted by Karachi Port Trust (KPT) last month in Karachi was reported a success by the 300+ delegates, who included 50 guests from 20 countries.

The meeting highlighted Pakistan’s trade potential and its efforts to ensure supply chain management to cope with the surging trade demand.

“We brought together regional members to discuss issues relating to ports,” IAPH secretary general Dr Satoshi Inoue said. “This included their capacity and their ability to cope with the huge increases they need to handle, particularly in container traffic.”

Dr Inoue emphasised the need for a greater partnership between KPT’s public sector and private sector, and the need to develop the country’s hinterland connectivity with the Karachi ports.

Karachi Port Trust is soon to launch three mega projects to meet the country’s surging trade demand.

Addressing the regional meeting, KPT chairman Ahmed Hayat said the port authority plans multi-million dollar projects which will be started soon. They will include development of a $400M cargo village in Karachi port’s western backwaters covering an area of 1,303m2. That project is due for ground breaking in June this year.

The project will be followed by a programme of reconstruction of KPT’s 2.75km berths to 16m draught. In addition, KPT plans to develop ten container berths of up to 18m depth with a 600m channel over 3.5km of berths.

“The Port of Karachi is trying to keep up its competitive position by developing deep draught port facilities and embarking on such novel ideas as the Cargo Village,” Hayat said. “We are also developing coastal infrastructure, including road and railway linkages to support development of coastal areas of Pakistan.

“Pakistan has some 1,050km of coastline as well as the two major commercial ports, Karachi and Port Qasim, which provide an economic lifeline to Pakistan.

“Phase one of the construction of the third commercial port at Gwadar has been completed and...
A busy conference schedule

The two-day event had a busy programme of five working sessions – three on the first day, 14 February, and two on the second.

Working Session No 1 focused on New Port Strategies and included discussions about developing deep draught terminals and cargo villages, with the background of the increasing size of container ships. Delegates considered which ports were likely to win the competition for business. The session also reviewed the growth in LNG terminals and their implications for port authorities.

Working Session No 2 looked at Infrastructure Development, particularly in the host country, Pakistan. How its roads and railways are providing links with ports came under scrutiny, along with debates about coastal infrastructure and real estate development.

The first day closed with Working Session No 3, which explored trade facilitation and transportation, both physically via the North-South Corridor and how it is affected by multilateral conventions. The potential offered by integrating trucking and freight forwarding was also on the agenda.

The following morning started with Working Session No 4, which had a wide-ranging brief, ranging from the impact of privatisation to developing an interactive web application for enhanced port services. It also considered the prospects of container ports in north east Asia, with the visions and strategies of Incheon Port Authority providing a focus.

A final Working Session, No 5, was equally diverse. It looked at the shipping potential within south Asia and considered the private sector’s role in port infrastructure development. On the development theme, it explored the likely trends in dredging and reclamation.

ILO turns attention to ports at Turin

The International Labour Organization (ILO) is to hold a workshop to discuss its proposals for social dialogue in the ports industry. Entitled ‘Social dialogue in the process of structural adjustment and private sector participation in ports,’ the workshop will be held between 24 – 28 July at the agency’s International Training Centre, in Turin, Italy.

The IAPH Europe office MD, Fer van de Laar, has been involved in ILO meetings on the topic for the association and has aimed to steer discussions towards producing a document that helps the industry smooth port reform.

The ILO defines social dialogue for this process as ‘all types of negotiation, consultation or simply exchange of information between, or among, representatives of governments, employers and workers, on issues of common interest relating to economic and social policy.

The ILO is attempting to address any problems that might arise from port restructuring and particularly issues concerning transparency, setting out a blueprint for how social dialogue between the parties concerned can be strengthened. It says that successful and lasting reforms are achieved when the consequences and implications of these reforms have been fully discussed and agreed with the social partners well in advance.

It advises the establishment of joint industrial machinery which creates a climate of confidence and co-operation between dockworkers and employers against which there can be social and technical change without tension and conflict and where grievances can be promptly settled.

The workshop will be lead by Peter Turnbull, of Cardiff University in the UK, author of the ILO publication ‘Social dialogue in the process of structural adjustment and private sector participation in ports: A practical guidance manual’.

“The guidance helps dialogue between both sides and, if followed, partners in the the reforming process make sure nothing is forgotten that could inadvertently create problems later on in the process,” van de Laar said.

The cost of participation is $2,875 and needs to be paid in advance. This cost includes tuition and relevant handouts.

The ILO is calling for applications to attend the workshop to be sent by 2 June and asks that they be supported by a concise curriculum vitae of the candidate, along with a nomination letter from the sponsoring/funding institution.

In addition, the ILO points out that delegates to the workshop have to be fluent in English, the language that sessions will be held in.

Applications should be sent, by 2 June, to: Fernando Fonseca, senior programme officer Social Dialogue Programme, fax: +39 0116936350, tel: +39 0116936917, e-mail: scsclal@itcilo.org

More info: www.itcilo.org

Security code

IAPH members have responded well to the United Nations Conference on Trade and Development (UNCTAD) request for information on the ISPS Code for a survey it was conducting on the issue.

Many copied the IAPH Secretariat with answers and these will be a valuable resource for the organisation.

It is possible that the survey will be made into a valuable reference for Technical Committees and for the wider IAPH family.

The respondents’ identities will, of course, be kept confidential.

Many thanks indeed to members for their kind co-operation. Results from the survey will be reported in the May issue of Ports & Harbors.

Datin Paduka OC Phang, the IAPH 1st vice president responsible for the Asia/ Oceania Region, described a planned training programme for young port professionals
IAPH mid-term meeting in Mumbai

The IAPH mid-term board meeting is to be in Mumbai next month, from 9 to 12 April.

Three organisations, the Indian Ports Association, Mumbai Port Trust and Jawaharlal Nehru Port Trust, will host the meeting.

Registration can be made online at www.iaphbom-midterm.com. There is registration fee of US$250 per person to help ease the financial burden of the hosts. Those who plan to attend committee meetings only on 10 April are exempted. The payment can be made by bank transfer only.

The meeting will be held at Hotel Taj Mahal Palace and Tower, Mumbai. Reservations for the hotel also can be made online at www.iaphbom-midterm.com. Please note that a special rate is on offer until March 15.

Those board members who are not attending the meeting are requested to send a proxy form by fax to the IAPH Secretariat on: +81-3-5405-7651. The form is available online at www.iaphbom-midterm.com. As agreed in Los Angeles last October, each group of technical committees will meet in parallel on 10 April. The chairs and vice-chairs of committees are urged to hold their respective committee meetings at this time. Committee members should be called for meetings and the details of the meetings sent to the IAPH Secretariat, by fax or e-mail, so rooms can be reserved.

Enquiries can be addressed to either the conference secretariat or the IAPH head office with links from the website.

Day one, Sunday, April 9
Delegates arrival and registration
14:00-17:00: Officers Meeting/Internal Committee Meeting
Welcome Reception (Dress code: smart casual)

Day two, Monday, April 10
08:00-09:00: Officers Meeting
09:00-12:00: Group meetings of Technical Committees in parallel — I
12:00-13:30: Lunch
13:30-15:30: Group meetings of Technical Committees in parallel — II
15:30-16:00: Coffee Break
16:00-17:00: Regional Board meetings
Evening Reception (Dress code: business attire)

Day three, Tuesday, April 11
07:30-08:30: Officers Meeting
08:30-10:00: Board Session — I In-house issues
1. SG Report/Finance by Secretary General
2. EXCO endorsement
3. Houston Conference (programme and registration fees)
4. Others
By-Laws revision
Future Conference format
10:00-10:30: Coffee Break
10:30-12:30: Board Session — II
Technical Committee interim reports
International Issues
12:30: Lunch
14:00: Technical Tour of Mumbai and Jawaharlal Nehru Ports
Evening Reception (Dress code: smart casual)

Day four, Wednesday, April 12
09:00-12:00: Special Session Including:
Indian Ports and Overview
Reform of port authorities

Mumbai’s historic Gateway to India

Mumbai epitomises India. Once a group of seven islands, and the pride of the British Raj, present-day Mumbai is India’s vibrant and pulsating cultural and commercial centre. It also houses Asia’s largest stock exchange, a lively arts and theatre scene and the world’s biggest film industry. Mumbai, formerly Bombay, is diverse, with places of historical importance including forts and religious monuments, interesting architectural features, beaches and hill stations nearby. Mumbai has something to offer everyone.
Worldwide Marine Insurance
Risk Management Based
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www.fci.fortis.com

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IAPH membership dues for 2006

Membership subscriptions, now fixed for the 12th consecutive year, are due and invoices for 2006 membership payments were sent to all members in late December. The dues are paid in International Monetary Fund’s special drawing rights (SDR) and stay at the same level of SDR 1,070 per unit for regular members as were levied last year. There will be fluctuations in the amounts paid, however, as the applicable exchange rates between the SDR and receivable major currencies for 2006 will reflect currency fluctuations. More information at: www.iaphworldports.org/howto/Dues2006.pdf

The IAPH Secretariat would appreciate members remitting their dues electronically to the IAPH account at the bank indicated below rather than sending cheques. This saves the IAPH money, as commission charged on cheque payments is twice that on payments made directly into the IAPH bank account.

Please include the invoice number and the name of your organisation for smooth processing. Thank you!

For Euro Payment
Bank: The Mizuho Bank, Ltd., Marunouchi-Nakadori Branch
Swift Code: MHBKJPJT
Account No.: 0883953
Account Name: The International Association of Ports and Harbors

For All Currencies (including Euro)
Bank: The Mizuho Bank, Ltd., Marunouchi-Nakadori Branch
Swift Code: MHBKJPJT
Account No.: 9100610
Account Name: The International Association of Ports and Harbors

Farewell to Peter van der Kluit

The managing director of our Europe office, Peter van der Kluit, has retired after a long association with IAPH. Fer van de Laar, who has been serving as Peter’s deputy, takes over as managing director.

Peter became managing director at the beginning of 1999, after working for IAPH since the late 1970’s. He first came to the attention of IAPH when he was invited to participate in the work of the then IMCO, now IMO, in re-writing guidance on the handling of dangerous goods in ports at the end of that decade. This was thanks to his reputation for handling safety and environmental issues at the port of Rotterdam. As Rotterdam was an IAPH member, he combined his representation to include IAPH. In this capacity Peter and his colleagues also put a lot of effort into revisions of the International Safety Guide for Oil Tankers and Terminals - ISGOTT – standards which are current to this day.

Following this, he joined the IAPH sub-committee on port safety and the environment, which was part of the committee on port and ship safety, environment and construction (COPSSEC). The chair of that committee was Jean Smagghé, CEO of the port of Le Havre and later president of IAPH. A number of port guidance documents were produced by the committee covering subjects such as: dangerous goods, water and soil pollution.

His hard work on behalf of IAPH led to his appointment as vice-chair and eventually chair of the sub-committee, which became a committee. In the mid-1990’s the committee was expanded, merging with the committee on marine operations to become PSEMO.

Below you can read Peter’s message to his old friends of IAPH. We have a message for Peter too - all of us who are privileged to know you, wish you good health and a fruitful retirement!

Dank u zeer Peter!

Not goodbye, but auf Wiedersehen….

When I agreed to the request from Tokyo head office to write a few personal lines on the occasion of my retirement, I did not realize what I had let myself into: a few hundred words to close a period of about 25 years of involvement with IAPH.

Although it was my own decision to step down, it was a difficult one and it is with mixed feelings that I look at the post-IAPH period that lies ahead of me.

Naturally, it is a pleasant feeling to know that now I can finally start to work on the long list of jobs in and around the house. The list has grown over the last few years and has now reached an impressive length!

At last Trix and I can try out the new bicycles that we bought last year, but that have hardly been used. Finally, we can spend more time with our three grandsons eight, six and four years old. Finally, finally….

Yet, I have somewhat sad feelings when realizing that an end has come to something that has gradually become part of my

2006 Membership Directory

The essential tool for every member – the 2006 edition of the IAPH Membership Directory is being sent out to every IAPH member, as well as various relevant international organisations and institutions. Secretary General Satoshi Inoue said: “I sincerely appreciate the co-operation and support from every IAPH member which has gone into making this such a comprehensive publication.” For additional copies of the directory, please contact the IAPH Secretariat at: directory@iaphworldports.org

Membership Notes

The IAPH welcomes the following new members

<table>
<thead>
<tr>
<th>Regular Member</th>
<th>Associate Member</th>
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<tbody>
<tr>
<td><strong>Incheon Port Authority</strong></td>
<td><strong>Regional Maritime Programme Secretariat of the Pacific Communities</strong></td>
</tr>
<tr>
<td>Address: 7-241, 3Ga, Shinhungdong, Jungu, Incheon, KOREA</td>
<td>Address: Private Mail Bag, Suva, FIJI</td>
</tr>
<tr>
<td>Telephone: +82-32-890-8184</td>
<td>Telephone: +91 (0) 679-3370733</td>
</tr>
<tr>
<td>Fax: +82-32-890-8066</td>
<td>Fax: +91 (0) 679-3370146/3370021</td>
</tr>
<tr>
<td>E-mail: <a href="mailto:eyelee87@icpa.or.kr">eyelee87@icpa.or.kr</a></td>
<td>E-mail: <a href="mailto:JohnPH@spc.int">JohnPH@spc.int</a></td>
</tr>
<tr>
<td>Website: <a href="http://www.icpa.or.kr">http://www.icpa.or.kr</a></td>
<td>Website: <a href="http://www.spc.int/maritime">http://www.spc.int/maritime</a></td>
</tr>
<tr>
<td>Representative: Shu, Jung-ho, President</td>
<td>Representative: John Patrick Hogan, CEO</td>
</tr>
<tr>
<td>Business: Regional technical and training agency</td>
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Ports & Harbors magazine has a new editor at the helm. Bridget Hogan joins the publication after a career in maritime and general publications and after working in the shipping industry. As well as working as an editor on various publications, Hogan has worked in public relations for a range of companies in the ship owning, ship management, ship registry and freight forwarding field.

“I feel I’m joining at an exciting time, so soon after the relaunch of the magazine,” she said. “I look forward to hearing from all IAPH members on their news and views for the publication!” You can contact her on bridget.hogan@lrfairplay.com

P&H gets new editor

Major maritime congresses throughout the world

March

14-15: What is Corporate Social Responsibility and what does it mean to Shipping? London, UK
   www.proactivelogistics.com

14-16: TOC Asia Conference & Exhibition – Bexco Centre, Busan, South Korea
   www.toc.events.com

   www.aapa-ports.org

20-21: Short Sea Shipping Conference – Orlando, Florida
   www.joc.com/conferences/sss/

   www.spearhead.co.uk

   www.apmarine.com

29-31: Singapore Tanker Event, Singapore
   www.intertanko.com

30-31: 2nd Indian Ocean Ports, Logistics and Shipping, Maha, Seychelles
   www.transportevents.com

April

9-12: IAPH Mid-term Board Meeting, Mumbai, India
   http://www.iaphworldports.org/new/new.htm

10 & 11: 2nd Annual China Trade & Logistics Conference
   International Trade & Convention Center – Savannah, Georgia
   www.joc.com/conferences/ctl

24-28: The 19th International Tug & Salvage Convention – Beurs World Trade Centre in Rotterdam, Netherlands
   www.tugsandsalvage.com

May

   www.pianc-apcn.org

15-18: CONEXPO Asia 2006 – Beijing, China
   www.conexpoasia.com

17-18: The 2nd China Dredging Association International Conference & Exhibition – Guangzhou, China
   www.chida.org

22-26: The 16th IALA Conference – Shanghai, China
   www.iala-aism.org

June

6-7: The 4th Asean Ports & Shipping Exhibition & Conference – Kuala Lumpur Hotel, Malaysia
   www.transportevents.com

life: the challenging and rewarding work for the global port family – IAPH.
I will miss that work and I will miss the gratifying feeling of having achieved something after long meetings in offices of international organisations. But most of all I will miss the contacts with so many colleagues from all over the world; colleagues who turned into friends and made it worthwhile. To all these old and new friends I say: thank you very much for your help, support and friendship over the years. I wish you the very best, both professionally as well as in your personal lives.

Although these words may sound as a final farewell, Trix and I still hope to keep in touch with many of you. So this is not goodbye but Auf Wiedersehen!

Peter van der Kluit

Dates for your diary
Frans van Zoelen, general manager of the Port of Rotterdam’s legal department and the chair of IAPH’s legal committee, wants to harness the strength of a sleeping giant.

In P&H of November, 2005, I put the working plan of IAPH’s legal committee into the spotlight. This incorporates efforts to influence the ratification of conventions that are of benefit to IAPH members, including places of refuge, the follow-up to the Ballast Water Convention and the draft Wreck Removal Convention. We are also working on keeping the legal database updated on international maritime conventions.

Right now, the legal committee is preparing the IAPH position on places of refuge in time for discussion of the issue at the next conference to be held by the Comité Maritime International (CMI).

That group is made up of international maritime lawyers and its comments, reports and proposals have influence at international forums, including IMO’s legal committee. It is, therefore, important that IAPH has a strong presence in discussions held by CMI on relevant topics for ports and harbors. I will update you on the outcome of the CMI conference deliberations concerning places of refuge in a later P&H.

After considerable effort, the IAPH legal committee has now set up the legal database on international maritime conventions, which is accessible in the membership area of IAPH’s website. It is a fine example of the added value committees offer to IAPH members.

Creation of the database is one thing, to keep it updated is quite another. We have devoted a lot of work recently to this task and at the mid-term meeting in Mumbai in April, the fruits of our labours will be on view for all to see. We plan to have information for updating the database on the table by then.

Being active in IAPH is rewarding and it has offered me the chance to work together with a fine group of fellow professionals at a time of challenges. We in the world’s ports face coping with a doubling, and maybe even tripling, of global trade in the coming decade.

It is an enormous challenge in which we have a vital role to play. In this respect it is true that the ports united in IAPH are a sleeping giant. We do not appreciate the power and influence that this giant could wield. Take two examples – the pending ratification of the Convention on Hazardous and Noxious Substances and the Bunkers Convention. If ports exerted their lobbying power with their respective governments, these conventions would come into force much faster.

Let’s wake the slumbering giant!
The Port of Stockton has the advantage because it is located in California’s heartland, adjacent to one of the country’s major transportation corridors, U.S. I-5, and is served by two Class 1 railroads. The port has available first-class warehousing and distribution facilities that are amenable to a multitude of uses.

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- The Port is the second-busiest inland port on the West Coast.
- The Port trades with more than 55 countries, including Japan, China, Chile, Norway, Thailand, Canada and India.

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Jeff Kaspar: Dep. Dir. Property Management and Development
Lee Hieber: Dep. Dir. Finance and Administration
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