

CARIBBEAN MARITIME

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A YEAR OF GROWTH AND RECORDS

NEW ORLEANS

PHASE 3 OF TERMINAL EXPANSION

JAMAICA

LEGAL FRAMEWORK FOR PROPOSED LOGISTICS HUB



FREEPORT, BAHAMAS

Plans for major expansion of Freeport container terminal



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MISSION STATEMENT

“To promote and foster the highest quality service to the maritime industry through training development; working with all agencies, groups and other associations for the benefit and development of its members and the peoples of the Caribbean region.”

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Editorial

CSA-MIT collaboration VALUABLE, INSPIRING, EMPOWERING

Earlier this year the Caribbean Shipping Association collaborated with Manzanillo International Terminal (MIT) in Panama to present a training seminar for marine terminal personnel from across the Caribbean and Latin American region. The training event lasted for a week and, so as to ensure that each participant got maximum benefit, it was delivered to two small groups, separately, in consecutive weeks.

The feedback from participants was overwhelmingly positive and upbeat (see pages 24 & 25). The consensus was that (a) the experience was valuable and would be beneficial to the countries from which they came; (b) the content and delivery were excellent; and (c) the CSA should present such training events more often. Please read the comments of the participants and discern the gratitude and appreciation embedded in their unedited responses. Clearly they left Panama feeling empowered.

MIT has a technologically advanced operation, with skilled and experienced personnel and world-standard service delivery. Indeed, this terminal won the CSA's Port Award Competition on so many occasions, at one point it voluntarily decided not to compete in order to give other terminals an opportunity to win. MIT has since gone a step further, by opening its doors and making its personnel and facilities available for transfer of knowledge and methodology to countries in the English, Spanish, French and Dutch Caribbean and Latin America. This is regional cooperation in action and in this regard, MIT, a Panamanian entity, has quietly done more for the development of the Caribbean than many who publicly proclaim regionalism but who find it difficult to shake off the shackles of protectionism.

Of course this cross-border cooperation would have been extremely difficult without the pivotal role of the CSA in creating, over 40 years, a regional network of shipping entities. This level of fraternal cross-border cooperation, where information and techniques are freely shared for the greater good and benefit of all, was the dream of the founding fathers of the West Indies Federation back in the 1950s. This erstwhile federation of English-speaking states failed miserably after only a few years and subsequent replacements have had to grapple with thorny issues such as 'protectionism' and 'rules of origin'. However, that colossal failure, which has taught many lessons, brings into sharp focus the successes (and inherent potential) of the CSA in promoting regional cooperation.

The CSA-MIT initiative in March 2013, in which knowledge, experience and best practices were shared across national borders, free of cost to participants, is laudable, inspiring and, given the sentiments of the participants, empowering.

Caribbean Maritime notes with sadness the passing of R.C.N. 'Reggie' Smith, Group A chairman of the CSA from 1981 to 1984 (see page 40). A former President of the Shipping Association of Jamaica, Reggie Smith was a CSA stalwart and made a significant contribution to the advancement of the CSA's Training Trust Fund through his fund-raising initiatives.

Mike Jarrett

Editor,
Caribbean Maritime



Development of national shipping associations a priority

When the founding fathers of the Caribbean Shipping Association conceived the idea of establishing a regional shipping organisation, the consensus was that this body should encourage and facilitate the development of national shipping associations.

The idea for the formation of the CSA came from thinkers in the Shipping Association of Jamaica (SAJ), which for some 30 years had been a force for development. The SAJ, by uniting the major entities in Jamaica's maritime sector, was able to make a historic contribution to the modern commercial development of the country. This unity of shipping agents, wharf companies and other entities gave energy to initiatives to transform the Jamaican national economy, which up to then was a mono-crop agricultural economy that exported mainly sugar across the Atlantic.

CHANGE

Through organisation and representation, the SAJ brought change, development and modernisation to Jamaica's maritime sector. In 1969 representatives from five national shipping associations got together in Port of Spain for an informal meeting to discuss issues affecting the shipping industry in each of their territories. Two years later, the CSA was formally established by these national shipping associations. They became the foundation on which the CSA was built. Since that time no fewer than six other national shipping associations have been established.

National shipping associations are as important today as they ever were; perhaps more so in a global economy that demands world standards from all players in the global supply chain.

It is against this background that I have identified the strengthening and development of national shipping associations as



one of the priorities of my tenure as CSA President. In March of this year I made time to visit two national shipping associations – the Shipping Association of Trinidad and Tobago (SATT), which is celebrating its 75th anniversary; and the Shipping Association of Guyana (SAG), which had its annual awards ceremony. In Trinidad, I made the point that the CSA would be giving top priority to the empowerment of national shipping associations. As I indicated then, a strong, active and meaningful partnership between the CSA and national shipping associations for the benefit of the entire region was necessary.

I then unveiled a strategy for development (documented elsewhere in this issue of *Caribbean Maritime*). The first of these strategies will be implemented in May 2013 when the CSA holds its annual Caribbean Shipping Executives Conference in Freeport, Bahamas.

Grantley Stephenson

**President,
Caribbean Shipping Association**



This unity of shipping agents, wharf companies and other entities gave energy to initiatives to transform the Jamaican national economy...





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GALEOTA PORT

Located in the oil-rich community of Mayaro/Guayaguayare, the Galeota Port is expected to revitalise Trinidad's south-east coast. The modernised, multi-purpose facility will cater specifically to the offshore needs of the exploration and production operators.

The port is being constructed by National Energy Corporation of Trinidad and Tobago Limited (NEC) in two phases. Phase I, which will be built at a cost of US\$80M, will comprise a 200 metre-wide turning basin with a draught of 7.6 MSL including four berths with the following lengths:

1. 104 metres (Berth 1 & 3)
2. 148 metres (Berth 2)
3. 102 metres (Berth 4)



The facility will provide the following services:

- Rig supply operations
- Rig and boat repairs
- Modular stacking of deck cargo
- Marshalling area for storage
- Maintenance and fabrication
- Tank farm storage for drilling muds
- Waste management facilities
- Delivery of material by sea to/from Galeota

There will be an additional berth to be utilised by the Trinidad and Tobago Coast Guard for provision of maritime security for cargo entering and exiting the facility. Port Galeota presents limitless possibilities which have already caught the interest of local, regional and international energy companies. The Port is expected to be completed by December 2013.



Plans for major expansion of Freeport container terminal

The management and staff of Freeport Container Port Ltd in Grand Bahama are determined in their quest to be the world's number one transshipment terminal.

For over 15 years, the port has been growing steadily and has matured into what the company now regards as 'the transshipment hub of the Americas'.

As ships expanded in size from post panamax to new panamax to the new ultra

large container vessels, the port acquired the infrastructure to keep pace with the industry. This progression was part of a carefully laid plan to establish Freeport Container Port. According to a company slogan: 'After all, we were post panamax ready from berth'.

Freeport Container Port commenced operations in 1997 with four post panamax cranes (at that time the largest and most

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With the expansion of the Panama Canal and the foresight of the visionaries of this port, Freeport Container Port is ready

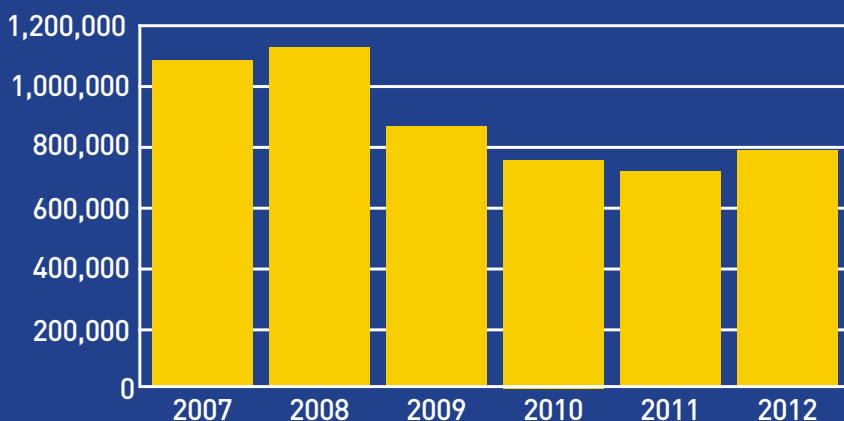
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efficient in the industry), 10 straddle carriers, a stacking area of 18.4 hectares and a berth length of 550 metres.

STRATEGIC

The port has recorded significant growth from the outset, in both container moves and total teu handled, increasing every year until 2009 when the world recession took its toll. With strategic planning, realistic target

PORT MOVES





setting and proper execution, Freeport Container Port was able to weather the global recession. During this time of downturn, workers at the port remained positive and productive, setting records for crane moves per hour and straddle moves per hour, sometimes exceeding 30 moves per hour (average monthly productivity records).

FORESIGHT

“With the expansion of the Panama Canal and the foresight of the visionaries of this port, Freeport Container Port is ready,” said a company statement.


Freeport has a depth of 16.0 metres. The terminal has nine post panamax cranes, one super post panamax crane, 72 straddle carriers, a stacking area of 72 hectares and a berth length of 1,036 metres. It has 47 acres for expansion of the stacking area and 1,125 metres for berths.

PRIORITY

On the northern side of the 1,036 metre berth stands the 300 ft. crane No. 11. Painted navy blue with the company’s name, logo, location and motto, ‘Safety is our priority’, its giant features dominate the terminal. Its size puts it in a league of its own. Capable of handling the largest vessels in the world, with the ability to reach across 24 rows of containers, crane No. 11 is the latest addition to Freeport Container Port’s terminal capability.

COMPLETION

There are plans for further infrastructural development involving the addition of three new super post panamax cranes and 60 straddle carriers. An additional 15.2 hectares of land has been earmarked for yard stacking of full containers; 8.5 hectares for empty stacking; and 285 metres for berths. On completion of Phase V development, Freeport Container Port will have 13 gantry cranes, 132 straddle carriers, 114.2 hectares of stacking area and a berth length of 1,294 metres. This is the short-term expansion.

Longer-term, the plan is to expand the terminal to 12 berths with a total length of 3,848 metres and 45 gantry cranes. It will be able to handle 6.7 million teu per year. 



FREEPORT PROPOSES LOGISTICS HUB

SEA AIR BUSINESS CENTRE DESCRIBED AS ‘LOGISTICAL GOLD MINE’

The trend to build logistics centres close to container terminals continues – and Freeport, Grand Bahama, is not to be outdone.

‘Location, location, location’ is the ruling factor when evaluating property and Sea Air Business Center (S/ABC) in Freeport has a prime location, offering its clients proximity to the markets, to global trade lanes and to transportation facilities. Collectively these attributes make S/ABC ‘a logistical gold mine’.

S/ABC is a 741 acre park earmarked for manufacturing, warehousing and distribu-

tion of goods for buyers worldwide. Grand Bahama has over 50 years of industrial development, a highly skilled and adaptive labour force, advanced telecommunications, utilities and support services. It has an excellent mix of international businesses, creating the perfect environment for the development of S/ABC.

LOCATION I

Located just 60 miles off the coast of Florida, S/ABC is ideally placed for markets on the eastern seaboard of the USA. This offers scope for the



“

There are no taxes on capital development and supplies for business; and there is municipal support for long-term development and operation

”

development of a state-of-the-art logistics centre where cargo can be stored, redistributed and manufactured and value-added services provided in a zoned, duty-free environment.

Companies operating in Freeport can import commodities from around the world. These products can then be trucked to the S/ABC. Value-added services like breakbulking, repackaging, redistribution, assembling, repairing, cross-docking, and order fulfilment can be performed. The procurement of technological services to help simplify the operations is also an option. In addition, the city of Freeport itself is tax-free. There are no taxes on capital development and supplies for business; and

there is municipal support for long-term development and operation.

LOCATION II

Grand Bahama, at the crossroads of North American, South American, the Far Eastern and European trade lanes, is in a prime location for manufacturing, warehousing and distribution of goods for international buyers. Freeport Container Port ships to over 270 ports, thus opening the S/ABC to markets around the world.


LOCATION III

S/ABC is located within five miles of Grand Bahama International Airport, Freeport

Harbour and Freeport Container Port. The international airport takes pride in its high security measures and its 11,000 ft. runway can accommodate the world's largest aircraft.

POTENTIAL

Freeport Harbour Company caters to both cruise and cargo operations. It has an entrance channel depth of 16.0 metres (52 ft) and four ro-ro ramps. Because all the ports have one owner, it makes the channels of communication a lot easier and the flow of information a lot faster.

The people at S/ABC believe this 'gold mine' has the potential to develop into the logistical centre of choice in the Region. 



Working group delivers port development proposals

CALL FOR ACTION TO FIX GEORGETOWN HARBOUR

In Guyana's maritime history, February 2013 may be remembered as the month in which talk turned to action. After years of discussion, deliberation, debate and dialogue, specific proposals for the development of Port Georgetown were formally presented to the national government by way of the Minister of Public Works and Communications.

The proposals, contained in the document 'Concept paper for the improvement

of the Georgetown Harbour through public/private sector partnership', set out a path to dealing with the mounting problems that have been distressing port users and, at the same time, hindering Guyana's national economic development.

Perhaps the most urgent of the problems is the water depth in Georgetown Harbour and, specifically, in the access channel. As Clinton Williams, former chairman of the Shipping Association of Guyana (SAG)

By
Mike Jarrett

noted, this channel is always under threat from heavy silting during outflows from the Amazon River. This has hampered commercial shipping for some time.

The current SAG chairman, Desmond Sears, said the Association had been voicing its concerns about the shallow draught of the Demerara River Channel for a number of years. In his first major address as chairman, at the 2013 SAG Awards ceremony, Mr. Sears made a link between depth in the access channel and Guyana's national economy.

PRODUCERS

"The draught places restrictions on the size and weight of vessels and cargo going in or leaving the port," he said. "It has had a negative impact on shippers,



The draught places restrictions on the size and weight of vessels and cargo going in or leaving the port. It has had a negative impact on shippers, the commercial sector, the public sector and the private productive sector. Business across the spectrum has slowed down





the commercial sector, the public sector including GuySuCo [the Guyana Sugar Corporation], and the private productive sector. Business across the spectrum has slowed down.”

The SAG chairman said local producers had lost markets in the Caribbean and elsewhere because cargo vessels could take out only limited volumes of cargo. The same situation applied to imports, he said.

In addition to the draught there are, of course, other problems, including incidents of piracy, theft and loss from international and local vessels; the lack of a fire-fighting vessel; poor pilotage services because of equipment and human resource constraints; and a lack of adequate navigational aids. The state of the access channel is the biggest concern, however.

CHALLENGES

“Maintenance by capital dredging is the only solution,” Clinton Williams told guests at an SAG function last year. “From chart datum of 6.0 metres over many years, the period 2008 to 2011 has seen the level dropped drastically to approximately 4.5 metres.”

At the very least, Mr. Williams sees this as a major problem and links it to the growth of the country’s shipping industry. Indeed, he believes the most immediate challenges or threats to the growth of Guyana’s maritime sector are:

- Delay in dredging the Demerara navigational channel to an acceptable depth
- Replacement of navigational aids and accompanying infrastructure and services
- Effective port security measures.

Guyana’s main port is in urgent need of care and attention and the SAG sees this as a significant part of its mandate for development. Any national initiative of the nature contemplated would require an organisation that was properly structured and the SAG completed work to build up its capability following a 2006 Canadian International Development Agency (CIDA) project. The Association also developed alliances in the public and private sectors and established

itself as the main protagonist in stimulating the modern development of the Port of Georgetown.

The SAG, together with the Maritime Administration Department (MARAD), was tasked, through the National Competitiveness Strategy Unit and the Ministry of Transport and Hydraulics, to develop appropriate strategies to deal with the situation at the Georgetown port.

DRAUGHT

This led ultimately to the formation of a working group by the government comprising 10 people – five from the government and five from the SAG. The government’s representatives included three people from MARAD, one from the Ministry of Trade and one from the Ministry of Finance. The group completed its proposals and drafted its concept paper at the end of January. It identified the problems as:

- Severe limitations on the draught of vessels that can now transit the Demerara Channel have had a negative impact on maritime commerce in Guyana, to the extent that the volume of cargo being moved per vessel call has been declining significantly;
- These limitations have resulted in the inefficient movement of cargo which, when coupled with other uncontrollable factors, have caused increases in freight costs;
- Financial and organisational constraints of MARAD and the Transport and Harbours Department that inhibit the ability of those organisations to effectively perform their shared responsibilities in

BERBICE DEEP WATER HARBOUR PROJECT MAY ATTRACT PRIVATE INVESTMENT

The Berbice Deep Water Harbour is still in at concept stage. So are the container terminals at Linden and Lethem. However, an 81-acre plot of land has been allocated at Lethem by the Guyana government for this development.

There have been unconfirmed reports about the possibility of the Guyana government receiving some ‘assistance’ from a private firm with the development of this project but up to press time this could not be confirmed.

In this year’s budget presentation, the Guyana government reportedly indicated that arrangements are being made to build a bridge across the Corentyne River. However the logistics have not yet been completed and discussions between the Guyana and Suriname governments and the InterAmerican Development Bank (IDB) are continuing. Meanwhile, there has reportedly been some discussion about construction of a fixed bridge across the Demerara River but details about this potential are unclear.



STATE OF GEORGETOWN PORT CREATING PROBLEMS FOR COMMERCIAL SECTOR

Chairman of the Shipping Association of Guyana (SAG), Desmond Sears, addressed the concerns of his Association about the state of the country's port when he spoke at the annual SAG awards ceremony on March 22 in Georgetown.

He spoke in the presence of CSA President, Grantley Stephenson, who was guest speaker at the event.

Mr. Sears said the SAG had been particularly concerned about the limitations on shipping the shallow draught of the harbour had imposed. He said the situation was affecting the size and weight of vessels that could go into Guyana's main port. This he said was creating problems for the national economy.

Mr. Sears said:

"For a number of years, the SAG has been voicing its concerns about the severe limitations that the shallow draught of the Demerara River Channel imposes on maritime commerce on the whole. The draught places restrictions on the size and weight of vessels and cargo going in or leaving the port. It has had a negative impact on shippers, the commercial sector, the public sector including GUYSUCO, and the private productive sector. Business across the spectrum has slowed down. Some Caribbean and international markets have been lost or reduced because cargo vessels could only take out limited volumes of cargo. The same inefficiency applies to the movement of cargo inward.

"Naturally, the situation has precipitated increases in freight costs. Nevertheless, statistics from 2012 show that approximately 66,000 teu moved through the port marking an increase of 21% over the last four years. It is possible that this figure could rise to 80,000 teu by 2017 considering the current rate of increase.

"We are optimistic that if the proposal for overland trans-shipment of cargo from Brazil comes to fruition, container traffic into and out of Port Georgetown would multiply once the plans for a modern Demerara harbour are put into effect. The entire maritime world is moving ahead in leaps and bounds. Countries all around us have either begun or completed the modernisation of their sea ports. Guyana must now be made ready to meet the stringent demands of shippers all around the world for more modern port facilities and more efficient operations."



the management, operation and maintenance of the Georgetown harbour.

READY SOLUTION

The working group suggested that, given the constraints on the government's ability to raise capital, the establishment under the Companies Act of a properly constituted Public Private Organisation (PPO) would provide a ready solution. Certain delegable functions of MARAD, it suggested, could be transferred to the company by way of an operating licence. MARAD would then provide government oversight and regulation. The ultimate composition of the company would be determined by equity participation, the paper proposed. The formalisation of the company, it suggested, could be completed by January 2014.

The PPO would be responsible for contracting and servicing debt, possibly from international funding agencies, as well as for implementing other activities considered necessary for the improvement of the harbour.

FIRST PRIORITY

The working group was clear about the first priority – dredging of the Demerara Channel as soon as possible but not later than 30th June 2013.

"The dire state of the Demerara Channel necessitates immediate action," said the group. "While the formalities of setting up the PPO are being finalised, government

should consider a loan to MARAD to execute the works. This loan could be obtained via bilateral or multilateral technical assistance, which it is understood is on offer. This debt could be passed on to the PPO as a condition of the operating licence.”

The group estimated this exercise would cost about US\$7 million. However, sources at the SAG have adjusted that figure to nearly US\$10 million since the lower figure was based on an estimate well over a year old.

PHASE 1

Phase 1 of the development includes dredging the channel to a minimum of 6.5 metres; acquisition of a dredger, a multipurpose vessel (for buoy tendering, hydrographic surveys and fire-fighting) and a pilot launch; and the purchase and installation of adequate navigational aids. The cost of Phase 1 has been put at US\$22.25 million.

The pilot launch has since been acquired. “The fact that it is equipped to

provision of effective and efficient ports and harbours services.”

The mission: “To contribute to the improvement of Guyana’s international trade competitiveness by ensuring maximum utilisation of the country’s ports and harbours via the establishment and operation of a public/private sector body drawn from selected stakeholders, and endowed with the requisite vision, entrepreneurship, skill and resourcefulness that will sustain value, growth, learning and excellence in the delivery of all related services.”

MODERN TERMINAL

According to the working group, the obvious challenge would be the need for the immediate identification and subsequent establishment of a modern container terminal, preferably on the west bank/west coast of the Demerara Channel. This would be separate and distinct from the proposed establishment of a deepwater harbour in the Berbice River, the group’s concept paper noted.

cient movement and docking of merchant ships will yield rich dividends and bolster national economies,” said Mr. Stephenson. “By the same token, countries which do not provide facilities for their producers to exploit world markets will achieve relatively little growth. An efficient and modern port system, capable of effectively servicing world commerce is, as they say, money in the bank. National economic growth, based on world trade, cannot be sustained without an efficient port supported by a ground transportation system of roads or waterways.”

NEIGHBOUR


Suriname, Guyana’s neighbour, has long seen the need for a modern marine port and has been investing in the development of its main port facility at Paramaribo. These investments have been showing results. Indeed, Suriname’s N.V. Havenbeheer for the last two years was named the CSA’s Multi-Purpose Terminal of the Year.

A year ago, Clinton Williams voiced his concerns to the Association’s members and guests gathered for the 2012 awards ceremony.

OPPORTUNITIES

“It would be tragic indeed if Guyana’s unpreparedness results in Suriname stepping up to reap the benefits in this southern hemisphere, given their recent upgrading and modernisation of their maritime infrastructure to cater for such new opportunities,” he said. “It is also useful to note that shippers around the world, in order to increase vessel efficiency, have been using gearless vessels and shore cranes which Suriname has already installed. They have begun to attract Middle Eastern partners in joint venture partnerships.”

Some of Mr. William’s fears may have been allayed, overtaken by the completion and delivery of the working group’s concept paper earlier this year. However, his sentence following still rings true.

“The feasibility of Guyana establishing a central terminal at west bank Demerara to meet the anticipated demand for container storage space must be examined and acted upon at the earliest opportunity.” 



It would be tragic indeed if Guyana’s unpreparedness results in Suriname stepping up to reap the benefits in this southern hemisphere, given their recent upgrading and modernisation of their maritime infrastructure to cater for such new opportunities



function both day and night enables the launch to contribute to ongoing efforts to enhance port security,” said SAG chairman Desmond Sears. “However, there is still the need for recruitment and training of an adequate number of river pilots.”

PHASE 2

Phase 2 would have the PPO, with a mandate for the improvement of Guyana’s ports and harbours in the medium to long term, take on full responsibility to bring to fruition the vision and mission statements adopted by the group.

The vision: “To optimise Guyana’s maritime transportation potential via the

Given the expansion of the Panama Canal and the effects this will have on maritime services in the region – demands and opportunities – the development of the Georgetown harbour and the establishment of a modern container terminal are as timely as necessary. Timely, relative to changes in shipping economics and technology; necessary, because ports generate economic growth.

CSA President Grantley Stephenson made this point when he visited Guyana recently to address the SAG’s annual awards ceremony on 22nd March.

“Investment in infrastructure and particularly marine ports which allow effi-



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Port Everglades setting a new port record

Three major development projects under way

About a year from now, in the summer of 2014, Port Everglades expects to unveil its brand-new Intermodal Container Transfer Facility (ICTF).

Port Everglades and the Florida East Coast Railway (FEC) recently broke ground for the 42.5 acre near-dock facility, which will handle the transfer of containerised cargo through the port to and from the FEC main line.

The \$53 million facility will be unique in that both domestic and international cargo will be handled on the site.

This is just one of three major development projects to be completed over the next six years, all part of the Port Everglades 20-year Master/Vision Plan, which will collectively transform the port and greatly increase its capability.

FIVE NEW BERTHS

Port Everglades is adding five new cargo berths in its Southport Turning Notch extension project. This will expand the existing deepwater turnaround area for cargo ships from 900 ft. to 2,400 ft. at the current depth of 42 ft. A critical part of the Southport Turning Notch extension involves the replacement of 8.7 acres of an existing mangrove conservation easement with a 16.5 acre upland enhancement of some 70,000 new mangroves, plants and seeds. The project also includes the completion of various environmental initiatives in West Lake Park. The project is currently in the design phase, with construction scheduled for completion in 2017.

Port Everglades is also working with the U.S. Army Corps of Engineers to widen and deepen its channel from 42 ft. to 50 ft. to accommodate post panamax ships, some of which are already coming to the port,

although lightly loaded. Total cost of this project is put at \$320 million, including a \$131 million investment by the port.

Located at a crossroads of north-south and east-west trade lanes, Port Everglades handles nearly one million teu annually and serves as a gateway to Latin America, the

“
Ongoing capital improvements and expansion will ensure that the port is well able to handle the future growth in container traffic
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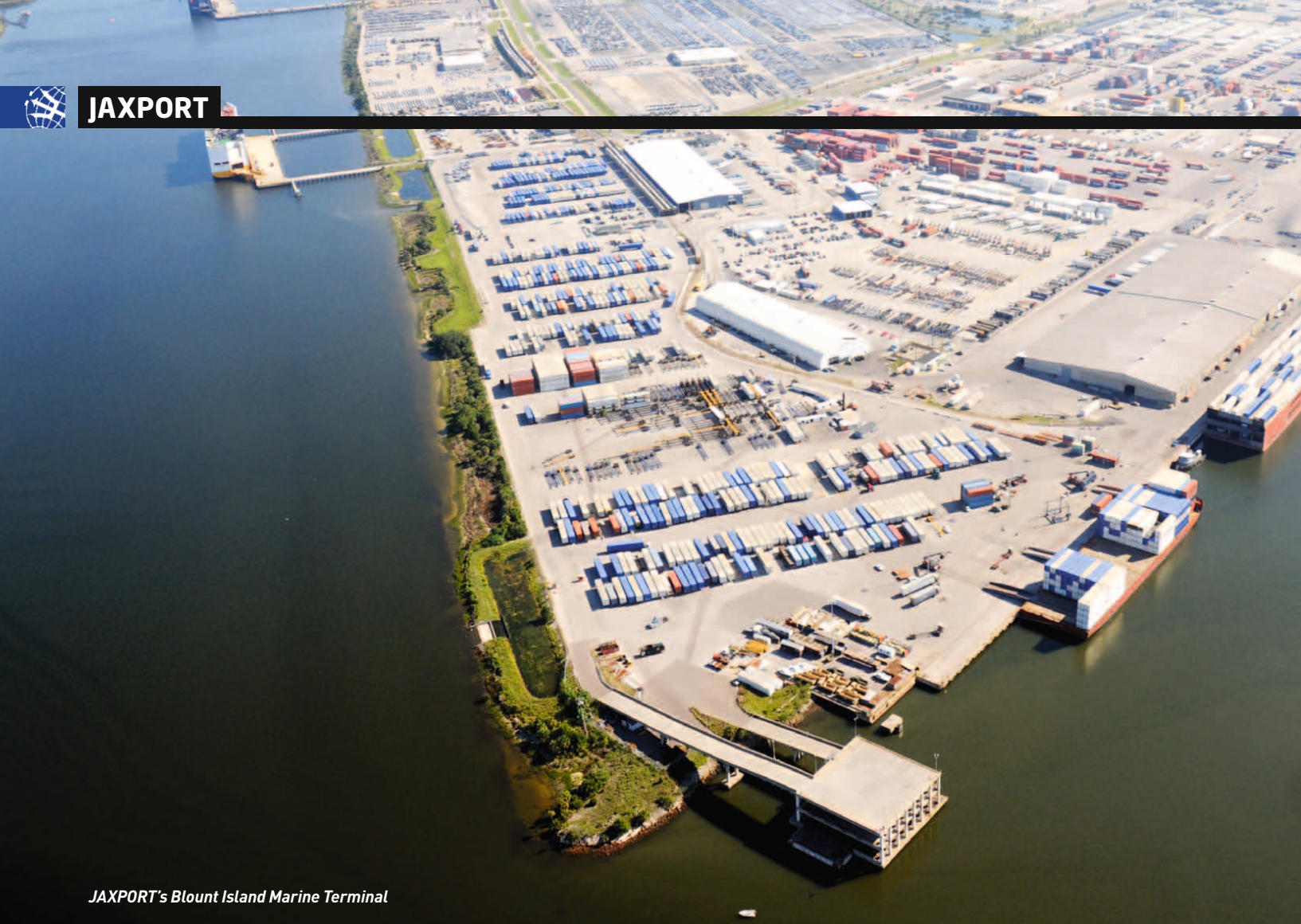
Caribbean, Europe and Asia. It claims to be Florida’s leading export gateway and is one of the 12 busiest U.S. container ports for international trade. It handles a diverse range of cargo with services provided by multiple terminal operators.

IMPROVEMENTS

The expansion and infrastructure development projects now in play will put Port Everglades in a better position to benefit from developments such as the Panama Canal expansion and the implementation of new U.S. free trade agreements with Colombia, Panama and South Korea.

Ongoing capital improvements and expansion will ensure that the port is well able to handle the future growth in container traffic. 





JAXPORT's Blount Island Marine Terminal

JAXPORT *- a year of growth and records*

The Jacksonville Port Authority (JAXPORT) enjoyed a year of growth and records in 2012 with a record number of vessel calls, a record number of cruise passengers processed and record container volumes.

It was a year in which JAXPORT became – or consolidated its claim to be – the number one container port complex in Florida; the top U.S. port handling trade to Puerto Rico; and the principal U.S. gateway for vehicle exports.

The port ended the year with a number of new deals firmly in place, such as Walt Disney Parks and Resorts importing most of the merchandise for its Central Florida parks through JAXPORT's TraPac Container Terminal at Dames Point.

WALT DISNEY

JAXPORT, Mitsui O.S.K. Lines (MOL) and TraPac announced the Walt Disney arrangement on 19th June. The move reflects the significance of MOL's investment in JAXPORT and its commitment to Jacksonville. The Tokyo-based shipping company opened its \$300 million, state-of-the-art TraPac Container Terminal at Dames Point in 2009. TraPac is the U.S. terminal operating arm of MOL.

Ten days after that announcement, on 29th June, JAXPORT announced a direct Central American container service via the Mediterranean Shipping Company (MSC). The global shipping line began a new direct weekly service between Jacksonville's Tal-



“

It was a year in which JAXPORT became – or consolidated its claim to be – the number one container port complex in Florida...

”

leyrand Marine Terminal and the Central American ports of Santo Tomas de Castilla, Guatemala and Puerto Cortez, Honduras. This allowed JAXPORT to offer improved transit times for customers looking to reach these markets.

COMMODITIES TRADE

Guatemala and Honduras are part of the Dominican Republic-Central America Free Trade Agreement (CAFTA-DR) with the United States. Among the principal commodities these nations trade with the U.S. are agricultural products including bananas, vegetables, coffee and shrimp; and textiles, garments and minerals. Guatemala and Honduras are also significant export markets for U.S. products such as agricultural machinery, chemicals, building materials and general consumer merchandise. The new service also allows JAXPORT customers to reach global markets via MSC’s transshipment hub in Freeport, Bahamas.

During the year, the Panama-based SC Line, which specialises in vehicle, truck and heavy equipment transport, began calling at JAXPORT’s Talleyrand Marine Terminal as part of its USA Truck ro-ro service. The biweekly service, announced in October last, connects JAXPORT with Colombia, Panama and Venezuela. SC Line’s executives chose JAXPORT because of its proximity to highways, accessibility to auctions, quality port-based automotive processors and ease of doing business. SC Line is partnering with Seaonus Stevedoring at Talleyrand, as well as Export Freight & Brokers, Inc (EFB Export), a worldwide shipping company concentrating on heavy equipment exports. SC Line recently acquired General Motors as an account.

The heavy lift was completed on 9th November at the Talleyrand Marine Terminal. The movement of the 138-ton power plant generator and 120-ton turbine was accomplished by JAXPORT’s Seaonus Stevedoring and Spliethoff Worldwide Ocean Transport. The two massive pieces of cargo were accompanied by 23 smaller items. The offloading operation took more than four hours. Each of the two large pieces was transported separately on a special 36-axle, 300 ft. trailer. The cargo was transported to the Gainesville Renewable Energy Centre, a bio-mass energy facility in Florida.

EXPANSION

JAXPORT began the current year with the same growth and expansion mindset. The Board had accepted a staff recommenda-



Vehicles being loaded onto the SC Line vessel ‘Strait of Gibraltar’ at JAXPORT

SC Line’s hub in Cartagena, Colombia, links both the SC Line East Coast USA Truck route with the Gulf’s MexTruck route. It serves Houston, Altamira, Veracruz, Cartagena and Santa Marta, which features a 500,000 sq. ft. Free Trade Zone.

HEAVY LIFTING

As year-end approached, the port had some heavy lifting to do. JAXPORT and its partners discharged two unusually large pieces of equipment, weighing a combined 300 tons, from a ship onto a specially designed truck.

tion that, as the local harbour sponsor, the port should ask for the federal channel to be dredged to a depth of not less than 47 ft. The Board of Directors voted unanimously on 25th February to inform the U.S. Army Corps of Engineers that the port would pursue plans to develop a harbour deep enough to remain competitive and would therefore make an additional local investment in the project. This request will now be added to the final phases of the U.S. Army Corps’ harbour-deepening study, draft results of which are due to be released in May. [\[NFI\]](#)



Private funding sought for Phase 3 of terminal expansion

UPBEAT MOOD AS NEW ORLEANS INVESTS IN GROWTH

Despite the sagging economy and some challenging water levels upstream, the Port of New Orleans is growing, with new cruise and cargo services, new facilities, new cranes and a major Mississippi River Intermodal Terminal.

In March the Board of Commissioners of the Port of New Orleans notified AECOM Technical Services Inc. to begin the design of the port's new Mississippi River Intermodal Terminal project on an existing 12-acre rail yard that now serves the adjacent Napoleon Avenue Container Terminal.



The Port of New Orleans is the only U.S. seaport with six Class One railroads serving it, which includes 132,000 miles of connecting rail tracks.



The new rail yard will be reconfigured and modernised into an efficient intermodal container transfer facility (ICTF). This will be funded primarily from a \$16.7 million federal transportation grant received last year for improvements to the Napoleon Avenue Intermodal Terminal. Construction will begin in December 2013 and is expected to be completed in 12 months.

STIMULATE

Port President and CEO Gary LaGrange said: "The Port of New Orleans is the only U.S. seaport with six Class One railroads serving it, which includes 132,000 miles of connecting rail tracks. This critical project will facilitate the movement of marine and rail cargo, stimulate international commerce and enhance safety, all while reducing the carbon footprint of the regional and national transportation systems. The entire maritime community is thrilled to see this project come to fruition and I want to thank the entire Louisiana congressional delegation for their unwavering support."

He had words of praise for U.S. Senators Mary Landrieu and David Vitter; U.S. Representatives Cedric Richmond, Steve Scalise, John Fleming, Rodney Alexander, Bill Cassidy and Charles Boustany; and former

By

Rick Eyerdam



U.S. Representative Jeff Landry, all of whom wrote letters of support for the project to Secretary of Transportation Ray LaHood.

The Port of New Orleans, and the Louisiana Port Construction and Development Priority Programme, are matching a portion of the federal grant to build an adjacent four-acre container marshalling yard at



the upriver end of the Louisiana Avenue Terminal. The Board awarded a \$3.7 million construction contract to Hard Rock Construction LLC, of Metairie, Louisiana, for the new paved yard. Construction began on the marshalling yard this month and is expected to be completed by December.

Overall cost for the two projects is put at \$26 million. They are expected to create 100 permanent marine and cargo handling jobs and over 280 temporary construction-related jobs.

PARTNERS WANTED

Meanwhile, the Port of New Orleans is seeking private funds to help complete the third phase of the \$250 million Napoleon Avenue Container Terminal expansion.

Port spokesman Matt Gresham said future partners could include terminal operators, shipping companies and private investment groups. The final expansion phase is intended to double the port's annual container capacity to 1.6 million teu. The Napoleon Avenue terminal can handle 640,000 teu; the intermodal rail yard scheduled for completion next year will add another 200,000.

Mr. Gresham said: "Hopefully we can get at least a foot in the door this year, including some funding for planning and design. I would consider that a success. Hopefully the budget situation improves over the next several years and the state can begin to reinvest in infrastructure."

To that end, he said the port would soon consider proposals from three financial consultants to help assess the terminal's value and refine options.



Mr. Gresham said that in the past two years the port had acquired and installed two new gantry cranes, the largest in the port's history. These newer cranes were built in South Korea by Doosan Heavy Industries & Construction Co. Ltd. at a cost of \$29.5 million. They have a lift capacity of 65 long tons, a lift height of 110 ft. and an outreach of 167 ft. Fully deployed, the cranes can reach across 19 containers, about the size of the *Emma Maersk*. This compares with a maximum outreach of 15 containers for the four cranes that have been supplemented by the new units.

COLD STORAGE

The port has also completed the relocation of New Orleans Cold Storage, which was compelled to dray its frozen cargo to a wharf that could accommodate deep-draught vessels destined for Russia, Albania and other ports in the eastern European trade lanes.

New Orleans Cold Storage was granted a port leasehold property at Henry Clay Wharf, with the port covering construction and leaseback of the required warehouse and refrigeration equipment.

The new facility includes a 147,000 sq. ft. warehouse capable of storing 35 million pounds of product at between 15 and 40 degrees and blast-freezing 1.2 million pounds of product in 20 hours or less.

New Orleans Cold Storage Construction provides 230 jobs and created 120 new permanent jobs when it opened in June 2012.

NEW SERVICES

The ongoing improvement at the Napoleon terminal has already brought significant results. CMA CGM, the world's third-largest container shipping company, and Compañía Sud Americana de Vapores (CSAV) have added New Orleans to the Gulf Bridge Express service, linking the Gulf Coast to the Caribbean and ports in Central and South America.

Antilles Guyane, Vice President of CMA, said: "The upgrading of this service allows CMA CGM to strengthen its coverage of the U.S. Gulf and the Caribbean, where its network is already significant, broadening the scope of the service for its customers. The direct call to New Orleans provides new opportunities for CMA CGM imports as well as exports through our dedicated hub of Kingston, Jamaica."





New Orleans

Commencing last autumn, CMA CGM began calling at the port's Napoleon Avenue Container Terminal with weekly rotations including New Orleans; Altamira and Veracruz, Mexico; Kingston, Jamaica; Cartagena, Colombia; and Puerto Cabello and LaGuaria, Venezuela.

"This new service strengthens New Orleans' connections to Central and South American markets," said the President and CEO of the Port of New Orleans.

CRUISE

Major cruise lines have been attracted to the port. In 2012 passenger embarkations and disembarkations topped 975,000



... setting a new port record




passengers, setting a new port record. On 9th March this year Carnival Cruise lines announced a three-year extension of its berthing agreement with the Port of New Orleans to keep two Carnival ships sailing year-round until 12th February 2016. The agreement includes two one-year options to extend.

Part of the agreement continues New Orleans' relationship with the 2,052-passenger *Carnival Elation*, which will continue sailing four-day and five-day cruises to Cozumel and Progreso, Mexico.

HOMEPORT

Also sailing from New Orleans is the 2,974-passenger *Carnival Conquest*. Beginning in November 2013, New Orleans will become the homeport for the *Carnival Sunshine*, currently undergoing a \$155 million refurbishment.



Norwegian Cruise Line's 2,348-passenger *Norwegian Star* replaced the 2,018-passenger *Norwegian Spirit* as the line's homeported ship in New Orleans. And Royal Caribbean's 3,114-passenger *Navigator of the Seas* replaced the cruise line's *Voyager of the Seas*. In autumn 2013 Royal Caribbean's *Navigator of the Seas* will be replaced by a new ship, *Serenade of the Seas*. Norwegian Cruise Line will also replace the *Norwegian Star* with the *Norwegian Jewel* in 2013. 

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- Goddards Shipping & Tours Ltd.
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- Ocean Air Transport Services Ltd.
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Region's share of global container business

World merchandise trade, especially in containerised form, has outpaced world gross national product changes over the past 20 years.

In 2010, for example, Latin American and Caribbean ports handled approximately 47 million teu, representing about 9% of world container throughput. In that same year, total global throughput was estimated at 546 million teu, of which the Far East and South East Asia accounted for over 50%. Western Europe accounted for about 90 million teu and North America just under 50 million.

20 MILLION CONTAINERS

During that period, about 20 million containers (4% of world throughput) were handled in countries bordering the Caribbean Sea and the Gulf of Mexico. In our view, the figures for Latin America and the

By **Fritz Pinnock PhD and Ibrahim Ajagunna PhD**

Caribbean identified a misconception and a distorted view of the real Caribbean numbers. The Caribbean micro states, for example, account for less than 10% of total volume. The maximum capacity of the ports of Kingston, Freeport and Caucedo is 5.55 million, representing about 12% of the total 47 million teu moved by Latin America and the Caribbean. In reality, these three ports moved just over 3.5 million teu or 7% of the total 47 million teu moved.

THROUGHPUT

In 2011 world container port throughput increased by an estimated 5.9% from 544.16 million to 572.8 million teu.

TABLE 2: CONTAINER TRAFFIC IN LATIN AMERICA AND THE CARIBBEAN 2011 BY COUNTRY (000'S TEU)

Rank	Country	teu	Share of regional total %
1	Brazil	7,909	19.14
2	Panama	6,630	16.05
3	Mexico	4,226	10.23
4	Chile	3,393	8.21
5	Colombia	2,845	6.89
6	Argentina	2,131	5.16
7	Jamaica	1,892	4.58
8	Peru	1,805	4.37
9	Ecuador	1,527	3.70
10	Dominican Republic	1,382	3.34
11	Venezuela	1,335	3.23
12	Guatemala	1,176	2.85
13	Bahamas	1,116	2.70
14	Costa Rica	1,069	2.59
15	Uruguay	861	2.08
16	Honduras	663	1.60
17	Cuba	247	0.60
18	Trinidad and Tobago	171	0.41
19	El Salvador	160	0.39
20	Guadeloupe	151	0.36
21	Curacao	94	0.23
22	Nicaragua	84	0.20
23	Barbados	77	0.19
24	St Maarten	77	0.19
25	St Lucia	60	0.15
26	Guyana	60	0.14
27	Aruba	54	0.13
28	Cayman Islands	45	0.11
29	Belize	34	0.08
30	Antigua & Barbuda	22	0.05
31	St. Vincent & the Grenadines	16	0.04
32	St. Kitts and Nevis	3	0.01
33	Anguilla	3	0.01
Total Latin America & the Caribbean		41,317	100



Caribbean micro states account for less than 10% of total volume



Source: ECLAC, 2012



Ranking Ports

This was its highest level ever. The increase was lower than the 14.5% increase in 2010, which was a sharp rebound from the slump of 2009. Chinese mainland ports maintained their share of total world container throughput at 24.2%. UNCTAD's Liner Shipping Connectivity Index (LSCI) showed a continuation in 2012 of the trend towards larger ships deployed by a smaller number of companies. Between 2011 and 2012 the number of companies providing services per country fell by 4.5%, while the average size of the largest containerships grew by 11.5%.

SHIPPING CONNECTIONS

Only 17.7% of country pairs are served by direct liner shipping connections. For the remaining

TABLE 1: SHARE OF LATIN AMERICA AND THE CARIBBEAN IN WORLD CONTAINER THROUGHPUT (000'S OF TEU)

	2010	2011	% change	2010 %	2011 %
North America (exclude Mexico)	44,010	45,000	2.2	8.5	8.0
Northern Europe	57,325	62,000	8.2	11.1	11.0
Mediterranean	42,411	46,650	10.0	8.2	8.3
China	147,585	164,000	11.1	28.5	29.1
Asia (exclude China)	161,199	175,855	9.1	31.1	31.2
Latin America and the Caribbean	37,205	41,317	11.1	7.2	7.3
Other regions	25,734	27,140	5.5	5.0	4.8
World total	517,845	563,779	8.9	100	100

Source: ECLAC, 2012

country pairs, at least one trans-shipment port is required.

In 2010 the teu throughput for developing economies grew by an estimated 15.8% to 376.7 million. This growth was a turnaround from the sharp decline of the previous year as businesses reduced their inventories in reaction to the global economic crisis. The growth

rate for container throughput in developing economies for 2011 was estimated at 6.8%, signifying a return to previous year-on-year growth levels.

TRANSITION

Developing economies retained their 70% share of world throughput. Of the 75 developing economies and

economies in transition, only 10 experienced 'negative growth' in port throughput in 2010. This would suggest that container ports are feeling no sustained effects from the global economic crisis. Of the top 10 developing countries (and countries in transition), nine are located in Asia. Sixteen of the top 20 countries

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TABLE 3: CONTAINER TRAFFIC IN THE CARIBBEAN BY PORT 2008 - 2011 (TEU)

Rank	Ports	Country	2008	2009	2010	2011	%Change 2011/2010
1	Kingston	Jamaica	1,915,951	1,728,042	1,891,770	1,756,832	-7.10
2	Freeport	Bahamas	1,702,000	1,297,000	1,125,000	1,116,272	-0.80
3	Port of Spain	Trinidad & Tobago	385,000	401,206	388,960	-	-
4	Point Lisas	Trinidad & Tobago	166,655	164,183	184,257	170,581	-7.40
5	Jarry	Guadeloupe	170,729	142,692	150,534	165,096	9.70
6	Willemstad	Curacao	102,082	97,913	93,603	-	-
7	Bridgetown	Barbados	87,253	82,832	80,430	77,051	-4.20
8	Phillipsburg	St. Maarten	-	68,253	70,862	76,701	8.20
9	Georgetown	Guyana	55,530	52,000	59,850	-	-
10	Oranjestad	Aruba	49,300	51,164	49,558	53,952	8.90
11	Georgetown	Cayman Islands	54,584	51,198	45,649	44,766	-1.90
12	Vieux Fort	St. Lucia	34,255	21,756	21,831	33,047	51.40
13	Castries	St. Lucia	35,977	30,186	30,648	27,295	-10.90
14	St. John	Antigua & Barbuda	35,350	31,332	26,366	21,824	-17.20
15	CPCP	St. Vincent & the Grenadines	11,426	14,704	15,569	15,345	-1.40
16	Long Point Port	St. Kitts and Nevis	2,353	3,002	2,424	3,046	25.70
17	Road Bay Port	Anguilla	-	-	2,863	2,543	-11.20
18	Kingstown	St. Vincent & the Grenadines	5,084	1,534	1,398	1,070	-23.50

Source: ECLAC, 2012

are in Asia, two are in Central and South America and two in Africa. Note the dominance of Asia in container port producing exports.

LATIN AMERICA AND CARIBBEAN IN WORLD CONTAINER THROUGHPUT

In 2011 ports in Latin America and the Caribbean handled 41.3 million teu, up 11.1% from 2010. Despite growth, the region continued to account for about 7% of the world total as Table 1 indicates.

“*Developing economies retained their 70% share of world throughput*”

In 2011, Asia (excluding China) led world container traffic with a 31.1% share, or 175 million teu; followed by China, with 29.1% (164 million teu); and northern Europe, with 11% (62 million teu).

Asia (including China) accounted for over 60% of the world's container port traffic, followed by Europe with 18.2%.

TRANSSHIPMENT


Of the 41,317 teu, the Caribbean accounted for 13% or 5,470 teu. Of that total, 4,390 teu were transshipment. In effect, the Caribbean accounts for 3.67% of the total Latin America and Caribbean figure.

The notion of Latin America and the Caribbean having the fastest growth rate in the world does not reflect the true situation. When the transshipment number is discounted, the Caribbean figure shows a decline of 15.9% (see Table 3). This questions the validity of grouping Latin America and



the Caribbean, as multilateral agencies have done, on the basis of convenience and proximity. The Caribbean economy is service-based, depending primarily on tourism. Latin American national economies, on the other hand, are far more diversified.

Kingston has maintained its position as the Caribbean's number one transshipment port for all the years between 2008 and 2011. The figures reported include the combined total for Kingston Container

Terminal (KCT), the principal Caribbean transshipment port, and Kingston Wharves Limited (KWL), the Caribbean's leading regional transshipment port. The figure for Kingston showed a decline of 7.1%, reflecting primarily activities at KCT and not KWL. So, while the overall figure for Latin America and the Caribbean increased by 11.1% over 2010 figures, the Caribbean showed an inverse position, whereby the decline peaked at 15.9% for 2010 to 2011. 



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Expansion plans in progress at Caucedo

Expansion plans are in progress at DP World Caucedo, which will allow the facility to handle up to 1.45 million teu per year by 2014 and 2.3 million teu after 2015. Current capacity is 1.25 million teu.

Located in Punta Caucedo, 25 km from Santo Domingo, the commercial and political capital of the country, DP World Caucedo is a world-class marine terminal and free zone – one of the best in the Caribbean.

The initial projection, when the port was to be established, was that it would have an annual handling capacity of 500,000 containers. In nine years, however, that projec-



tion was doubled. The new projection of the port takes into consideration growth beyond 2015. The port is planning to add another 300 metres of main berth and to dredge to 16.0 metres. The new berth will be equipped with three super panamax cranes and all the supporting yard equipment.

The terminal began operations in December 2003 with the main objective of combining alternative modes of land, air and ocean transportation. This private port is equipped with advanced technology and a world-class infrastructure. It places great emphasis on offering a safe and secure environment and world-class services to customers. The terminal operates on a

24-hour basis, all year round, at a level of efficiency that allows DP World Caucedo to claim the status of a 'regional leader port' as well as the number one port in the Dominican Republic

SECURITY

Security is a high priority for Caucedo. Its claim to be one of the most trustworthy ports in the region is supported by various international security certifications, including:

- International Ship and Port Facility Security Code (ISPS Code)
- Customs-Trade Partnership Against Terrorism (C-TPAT)
- Business Alliance for Secure Commerce (BASC)
- Container Security Initiative (CSI)
- ISO PAS 28000
- Megaport Initiative – Radioactive Scanners
- Authorised Economic Operator (AEO).

Modern surveillance and prevention systems help guarantee the integrity and protection of customers' cargo.

LOGISTICS CENTRE

Plans are in place to establish a 30 acre logistics centre next to the ocean terminal. This logistics centre will begin operations in 2014 under free zone status for logistics activities. This status will allow the centre to accommodate warehousing and distribution; consolidation from different suppliers; transportation planning and coordination; labelling; maritime shipping coordination; trucking and inspection of cargo; and inventory administration and returns.

The proposed Caucedo Logistics Centre has already attracted the attention of manufacturers and distributors interested in a regional distribution centre.

The warehouses will complement the maritime activities of Puerto Caucedo and support the economic development of the DR. The Caucedo Logistic Centre will give the port and the country a competitive advantage by offering a logistics platform that facilitates international commerce.

INFRASTRUCTURE

Berth: 922 metres (main berth 622 metres and breakwater berth 300 metres).

Depth: 13.5 metres

Container yard: 50 acres with capacity for 40,000 teu.

Reefer plugs: 654 plus a further 350 connections with mobile generators.

EQUIPMENT

- 5 post panamax cranes
- 1 super post panamax
- 2 mobile harbour cranes
- 23 rubber tyred gantries
- 9 reach stackers
- 5 empty handlers.

VESSEL CALLS 2007 TO 2012

2007	1,016
2008	1,083
2009	1,223
2010	1,103
2011	1,198
2012	1,295

CARGO HANDLED (TEU) 2007 TO 2012

2007	798,803
2008	860,916
2009	960,967
2010	1,049,967
2011	993,554
2012	1,153,795



CSA and MIT collaborate on training

A NEW APPROACH TO CONTAINER OPERATIONS

In March this year the Caribbean Shipping Association collaborated with Panama's Manzanillo International Terminal to present a training event for terminal operators from the Caribbean Region.

Entitled 'Container Operations – a new approach', the course was presented over six days. Two groups were accommodated in two courses (4th to 9th March and 11th to 16th March).

HANDS-ON

In the first five days, participants covered security, safety, documentation, gate operations, stevedoring operations, crane department (overview), equipment assignment, vessel planning, yard planning and traffic control. The final day was reserved for a tour of the Panama Canal.

Training groups were kept small to allow the presenters, provided by MIT, to adopt a hands-on approach. This allowed participants to get close to the technology. Emphasis was placed on specific differences between day and night operations.

Participants were exposed to techniques and strategies for achieving high productivity levels during night operations.

RESPONSES

Comments were solicited from all participants. The following were received:



The programme highlighted the importance of planning, communication/coordination, and safety in pursuing port/terminal productivity goals. The balance between classroom sessions and field visits/discussions was spot-on and the use of MIT instructors with the requisite practical/hands-on knowledge and experience in their respective fields invited much discussion, particularly on a number of useful principles/ideas that could be easily emulated at our facilities, irrespective of our relatively much smaller operations. All in all, an excellent training programme.

Julian Archer



Left to right
Leonard Belmar, Assistant Manager Terminal Operations - Barbados Port Inc.
Julian Archer, Deputy CEO - Guyana National Industrial Co. Inc.
Kervin Freeman, Operations and Safety Officer - St. Christopher Air and Sea Ports Authority
Ignacio Bilbao, Crane Project Manager - MIT



MIT Vice President Carlos Urriola (right) poses with group after handing out certificates

“

Very informative and exceeded my expectations. Coming from a small port like Barbados and given the opportunity to be a participant has broadened my view as it relates to a technology-driven port resulting in high productivity. Some of the systems and info received have been submitted to management so as to improve our service to our customer/shipping agents. I would hereby request that such training be continued to enhance the tools needed in a productivity-driven port.

”

Leonard Belmar



“

I would like to start by saying thank-you to the CSA and the Manzanillo International Terminal for collaborating to bring such an informative and educational training course in modern port and container operations to the Caribbean. This course was timely and I have since then started to incorporate in my operations some of the techniques and skills I have learnt such as safety practices, claims management, equipment and gear repair and maintenance and operation preparations. Many thanks again to CSA and MIT.

Vernon Elliott

”

“

I would like to express my sincere gratitude to both CSA and MIT for the amazing training experience. The field exercises and the theory classes were incredibly interesting and the personnel were kind, patient and always willing to share their knowledge. The course coordinator was really helpful and the instructors were top-notch. The whole experience was an eye-opener for me because we were able to see how a First World port should operate and, hopefully, I will be able to share this experience with my co-workers and colleagues in my country, Venezuela.

Miguel Arreaza

”

My experience in Panama and at MIT is one that I will never forget. The exposure that we got to port operations largely surpassed any that I had been exposed to before. The planning and execution of vessel operations at MIT can easily be the blueprint for vessel operations worldwide. The first two days at MIT convinced me that I was in the midst of a unique and superior port terminal. The knowledge that I got from the instructors has clearly positioned me to make some positive changes to the way we conduct our vessel operation at my home port of SCASPA, St. Kitts. I thank the CSA for extending this most vital and timely training that I am sure will assist me into advancing my home port into a more safe, efficient and profitable entity. The collaboration between CSA and MIT was a match made in port heaven. I am most grateful to have been afforded the opportunity to be the recipient of such vast knowledge and exposure. I will appeal to the CSA to continue providing such trainings as it could only lead to the betterment of ports in the region.

Kervin Freeman

”

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CSA President outlines...

STRATEGIES FOR STRENGTHENING NATIONAL SHIPPING ASSOCIATIONS

The President of the Caribbean Shipping Association (CSA), Grantley Stephenson, has outlined strategies for strengthening the CSA by empowering national shipping associations.

Addressing the 75th Anniversary of the Shipping Association of Trinidad and Tobago (SATT) in Port of Spain on 20th March, the recently elected CSA President reaffirmed that national shipping associations across the region were the bedrock of the regional body and that one of his priorities would be to help strengthen them and give them a higher profile in the CSA.

Priority number one will be to build a strong, active and meaningful partnership between the national shipping associations and the CSA. Acknowledging that the relationship between the regional body and the national associations was always close, Mr. Stephenson said it would be his administration's task to take the relation-

“

National shipping associations have to assume a higher profile in the work...of the CSA

”

ship to a higher level. In this regard, he disclosed that provision was being made at the upcoming Caribbean Shipping Executives Conference in The Bahamas for national associations to meet to discuss growth, expansion and cooperation with other associations.

STRONGER PARTNERSHIPS

“The bonds between the SATT and the CSA are currently strong ... have always been ... I know this,” he said. “However, I am talking about building even stronger partnerships.”

Mr. Stephenson said it was his intention to give the leaders of national associations a higher profile at CSA conferences. This, he said, was important in order to send a clear signal about the importance that CSA attached to these local organisations.

“National shipping associations have to assume a higher profile in the work and programmes of the CSA,” he said. “Towards this end, the leadership of national associations should be more visible at CSA conferences.”

National shipping associations will also play a greater role in the selection of topics and presenters for CSA conferences and collectively will play a vital role in assisting the CSA to help each association to develop its country's maritime services to a high standard of efficiency.

“Topics discussed at CSA regional conferences in May and October will increasingly




CSA President Grantley Stephenson (l) congratulates Ashley Taylor on being re-elected President of the Shipping Association of Trinidad and Tobago for a second term.

reflect the current needs and specific interests of national [shipping] associations,” said Mr. Stephenson. “Of course, we have always taken into consideration the needs of national associations among other groups in the selection of topics for presentation at conferences. However, I am placing greater emphasis on the contribution of national associations to topics selection and in the nomination of presenters.

RECOMMENDATIONS

“At the same time, I will be encouraging national associations to present their needs to General Council and to make recommendations as to how the CSA can play a more dynamic role in assisting each territory to develop their maritime services to a high standard of efficiency.”

Mr. Stephenson reminded SATT members that the CSA could help them to make a positive contribution to their country's development through training and exposure to best practices; and through dialogue and networking. In this regard, he said he would be encouraging all shipping associations to be more active in the CSA so as to be a force for development of their local maritime sector.

The CSA President said each member of a national association should be encouraged to attend CSA conferences; to have the CSA experience; to receive the presentations; and to hear the comments, suggestions and arguments from the floor. 





When masters and pilots work together...

'BRIDGE TEAM' PHILOSOPHY VITAL FOR SHIP SAFETY

“Let go the port anchor!” bellowed the pilot as the ship’s engine failed to go astern for the third consecutive time. His advice fell on deaf ears as the ship’s master was too busy trying, without success, to restart the ship’s engine and, in panic, telephoned the ship’s engineers to get information on why the engines had failed.

The pilot’s protestations to the captain to drop the port anchor continued to no avail and, having been completely ignored by the master, the pilot shouted from the bridge wing to the ship’s crew located on the forecastle to let go the port anchor. Unfortunately, the well-trained crew would not let go the anchor unless directly instructed by the ship’s master, who was in too much of a state of shock to manage the developing emergency situation. In the end, the small island coaster struck the dock head-on, resulting in significant damage

to the dock’s wooden fendering system but with little damage to the vessel.

The foregoing, although it may sound like an excerpt from a new blockbuster movie, is an account of an actual accident that occurred at a small port in Trinidad and Tobago on board a vessel which called regularly at the port. The old owner and master of the vessel usually manoeuvred his vessel into port, with a pilot on board, without incident. In this instance, however, as the vessel was approaching the dock, an astern engine movement was called for on the ship’s telegraph in order to arrest her headway, but the engine failed. The master, in disbelief, kept trying the ship’s telegraph, hoping that the engine would go astern; while the pilot, trained for these circumstances, advised the master to drop the anchor, which would have considerably mitigated the damage.

By

**Kurt M. Duncan
MM MSC***



In close-quarter situations where vessels are manoeuvring in restricted waters, the ship-master does not expect failures aboard his vessel and, in many cases, is ill prepared to manage these emergencies when they do occur. The pilot, however unfamiliar with the vessels on which he is engaged, is trained to manoeuvre in anticipation of a failure of some sort and, as such, is better prepared to take evasive action to rescue the operation.

CRITICAL ROLE

The marine pilot, sometimes referred to as the harbour pilot, has been a trusted member of the ship’s bridge team for many centuries. Indeed, so critical is the role of the pilot, who is required to be an experienced, highly trained mariner with superior ship-handling skills and a thorough knowledge of his area, that by the 13th century European maritime law as indicated in the ‘Admiralty and Law Guide’ (www.admiralty-lawguide.com) stated:

“A pilot who was deemed by a ship’s crew to be responsible for her damage or loss and was found to be unable to pay compensation for the damaged so caused, could be beheaded by such crew, who would be exonerated for their actions.”

“

A pilot who was deemed by a ship’s crew to be responsible for her damage or loss and was found to be unable to pay compensation... could be beheaded by such crew...

”





The role of the marine pilot has remained unchanged over the centuries. According to William Falconer (1732-1769), writer of the highly influential 'Dictionary of the Marine', first published in 1769, a pilot is: "The person charged in the direction of a ship's course on or near the sea coast and into the roads, bays, rivers, havens, etc. within his respective district."

Over 100 years later, Admiral William Henry Smythe (1788-1865), the noted hydrographer and sailor, defined the marine pilot in his 'Nautical Terms: The Sailors' Word Book' (1867) as: "An experienced person charged with a ship's course near the coasts into roads, rivers, etc. and

through all intricate channels in his own particular district."

SHIP HANDLER

Essentially, the marine pilot is an experienced ship handler who attends vessels, advising her master and crew on the navigational transit of coastal or, in some instances, deep-sea passages or berthing and unberthing operations. Pilots are expected to use their knowledge of the sea region in which they are employed, their competence at ship handling, their knowledge of the local weather conditions and communication with local tugs and berthing officials to execute safe and effective transits, anchoring, mooring and unmooring operations. Further, the pilot should

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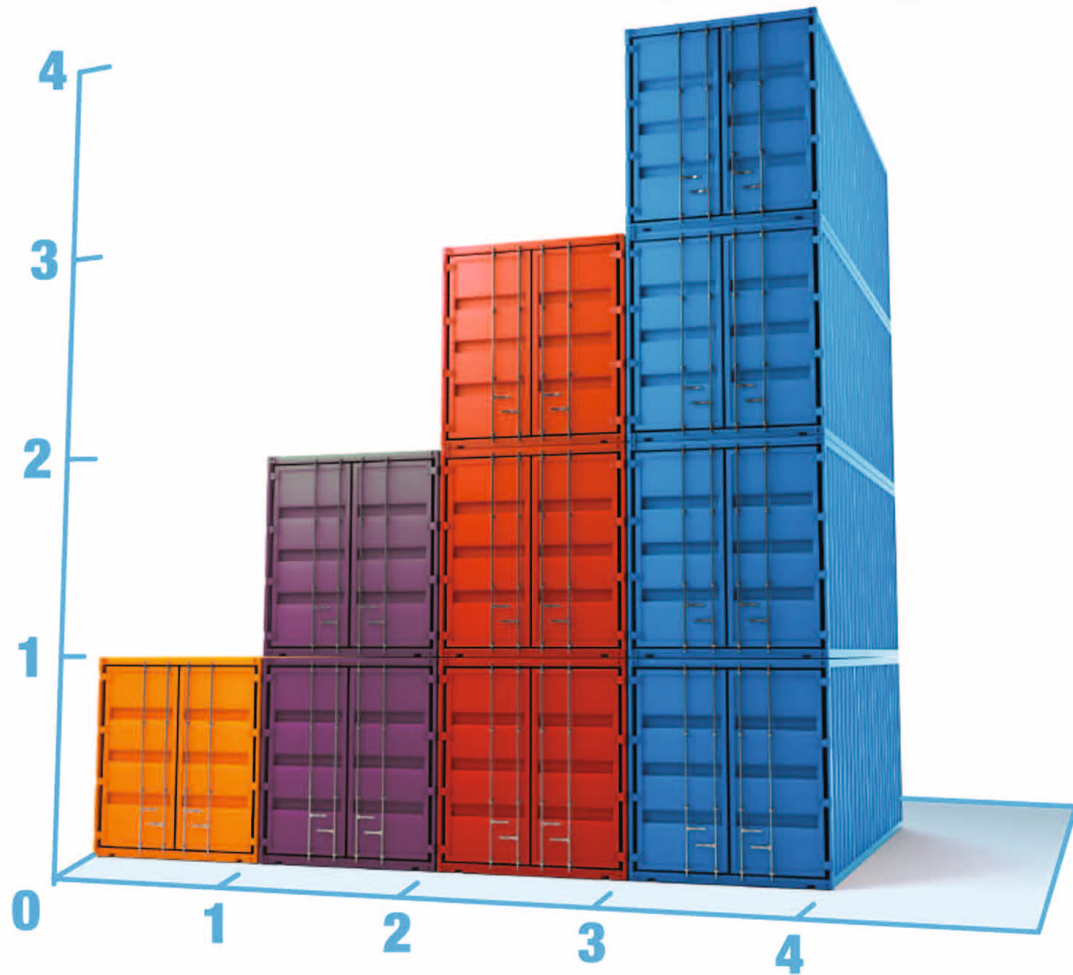
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not only be viewed as the person charged with the safety of the manoeuvring vessel, but also as the primary risk reduction strategy employed in the protection of port infrastructure and the local marine environment.

It must be emphasised here that, in most jurisdictions, the pilot is employed on board the vessel in an advisory capacity only. The ship's master retains overall command of the vessel. This issue, however, remains a point of contention worldwide where damage is done to the vessel or port infrastructure and the ship's crew has adhered to every direction given by the pilot.

This debate cannot be resolved here and I will not address this matter in this forum. Suffice it to say that there are many issues to be considered in the determination or resolution of this argument.

Nonetheless, the relationship between pilot and master should always be cordial, so that where, in any instance, an accident occurs, it can be recorded that two professionals were working together, but despite their best efforts an accident occurred. Where a 'bridge team' philosophy is employed, the on-board dynamic can only augur well for the safe completion of the task at hand as the bridge team arrangement allows navigational information to be more openly exchanged and cross-checked by the pilot and the onboard crew.

TECHNOLOGICAL ADVANCES

As onboard technological advances in navigational aids and equipment give ship's crew more information relating to the ship's track in confined waters,



...it is imperative that pilots keep abreast of these advances and are able to use this equipment to assist in the decision-making process...



it is imperative that pilots keep abreast of these advances and are able to use this equipment to assist in the decision-making process alongside their piloting competence. One such device that has grown in popularity among pilots and pilot organisations is the Portable Pilot Unit (PPU). It is critically important, however, that there should not be an over-reliance on such equipment, to the extent that the pilot does not even look out. Notably, there was a situation when, upon his arrival on the bridge of a large liquefied natural gas carrier, the pilot was advised by the master that the vessel was on course to proceed down the middle of the channel. The pilot, on looking out the bridge front windows, observed that the vessel was not at all set to proceed along the channel's centre line and advised the master accordingly. The master again consulted his equipment and assured the

pilot that all was correct for the vessel's entry into the channel. At this point, the pilot recommended that the master look out the window. To the master's amazement, the view out the bridge front bore no resemblance to his on-screen images, at which point he reprimanded the ship's second officer, who had calibrated the equipment incorrectly.


It is necessary that individual pilot organisations not only establish minimum standards of performance for the equipment but also ensure that the equipment type is standardised throughout the organisation and that all personnel who use the equipment are competent in its use.

This issue was recently discussed at an International User Group (IUG) meeting of pilot organisations certified in the International Standard for Pilot Organisations' (ISPO), recently held in Trinidad and Tobago.

ISPO is a robust safety and

quality management system developed by the pilots of Rotterdam, in the Netherlands, and designed for use by pilot organisations. ISPO is a method of self-regulation that promotes the adoption of the highest standards by the maritime pilot industry. It also provides transparency in pilotage standards to all port-related stakeholders and is audited by external auditors – classification societies such as Lloyd's Register and Det Norske Veritas. Currently, 11 pilot organisations are ISPO-certified. The Trinidad and Tobago Pilots' Association (TTPA) has been certified since 2011 and is a member of the board of the IUG.

TRAINING

Before concluding, some mention should be made of the forthcoming opening of the new Panama Canal. The TTPA has set up a team of simulator trainers and has purchased two PPUs and a ship's bridge simulator. With this combination of personnel and equipment, the TTPA is well poised to develop the required training modules to provide efficient and effective training of pilots to handle the larger tonnage that may be calling at Trinidad. A model of the facility can be developed quickly so that training of pilots can begin without delay. 

**Kurt M. Duncan is a serving member pilot with the TTPA, where he holds the position of pilot master. He is a member of the Maritime Advisory Council of the University of Trinidad and Tobago (UTT) and is chairman of the Membership Management Committee of the Shipping Association of Trinidad and Tobago.*

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Regional trend towards larger shore cranes continues

The trend towards purchasing larger shore cranes has continued in the Caribbean and Latin America in 2013.

After two successful years in Latin America, with 31 machines delivered, the mobile harbour crane company Liebherr reports that customers in Latin America have already ordered four LHM cranes and that the trend towards larger cranes is continuing. The machines on order are the largest in the LHM crane range, says Liebherr.

LARGEST ON MARKET

The LHM 600, with an outreach of 58 metres and the ability to work vessels of up to 19 container rows in breadth, is said to be the largest mobile harbour crane on the market.


On the Pacific coast of Mexico, the Hutchison Port Holdings affiliate Lázaro Cárdenas Multipurpose Terminal S.A. de C.V. has ordered two LHM 600 cranes. Each is equipped with a 104 tonne winch. They will be used mainly for handling containers and bulk cargo.

Another LHM 600 crane will begin operating at Manzanillo on the west coast of Mexico in 2013. Terminal Internacional de Manzanillo S.A. de C.V. (TIMSA), a multipurpose terminal for bulk cargo and container handling, has opted for Liebherr's most powerful mobile harbour crane. The TIMSA terminal is located close to various metropolitan areas. The main task of the new crane is container handling.

For Liebherr, 2013 already looks to be its most successful year ever in terms of LHM deliveries to Mexico thanks mainly to the

order of these three LHM 600 cranes.

Montecon S.A. began operating in the Port of Montevideo in 2000. Since then, its fleet of Liebherr mobile harbour cranes has grown steadily. This year, Montecon is expected to receive an LHM 600, its second in two years, bringing its fleet of this brand of shore crane to six.

Liebherr's customers have been showing a preference for the LHM with tower extension because of its higher fulcrum point. In addition, the tower extension helps the crane driver by providing a better view into the ship. 

“

For Liebherr, 2013 already looks to be its most successful year ever...

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A SAFETY PROGRAMME TO BE EMULATED

As far as Carlos Urriola is concerned, every port worker should return safely to his family every day after work. In his opinion, every port manager should have this simple but important objective as a priority.

“One of the worst feelings ever is when there is an accident that involves one of your collaborators,” said Mr. Urriola, vice-president of Manzanillo International Terminal (MIT) and Immediate Past President of the Caribbean Shipping Association. “It is a feeling of failure. As a port manager, one of our duties is to return that worker safe to his family at the end of the shift. The family lend you that worker for a day. You have only accomplished your objective if that worker walks out of the port in the same physical condition as when he walked in,”

Not surprisingly, MIT has strict safety standards and a Safety Department that



...MIT has strict standards and a Safety Department that aggressively imposes them.



aggressively imposes them. Indeed, MIT’s safety programme is worthy of emulation.

CORPORATE PHILOSOPHY

MIT’s corporate philosophy on safety is simple but comprehensive: ZERO ACCIDENTS.

The MIT Safety Department handles all issues related to workplace safety standards; compliance with safety codes; safety incident investigations and accident prevention; safety training; advanced first aid support for employees, clients and contractors (‘collaborators’); and oil and hazardous materials (hazmat) spills.

24 HOURS A DAY

The 22-strong MIT Safety Team is headed by a safety manager and includes an assistant manager, two lead-shift superintendents, three secretaries and 15 safety technicians. The team is on call 24 hours a day, functioning as an active aid to port operations and activities.

MIT has a strategy of ensuring that all employees learn and accept that safety is everyone’s business and that, with due attention to safety norms, accidents can be avoided. The strategy works. There has not been a fatality at MIT for almost 18 years.

“We knock on wood and keep increasing training, audits and inspections to make our workplace the safest possible,” said Juan Carlos Croston, MIT Marketing Manager and CSA General Council member.

Discussing the operations of the Safety Department, MIT Safety Manager Mauro Martinez said: “We have managed to



develop a great team of safety collaborators. Over the years we have hired fire-fighters, ex-police, Red Cross volunteers and local SINAPROC [Sistema Nacional de Proteccion Civil], making the MIT response team the best in the area. It’s easy to promote safety here. Executives are always willing to invest time and money to make sure our employees return home to their families intact. International courses, safety





way we ensure our processes are audited each year and so we keep improving and giving our customers a quality service.”

MIT has an aggressive Safety Action Plan. Employees have to attend safety training meetings at least three times a year as the company relentlessly instils its safety culture. Safety audits and inspections were recently increased by 20%. Random drug and alcohol tests have also increased 20% and employees and contractors are screened at least three times a year.


SAFETY COMMITTEE

The MIT Safety Committee is one of the most vital components in the company’s safety programme. The Safety Committee includes all executives and department

“
It’s easy to promote safety here. Executives are always willing to invest time and money to make sure our employees return home to their families intact
”

heads and meets monthly. All matters related to safety are discussed and statistics studied. Accidents are carefully reviewed and corrective measures discussed and implemented as soon as possible so as to prevent a reoccurrence.

AWARE

“Our final objective is to modify the way our employees and contractors think about safety and to integrate accident prevention in the day-to-day flow of work,” said Mr. Croston. “However, we have to guard against complacency. We have been fairly successful in keeping our workforce as safe as possible. We need to continue the engagement so that people are always aware and conscious of the need to not cut corners, safety-wise. Failure is hidden around the corner.” 

conferences, internal exercises, practices with local fire department, drills and inspection and audits keep us focused on the goal of zero accidents.

“It’s tough for a company this big to have constant training, but we understand it is necessary. All our department managers have to compromise to make people available for training. We also work hand in hand with our contractors, giving them safety

induction and expertise training for each area for free. It’s a big investment but it pays off in the longer run.”

HAZMAT

Mr Martinez recalled that “in 1995 we had a vessel alongside with a big problem. It had a 20 ft. container with yellow phosphorus that had caught fire. We called local fire-fighters and immediately realised that they did not have the experience or equipment to handle hazmat emergencies. So we decided to create our own hazmat team to keep our employees safe and help our customers if they should have a hazmat cargo spill.”

The MIT Hazmat Team (nicknamed The Ghost Busters) is certified by the California Specialized Training Institute and is fully prepared to handle hazmat mishaps. The team’s capability is well known and MIT has been frequently called to handle hazmat salvage in Colon Free Zone and elsewhere.

Mr. Croston said: “We have the knowledge, experience and equipment to handle hazmat emergencies. MIT Safety Department is also ISO 9001-2008 certified. This





LEGAL FRAMEWORK IS KEY TO SUCCESS OF LANDMARK PROJECT

The proposed logistics hub has emerged in Jamaica as a national project and the centrepiece of the country's maritime strategy. In scope and implications it represents the single largest project to be undertaken by the Government of Jamaica for decades.

The project has tremendous implications for Jamaica's ports and terminals,



The goal is to position Jamaica as a fourth node in the global logistics network to complement Singapore, Dubai and Rotterdam



contemplating as it does a series of bold activities which seek to take advantage of the imminent widening of the Panama Canal – now scheduled for practical completion in April 2015 – and Jamaica's strategic location at the crossroads of major international shipping lanes.

AMBITIOUS

The goal is to position Jamaica as a fourth node in the global logistics network to complement Singapore, Dubai and Rotterdam. It is accepted that the project is "the most transformative economic activity that we will undertake as a Government", according to the Hon. G. Anthony Hylton, MP, Minister of Industry, Investment and Commerce. The audacious components of the project will affect many Jamaican ports. The project calls for:

- Expansion of the Port of Kingston to receive post panamax ships
- Construction of a dry dock at Jackson Bay in Clarendon

By

Milton Samuda



- Installation of bunkering facilities at Cow Bay, near Yallahs, St. Thomas
- Construction of a cargo and maintenance, repair and operations facility at Vernamfield in Clarendon
- Development of an economic zone at Caymanas with a direct road link to the Port of Kingston.

The project is as far-reaching as it is ambitious and has the potential to catalyse several export-driven manufacturing and service industries. It will complement Jamaica's already established tourism product.

However, as always, there has to be framework, and for projects such as the logistics hub that framework is almost

always provided, in whole or in part, by the law. At the level of international law, it will be essential in providing both framework and foundation, that Jamaica has a robust, coordinated set of international and bilateral trade and investment agreements in place to facilitate the successful implementation of the logistics hub, ever mindful of the overarching World Trade Organisation regime.

Minister Hylton has promised an intensive and practical review of Jamaica's international and bilateral trade and investment arrangements, including but not limited to trade agreements, bilateral investment treaties, double taxation treaties and air services agreements.

SPEEDY

At the level of municipal or local law, a similarly intensive review must take place. Each and every piece of legislation relevant to the speedy establishment of a modern logistics hub must be placed under the microscope of value-added change and, thereafter, the repeal or revision of existing legislation and the promulgation of new legislation must be expedited.

It must also be recognised that the range of legislation will be like the range of the project. The process will involve legislation ranging from statutes that impact the ease of doing business; those dealing with regional and international trade; and those affecting local and international finance. For example, the most obvious municipal/local laws to be affected are the statutes affecting the environment and the reservation and zoning of land. Immediately, the development plans for the logistics hub must be accommodated by revisions to development orders, zoning decisions, user permits and environmental compliance.

Yet it is not simply at the level of both international law and municipal law that the legal framework will be provided.

Executive policy, which is often as real as administrative law, must be considered. For example, in October 2012, under the imperative of 'Shaping New Partnerships for National Development', the Cabinet of Jamaica adopted a 'Policy and Institutional Framework for the Implementation of a Public-Private Partnership Programme for the Government of Jamaica'. Although the policy was stated to be the 'PPP Policy' addendum



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The project is as far-reaching as it is ambitious and has the potential to catalyse several export-driven manufacturing and service industries.
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to 'The Policy Framework and Procedures Manual for Privatisation of Government Assets', its principles and guidelines are highly relevant, given the centrality of local and private sector investment to the successful implementation of the logistics hub.

PRACTICAL

The principles and guidelines dealing with transparency and probity, fiscal responsibility and achieving value for money, and risk transfer and management, will all have a practical impact on the use of the PPP

model for investing in any element or component of the logistics hub.

The way in which the PPP Policy uses the various teams through the various stages of the outlined process will also impact investor activity and Government support. When one considers that the components of the logistics hub present real and compelling investment opportunities for local, regional and international private-sector interests, and that the project itself and its elements are at the conceptual stage and must be reduced to pragmatic investment opportunities in order to attract the private-sector support essential to implementation, then one realises just how important a careful consideration of executive policy is to the success of this major project. Jamaica's logistics hub is a significant and compelling investment opportunity that will be frameworked by modern legislation and executive policy.

It will change the Region. In that regard it is not alone. The Dominican Republic, The Bahamas and Cuba are all implementing smaller plans to take advantage of the Post Panamax Era. One thing is certain. Several ports and terminals in the Region will be affected and Caribbean shipping will never be the same. 



CSA FLASHBACK...

Faces and memories dating back almost ten years.

Some have departed.

Others have not returned.

Most made a contribution in one way or another.

Some have aged, gracefully.

Others don't seem to age at all.

This is the Caribbean Shipping Association.

- 1** May 2004: Third Annual Caribbean Shipping Executives Conference, St. Lucia.
- 2** October 2004: Cartagena, Colombia.
- 3** May 2004: St. Lucia.
- 4** October 2006: Panama.
- 5** October 2004: Cartagena, Colombia.
- 6** October 2006: Panama.
- 7** February 2004: Shipping Association of St. Lucia launched. CSA Past President, the late George Noon, receives CSA plaque.
- 8** October 2004: Cartagena.
- 9** October 2004: Cartagena.
- 10** May 2004: Silver Club in St. Lucia.
- 11** Panama: October 2006.
- 12** May 2004: St. Lucia.
- 13** February 2004: Shipping Association of St. Lucia launched. CSA President Corah Ann Robertson-Sylvester presents CSA plaque to Wilson Sifflet.
- 14** May 2004, St. Lucia, Trustees of the Training Trust Fund



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GRAPEVINE*

Jamaican Customs encouraged to use time-saving systems

Jamaica's Customs Department is being encouraged to use electronic and other time-saving systems to speed up collection and examination procedures, instead of paper-based audit procedures, which cause delays at Jamaica's ports.

The International Trade Centre (ITC) in Geneva, Switzerland, recently issued a report on non-tariff measures (NTMs) including those that create barriers to trade in Trinidad and Jamaica. The study is part of a 30-country review on NTMs. The Jamaican surveys were conducted from August 2011 to February 2012. The ITC report shows that, domestically, Jamaican firms encountered NTMs across a number of agencies, the most common of which were export inspections. The ITC details several complaints, including the following from Jamaican traders:

- Jamaica Customs often requires a random inspection of goods before they are shipped to ensure that what is being shipped is as stated on the exporting documents. This inspection is time-consuming and delays the export process. Because of the nature of the goods, during inspection the quality of the goods may be compromised and possibly contaminated - Agricultural Exporter
 - There is an inconsistency in the application of duty as the law applies it to the invoice value, but Customs uses an assessed value, which is usually higher than the invoice - Importer.
- The company often encounters valuation issues at Customs when clearing goods. This results in delays in the clearance of its items.

R.C.N. Smith: 1926 - 2013

CARIBBEAN SHIPPING LOSES A STALWART



The Caribbean maritime sector lost a stalwart on Friday April 12 2013 with the passing of R.C.N. 'Reggie' Smith, former President of the Shipping Association of Jamaica and former General Council member of the Caribbean Shipping Association.

'Reggie' Smith, who had been ailing for some time, died peacefully in a hospital in Florida.



R.C.N. 'Reggie' Smith (l) is inducted to the Silver Club in October 1995.

An affable man with a ready smile and a storehouse of humorous anecdotes, 'Reggie' Smith served regional shipping as a member of the CSA. He was elected to the CSA's General Council and served in this forum for much of the early 1980s as Group A Representative and subsequently as Group A Chairman.

Born September 12, 1926 in St Andrew, Jamaica, Reginald Calvin Nathaniel Smith was a Fellow of the Institute of Chartered Shipbrokers. He was elected President of the Shipping Association of Jamaica and served two separate terms; one in 1981-82 and the second in 1985-1986.

In July 1977, he bought the shipping Agency business in Kingston known as Lasocean Agencies Limited, which he developed into a large and successful enterprise. Growth and expansion brought

him into partnership with Charles Johnston with whom he formed the Shipping Services Group of Companies. This group of companies was dissolved shortly before Reggie retired from shipping after more than 50 years. He appointed his son Erol to take the lead in running those of the companies in the group that he had retained.

A foundation member of the CSA's Silver Club, Reggie Smith will be remembered by the Association for the tremendous work he did in fund-raising for the Association's Training Trust Fund and particularly his initiative of organizing a raffle at the CSA's annual gala banquet. This raffle raised thousands of dollars to support the CSA's fledgling training programme.

Reggie Smith is survived by his children Erol, Roger, Anya-Kaye and Rory, nine grandchildren and five great-grandchildren.

Trinidad Government to spend US\$3bn on maritime projects

28th February 2013: The Government of Trinidad and Tobago is reportedly embarking on two major maritime projects at a total cost of US\$3 billion. According to Guardian Media, this is one of several initiatives aimed at creating an investment climate for trade. It quotes T&T's Trade Minister, Vasant Bharath, at a conference on 'Improving the Ease of Doing Business in T&T' at the Hyatt Regency in Port of Spain in February. Mr. Bharath reportedly indicated that his ministry was on an aggressive path of putting T&T on the world stage and that the two projects were being funded by two local private-sector companies with an international presence. Mr. Bharath did not identify the two companies as he was subject to a confidentiality clause. The two projects are a transshipment port in La Brea, at a cost of US\$ 1.7 billion; and a maintenance ship repair facility just off Sea Lots, estimated at US\$ 1.2 billion.

**GRAPEVINE documents reports which have appeared publicly, in the news and circulated on the internet, so as to provide a historical context for the articles appearing elsewhere in this publication. The Caribbean Shipping Association, Caribbean Maritime and Land & Marine Publications Ltd do not endorse these reports, neither do we take responsibility for their accuracy.*

MARITIME TRANSPORT POLICY DISCUSSED

1st March 2013: A Regional High-Level Symposium on International Maritime Developments in Montego Bay, Jamaica, resulted in an agreement among Caribbean transport ministers to develop regional policies for maritime transport to ensure that the Caribbean maritime industry operates in a sustainable manner.

According to Caribbean Media Corporation (CMC), this move was hailed as significant by Koji Sekimizu, Secretary General of the International Maritime Organization. "What they have achieved today was a sort of collective willingness to achieve sustainable maritime policy in the Caribbean region," said Mr. Sekimizu.

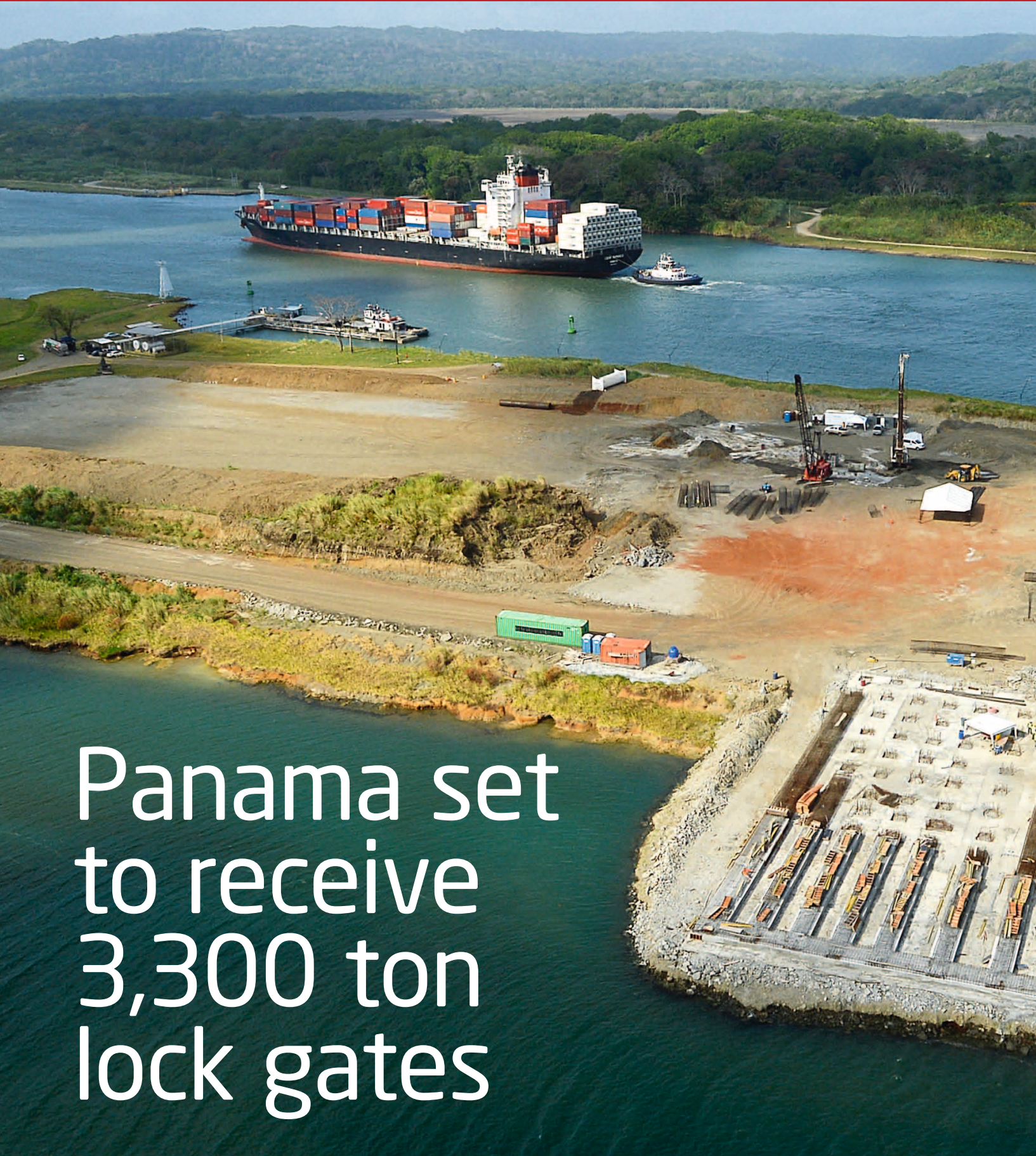
He said the Rio+20 Summit in Brazil last year had established the way forward in terms of environmental sustainability, but "you cannot talk about sustainable development without shipping. We therefore want to ensure that the shipping itself will be sustainable".

The high-level meeting, held over four days at the Iberostar Beaches Hotel, brought together ministries and senior officials from the Caribbean maritime sector to discuss critical developments that will affect their countries' reputation as responsible maritime states.

Among the issues looked at were opportunities for capacity building, and the maritime labour convention. Dr. Omar Davies, Minister of Transport and Works, said the delegates had examined ways in which the region could meet the requirements that have been established by the IMO for various countries. He said there were some challenges for the smaller countries and Jamaica had offered to assist in helping them meet their obligations. Dr. Davies, who is chairman of the Caribbean Transport Ministers, marshalled the discussions and guided the participants into completing the draft Jamaica 2013 symposium resolution, which will determine the way forward for the industry.

According to the resolution, the agreement for the development of a Caribbean maritime policy is in recognition of the importance of "safe, secure, environmentally sound and efficient maritime transport services for the movement of goods and people, and the socio-economic benefit to states and territories of a clean marine environment to the livelihood and well-being of their inhabitants and the growth of their fisheries and tourism industries."

The participants are committed to: "Providing the necessary means and support at the national and regional levels for adequate marine environmental research, monitoring and evaluation, in order to maintain the ecological integrity of the marine and coastal waters of the Caribbean Sea, given its critical socio-economic and environmental importance to member states."



Panama set
to receive
3,300 ton
lock gates



Excitement is mounting as the eagerly anticipated arrival of the gates of the Third Set of Locks for the Panama Canal draws near.

Forming a vital part of the Panama Canal Expansion Programme, the massive locks require a dedicated reception area that has been specially constructed to deal with them.

The gates are being fabricated in Italy by subcontractor Cimolai SpA. Construction began in October 2011. They will be brought across the Atlantic Ocean to a dock at the northern entrance of the canal.

SOLID FOUNDATION

Each of the new gates weighs about 3,300 tons, and the dock now under construction must have a foundation solid enough to bear this load. So far, 140 reinforced concrete piles have been installed. The piles, each with a diameter of 1.5 metres, have been driven to a depth of 25 to 30 metres. Next to the dock, a storage area for up to six gates is in the initial phases of construction.

The first four of the 16 gates will be installed in the new Atlantic locks. They are expected to arrive in mid 2013. On the Pacific side, a reception dock is also under construction. Pile driving was 92% completed at the time of writing.

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The gates are being fabricated in Italy by subcontractor Cimolai SpA

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The new gates will operate from a recess adjacent and perpendicular to the lock chamber. This gate configuration turns each recess into a dry dock. It also allows the gates to be serviced on site, thus avoiding the need to remove them and any consequent interruption to lock operations. The system will provide more capability and flexibility because it offers shorter maintenance times at a lower cost.

The design and construction of the Third Set of Locks is the largest and most comprehensive of the projects under the Canal Expansion Programme. The \$3.2 billion contract was awarded on 15th July 2009 to Grupo Unidos por el Canal, a consortium formed by Sacyr Villahermoso, S.A. of Spain, Impregilo SpA of Italy, Jan De Nul N.V. of Belgium and Constructora Urbana, S.A. of Panama. [M](#)



'ESSENTIAL CHANGE' - remain static, kill your business

'Sun, sand and sea' is the usual knee-jerk response from tourists and other visitors when asked about the Caribbean. In the context of branding and marketing, this is perhaps the perfect answer in support of the tourism industry – a crucial economic force of the region.

The massive and spectacular ships operated by cruise lines are the attention-getters. While the revenue from this group is significant, there have been questions about equity and the distribution of revenue/wealth from the cruise lines to the destinations. This subject has been discussed in previous issues of **Caribbean Maritime** and is not for this writing.

However – a thoughtful 'however' – it is the ports and terminals, the infrastructural

giant and related ancillary services, which support the survival of many national economies. As such, revenues generated by these entities are quite likely retained and subsequently spent within the local economy. And this is good business.

CAPTAINS

In this column, BridgeView, I muse and write to the captains on the bridge, the executives at the C-level and the managers on the operations floor. While not calling out particular ports, terminals or companies, we try to stay in the mindshare of the maritime trade and its businesses. BridgeView calls for thought-leadership and offers a view of the art and practices of industry leaders. If one listens, BridgeView sounds a call for

critical contemplation and for thinking anew, often with a challenge to initiate change.

I do so quite unashamedly, oftentimes with a not-so-tongue-in-cheek admonition and call for leaders to mount their Bucephalus and gallantly lead the charge for 'essential change'. Such urgings, reproaches and challenges, motivators all, promote change for growth, profitability, sustainability and success.

CHANGE

Typically, we refer to change as an obscure, ambiguous or abstract challenge in a world of instant happenings, be they episodic (as allegorically titled in Nassim Nicholas Taleb's book 'The Black Swan'), or as actions reactive to the 100-point banner headlines of terrorist attacks, labour strikes or disasters. And we see change as that necessitated to resolve 'ordinary and usual' business problems.

However, to grow and move ambitiously forward, our focus needs to shift to change which is critical and essential; not as a palliative bromide indifferently administered to correct redundant 'problems'; instead, as an antidote to offset the poisonous effects of status quo: read as 'dead and buried'.

Essential change sustains survival and fosters economic well-being. Recognising such, forward-thinking movers and

By
Joseph Cervenak



shakers have mounted their steeds and are leading towards the future.

One such leader, Mark Parker, CEO of Nike, explains: "Business models are not meant to be static. In the world we live in today, you have to adapt and change."

Closer to home and in concert with Mr. Parker are the CSA presidents.

Carlos Urriola: need for 'higher levels of efficiency'

Grantley Stephenson: challenge to 'redouble our efforts'.



Essential change sustains survival and fosters economic well-being. Recognising such, forward-thinking movers and shakers have mounted their steeds and are leading towards the future



Further, Barclays Global Investors Group definitively forewarns: "Today's markets are as uncertain as ever. But there is one certainty – that the future is coming. It's no longer enough to simply preserve what you have today; you have to build

what you will need for tomorrow. And you can't wait until tomorrow to do so." No status quo here.

Back to Mr. Parker, who explains. "One of my fears is being this big, slow, constipated, bureaucratic company that is happy with its success. That will wind up being your death in the end."

The message is clear: there is an immediate and dire need for essential change.

OVER AND OVER

More testimony? Popularly attributed to Albert Einstein: "Insanity: doing the same thing over and over again and expecting different results."

And as an aphorism: If we keep doing what we're doing, we're going to keep getting what we're getting.

Change is unashamedly about death. In her seminal book 'On Death and Dying', Elisabeth Kübler-Ross writes of the five stages of dying: denial, anger, bargaining, depression and acceptance (in no specific sequence). No wonder we are reluctant to change. As we go through these stages – and we inevitably will – we find that change is the death of that which was, that which we knew and that with which we were comfortable. Once unburdened of past practices, essential change presents unlimited opportunities.

Once convinced of a need to do things differently and to make essential change, two critical questions come to the fore: do we need to make a change and do we really and truly want to make a change?

Answering yes to the first question is likely. Answering yes to the second question demands unflinching commit-



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It's no longer enough to simply preserve what you have today; you have to build what you will need for tomorrow

”

ment. Answering yes to both questions creates the next question: where to begin?

THE END IN MIND

Establish a baseline. Precisely, analyse where we are. The next step suggests we 'begin with the end in mind' and redefine our value proposition. See Stephen R. Covey's 'The Seven Habits of Highly Successful People'.


Knowing where we are and where we are going leaves only the making of an operations-executions plan, a transformational plan designed for essential change.

And the choices? To this end, I offer we look to past issues of **Caribbean Maritime**, particularly BridgeView. Read: '101 Back to Basics' (CM17); 'The Janus View' (CM12); 'Eleven ways to cope with 'Future Shock' in 2012' (CM15). See also Dr. Fritz Pinnock's 'Changing an Organisation's Culture for Survival' (CM16). And, in addition to Mr. Covey's writings, read 'A Whole New Mind' by Daniel H. Pink and Gary Hamel's 'The Future of Management'.

(Previous issues of **Caribbean Maritime** are accessible

at the CSA's website, www.caribeanshipping.org.)

How essential a change? How much of a gamble? Simply phrased, should we take a chance? The answer: the potency of the Caribbean nations will be manifest only with thoughtful and insightful leadership and with management effectively charting, planning, steering and executing.

"Take a chance! All life is a chance. The person who goes farthest is generally the one who is willing to do and dare. The 'sure thing' boat never gets far from shore." – Dale Carnegie 

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Success often depends on it, so ...

GREAT LEADERS KNOW WHEN TO FORGIVE

'The weak can never forgive. Forgiveness is the attribute of the strong' *Mahatma Gandhi*

Many experts have argued that failure is endemic to innovation. Experts have also indicated that huge percentages of new products, companies and ideas have also failed. One could perhaps deduce from all this that a lot of people who have no business trying to innovate are giving it a go anyway.

The reality is that the typical successful innovator experiences the agony of defeat far more often than the thrill of victory. The most successful creators tend to be those with the most failures.

Importantly, no-one should choose the option of failure deliberately. But trying especially hard to avoid it usually means taking no chances on change.

Rather than fear taking chances on change, perhaps we should spend time acknowledging that failure is a by-product of risk-taking, and mistakes made in good intention will be forgiven.

GOOD SENSE

This may sound like obvious good sense. However, it is rare in large organisations that are rife with an interplay of personal

ambitions', 'workplace politics' and 'scapegoating'. If people perceive that the best way to look good is to make others look bad, then mistakes are seized upon; the venturesome are humiliated; and a climate of fear replaces positive enthusiasm. The game changes. 'Avoiding the finger of blame' becomes safe play. A culture of understanding and learning from initiative and innovation is not encouraged.

The value of transforming an organisational culture from one that promotes fear to one that offers a psychological sense of safety is illustrated by a study conducted by Harvard's Amy Edmondson. As the research shows, people in organisations feel psychologically safe when those in power persistently praise, reward and promote people who have the courage to talk about their doubts, successes and failures and who work doggedly to do things better the next time.

Leaders must be firm and foster accountability, but they also must know when to forgive past wrongs in the service of building a brighter future. One of the most courageous acts of

By

**Fritz Pinnock
PhD**



leadership is to forgo the temptation to take revenge on those on the other side of an issue or those who opposed the leader's rise to power. Instead of settling scores, great leaders make gestures of reconciliation that heal wounds and get on with business.

UPS AND DOWNS

In business, as in life, there are constant ups and downs. That is not in question. What is in question is how we respond to these triumphs and upsets. In the moment that we act, are we choosing what values we will live from or are we blindly striking back – reacting rather than responding? Bringing forgiveness into business acknowledges that we are not perfect. No-one is. Indeed, the search for perfection may even be counter-productive, because it rules out risk-taking and collaboration, two of the most fundamental elements of business success.

Forgiveness in business allows us to step out from behind the masks that so many of us feel obliged to wear at work and encourages us to step into our 'best selves'; to be open, honest and authentic. Although

this can be daunting, the outcome is worth it. Forgiveness allows us to recognise mistakes and mis-judgments in a non-threatening way. More importantly, however, forgiveness allows us to create a new environment for learning and growth. It frees up the time and energy that would be wasted by resentment and allows us to move forward positively, with fresh eyes and increased honesty.

The question, therefore, is how can a leader foster a culture of forgiveness rather than one of revenge? Experts have put forward three important tips.

LEADERS MUST LEARN TO FORGIVE MISTAKES

In one company, the CEO was told by a trembling employee that the company website was down. This was a big deal. This company made most of its sales online and downtime cost them thousands of dollars an hour. The CEO asked what had happened and was told that John in IT had bungled a system backup and caused the problem.

"Well, then," said the CEO, "let's go see John!"

When the CEO walked into the IT department, everyone went quiet. They had a pretty good idea what was coming and were sure it wouldn't be pretty. The CEO walked up to John's desk and asked: "You John?"

"Yes," he answered meekly.

"John," said the CEO, "I want to thank you for finding this weakness in our system. Thanks to your actions we can now learn from this and fix the system, so something like this can't happen in the future. Good work!"

He left behind a visibly baffled John and an astounded IT department. That particular mistake never happened again. The CEO might just as well have thrown the book at John and

fired him for his mistake. This show of forgiveness, of acknowledging that mistakes happen and that we must learn from them, goes a long way towards creating a culture of forgiveness.

LEADERS MUST LEARN TO APOLOGISE

Leaders make mistakes. Everyone does. But leaders, who never apologise for their mistakes, create a sense of injustice and unfairness around them. Leaders who freely apologise when they screw up demonstrate that making mistakes is OK and therefore make it easier for people to forgive others' mistakes.

LEADERS MUST MAKE PEOPLE HAPPY AT WORK

Studies have shown that when people are happy at work, they are much less prone to bad or petty workplace behaviour, such as revenge. They are also more likely to think the best about others and less likely to assume that others are out to get them – and thus worthy of revenge. What do you think it takes to make people more inclined to forgiveness than revenge at work?

After experiencing organisational harm, damage, trauma, or injustice, one challenge facing leaders is to help the organisation heal, replenish, restore efficacy and positive energy, and enhance resiliency. Fostering forgiveness is one effective mechanism for achieving those outcomes. Drawing from the work of Kim Cameron, the nature of forgiveness is often misunderstood and misinterpreted. Consequently, it is important to begin with an understanding of what forgiveness is and is not. Cameron put forward the following eight assumptions:

- Forgiveness is a universal human virtue. Almost every day individuals offer forgiveness to others for offences or affronts in their interpersonal relationships. Likewise, virtually every modern religious tradition advocates forgiveness.
 - Forgiveness usually occurs in collaboration with other virtues such as compassion, humility, gratitude, hope and love.
 - Complete forgiveness has both an intrapersonal dimension (a reframing of personal feelings and attitudes) and an interpersonal dimension (reconciliation in relationships), so both personal and interpersonal change is required.
 - Forgiveness is not neutral. It does not require abandoning anger or resentment, nor does it require pardoning or dismissing the offence. It involves acknowledging and reframing negative feelings and attitudes.
 - Forgiveness is not weak, cowardly or a retreat. It is a gift that requires strength and the ability to create transformational change.
 - Forgiveness fosters healing, restitution and restoration in both giver and receiver. Forgiving individuals experience positive outcomes such as greater life satisfaction, empowerment, self-esteem and faster and more complete recovery. It also reduces anxiety, depression, anger and physical illness. Forgiving leaders experience more trusting
- alliances, social capital, 'humanness' in the workplace, productivity, quality, customer care and a sense of calling among employees.
- Forgiveness is active, not passive. It involves not only the cancellation of negative emotions and attitudes but also the development of positive emotions and attitudes.
 - Forgiveness is not all or nothing. People differ in the motives and maturity with which they can forgive. For example, six points of a continuum might be considered:
 - 'Leaders will forgive if he can punish the offender.'
 - 'He will forgive if justice is done.'
 - 'He will forgive if society expects it.'
 - 'He will forgive if an authority or prevailing code demands it.'
 - 'He will forgive if it re-establishes order.'
 - 'He will forgive because he loves the offender.'
- According to Cameron, the prevalence of the first few contingencies in most individuals suggests that organisations must often provide justice and restitution for forgiveness to occur. Cameron also points out that, in fostering and enabling forgiveness, the challenge of leaders is to provide meaning, vision, legitimacy and support.

LEADERS PROVIDE MEANING AND VISION

- Leaders acknowledge the trauma, harm and injustice



Leaders must be firm and foster accountability, but they also must know when to forgive past wrongs



that their organisation's members have experienced, but they define the occurrence of hurtful events as an opportunity to move forward. A new target for action is identified.

- Leaders associate the outcomes of the organisation (for example, its products and services) with a higher purpose that provides personal meaning for organisation members. This higher purpose helps replace a focus on self (for example, retribution) with a focus on a higher objective.
- High standards are not compromised. Forgiveness is not synonymous with tolerance of error. Forgiving mistakes does not mean excusing them or lowering expectations. Forgiveness should facilitate (rather than inhibit) excellence and improvement

LEADERS PROVIDE LEGITIMACY AND SUPPORT

- Leaders communicate that human development and human welfare are as important in management priorities as the financial



The Human Factor

bottom line. When individuals experience understanding and support, as well as positive developmental experiences, they catch sight of an avenue for moving past injury. These experiences and support also provide the foundation upon which positive financial performance is built.

- Since forgiveness is usually offered in partnership with other virtues, the common language used by leaders includes the use of virtuous terms such as forgiveness, compassion, humility, courage and love. Public expressions using virtuous language make it visible and legitimate for employees as well as external stakeholders to feel and behave virtuously.
- Virtuous actions are highlighted, celebrated and amplified through reinforcing structures, systems and

networks. Stories and scripts that define the core values of the organisation contain examples of forgiveness and virtue. Organisational resources are made available to support expressions of moving past the trauma.

According to experts, the willingness to forgive, even of behaviours that can feel threatening, is essential on the part of any leader who wants to set group norms that will lead to psychological safety and constant learning. But that shouldn't extend to a resolution to 'forgive and forget'. In most settings, forgiving and forgetting, while temporarily comforting, condemns people and systems to make the same mistake again, sometimes over and over.

The better approach is to 'Forgive and Remember' – the title of a great book by Charles Bosk on medical errors – the

philosophy that Bosk says is used by the best teams and organisations. According to Bosk, you forgive because it is impossible to run an organisation without making mistakes. Pointing fingers and holding grudges create a climate of fear. You remember and talk about the mistakes openly so people and the system can learn. And you also remember so that you'll notice if some people keep making the same mistakes, even after being taught how to avoid them.

LEARN FROM SETBACKS

A vital difference between good and bad leaders is that the former consider it their responsibility to surface and learn from past setbacks, errors and failure. They apply their management skills and dedication to building trust and an atmosphere of psychological safety. Such leaders inspire growth and development and their organisation produces

fewer preventable mistakes.

Employers rarely seek forgiveness from their employees. Parents don't seek forgiveness from their children. Politicians never seek it from their constituents; nor do athletes from their teammates, coaches from their athletes or teachers from their students.

The game of life has a reset button, but most times it is not used. "I am so sorry. I am ashamed. Will you forgive me?" These humble words, when offered sincerely, can heal many wounds. I have watched in awe as leaders reclaimed their authority with the quiet impact of this single principle.

By harnessing the strength offered by the principle of forgiveness, corporations have regained their stature and families have been made whole again.

Dr. Fritz Pinnock is Executive Director of the Caribbean Maritime Institute.

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