

Inter-American Committee on Ports Newsletter

Published by the Inter-American Committee on Ports



Organization of American States (OAS)
Inter-American Committee on Ports (CIP)

July 2007

No. 12

INDEX

- 1. Seminar on Hemispheric Strategy to Promote the Participation of Women in Port Affairs**
- 2. Chinese investors interested in Argentine ports.**
- 3. The Government of Bolivia plans to invest more than 100 million dollars in river ports.**
- 4. The contract to concession the Maritime Port of Guayaquil is signed.**
- 5. Port alliance against contamination.**
- 6. The APN of Peru and the CIP/OAS establish a Technical Cooperation Program.**
- 7. The United States trains security personnel in Central America and the Caribbean.**
- 8. Investments in the port of Veracruz reached an average of 60 million dollars annually in the last 15 years.**
- 9. Panama analyzes the Central American maritime routes and their logistics.**
- 10. Approval of the bidding process to acquire portal cranes for Callao.**
- 11. A common port policy is ruled out in the European Union.**
- 12. The European parliament prohibits petroleum one hull ships.**
- 13. Port Activities**

1. Seminar on Hemispheric Strategy to Promote the Participation of Women in Port Affairs.

The seminar took place from June 19 – June 22, 2007, in Boca Chica, Dominican Republic, with the participation of more than 65 participants from 21 countries.

The agenda of the seminar included:

- Diagnosis on the regional situation of the participation of women in hemispheric port affairs: analysis of the actual situation of women by regions and identifying obstacles and difficulties in their integration.
- Programs from international organizations and observer States before the OAS regarding the participation of women in the maritime port sector.
- Elements for the "2008-2011 Strategic Plan to promote the participation of women in the maritime port sector": objectives, goals, plan of action (activities and financing).

The seminar included the following speakers:

Dr. Ana Brunet from the Ibero - American Institute for Maritime Law;
Astrid Castañeda of the API, Puerto Vallarta;

Dr. Lluðelis Espinal, from APORDOM, Dominican Republic;
Dr. Vivi Kolliopoulou from WISTA;
Mrs. Ana Maria Morales, from the AMP, El Salvador;
Ms. Paula Perez, scholar from the IMO;
Mrs. Ana Rey from the ANP, Uruguay;
Mrs. Dolores Rodriguez, from the INEA, Venezuela;
Ms. Darling Rosa, from COCATRAM
Dr. Carmen Serrano, from Puertos del Estado, Spain;
Mrs. Mysline Valerie of the Authority of Airports and Ports of Dominica;
Dr. Geraldine Vasquez of the APN of Peru.

Furthermore, the Executive Secretary of the CIP, Dr. Carlos M. Gallegos, presented on the treatment of this issue within the port system of the Americas. In addition to listening to the speakers, the participants met in working groups and approved an activities proposal to be included as part of the work program for the Subcommittee on Women of the Executive Board of the CIP.

2. Chinese Investors Interested in Argentine Ports

The recent visit of Chinese Vice-Minister of Transportation Weng Meng Yong, with a great delegation of specialists principally from river port transportation, demonstrated the interest of the Republic of China in investing in equipment and work in the river ports of Argentina. The Chinese delegation showed interest in river and maritime infrastructure projects, in addition to work in dredging and the river port industry.

Ricardo Lujan, Subsecretary of Ports and Navigable Waterways and host of the Chinese delegation, spoke on the work that is being developed in the 2006-2008 program. Among these are Puerto Caleta, with a projected investment of 50 million dollars, Puerto Madryn, with an investment of USD \$20 million dollars, and Comodoro Rivadavia, with an investment of USD \$ 15 million dollars. In addition there are investments in the province of Entre Rios of USD \$ 5 million for structures along Rio Paraná, and in the province of Santa Fe with an investment of 17 million for the shore of Rosario.

Furthermore, he mentioned the projects of Tierra del Fuego, for USD \$ 80 million dollars; Chubut, for 80 million dollars; Buenos Aires, for USD \$50 million dollars and Santa Fe, for USD \$ 20 million dollars. In addition, work was detailed for areas associated with dredging and beacons in some steps of the Hidrovía Paraguay-Parana. Finally, issues associated with the naval industry were touched upon, and in particular, the construction of petroleum ships and river barges of 2,500 tons.

The delegations agreed to keep lines of communication open in order to provide technical reports and studies to examine possibilities in investment and cooperation in equipment and other infrastructure work.

3. The Government of Bolivia plans to invest more than 100 million dollars in river ports.

The Government of Bolivia has planned to invest 100 million dollars to expand and improve the infrastructure of the ports of Busch and Quijarro, located along the Paraguay river in the province of German Busch of the Santa Cruz department.

The investment was signaled by the President of the Republic, Evo Morales, who stated that it was necessary to count on state ports in the zone that are an exit for Bolivia to the Atlantic Ocean. Currently, these ports are used by private companies for the exportation of agricultural products.

Today, it is the initiative of the private sector that stimulates river transportation through the Paraguay-Parana river route with important quantities of soy and other products towards Argentinean ports, where they are then shipped for international markets.

The Bolivian Head of State asserted that not only should the private sector have a presence in that region of the country, but also the State. He indicated the need for investing a minimum of 100 million dollars to make possible better and greater port infrastructure. He signaled the need for a group of barges to transport 45 thousand tons of Bolivian products along the Paraguay-Parana river route, in addition to industrial iron once the Mutun project is underway.

4. *The contract to concession the Maritime Port of Guayaquil was signed.*

The Philippine company Containers Terminal Services Inc. (ICTSI) formally assumed the administration of the Maritime Port of Guayaquil through CONTECON Guayaquil S.A., a company created to operate two of the three Guayaquil port terminals (the third terminal was concessioned to Andipuertos in 1999). The concession will allow the concessionaire to operate the port, which currently mobilizes a cargo of more than USD \$ 3,500 million, for 20 years. According to sources of the new operator, an immediate investment of close to USD \$ 80 million and up to USD \$ 170 million is projected in the next three years. The company provided USD \$ 6 million as a first administration installment.

It is expected that the concessionaire will receive annually USD \$ 14 million of profit and reduce the service costs offered to users of Ecuadorian foreign commerce (62% of the cargo is moved through the port). In 2006, the port had revenue of USD \$ 35 million, of which USD 15 million was net profit.

The current president of the Port Authority of Guayaquil (APG), Alex Villacres, indicated that the institution will not disappear and will assume the work of maintaining those APG projects that are underway for the benefit of Ecuadorian commerce.

On another note, the dispute of the Municipality of Guayaquil for assuming competition of the port has not decreased, instead it is hoped that the demand for competition will be solved in a short period of time. As expressed by the Minister of Public Works of Ecuador and the Mayor of Guayaquil, this issue should be decided by the President of Ecuador, Rafael Correa, who would allow this competition if three conditions are fulfilled: that it be legal, that there is no cost for the Port Authority of Guayaquil, and that the municipality be in charge of the dredging.

5. *Port alliance against contamination.*

The North American ports in Seattle, Tacoma, and Vancouver have recently established a cooperative agreement to set new objectives to reduce emission contaminants, especially those derived from the use of fuel in port activities.

The objective of the agreement is to reduce emissions of solid particles from ships tied to their terminals by 70% and the emissions from machines assigned to the management of containers by 30% before the year 2010.

According to the "Clean Air Strategy for the Ports of the Pacific North West" signed by the three ports, the objective of the agreement is to reduce emissions of solid particles from ships tied to their terminals by 70% and the emissions from machines assigned to the management of containers by 30% before the year 2010. The ports indicated that a consensus will be reached for the objectives related to trucks and trains, sectors for which Seattle, Tacoma, and Vancouver are awaiting an agreement. The lines of action of the agreement will be submitted to the Board of Directors of the port authorities next fall.

For its part, the port of Vancouver has already developed strategies to manage emissions of land transport and recently has campaigned for a program that demands all trucks to set out a Truck Licensing System (TLS) in order to access port installations.

Furthermore, the Department of Homeland Security of the United States has announced the establishment of a Rail Test Center (RTC) designed to detect radiation remains from intermodule merchandise transport in the port of Tacoma. This center will identify and evaluate possible radiology and nuclear cargo that could enter the United States from railway installations of the principle ports of the country, such as Tacoma.

6. *The APN of Peru and the CIP/OAS establish a Technical Cooperation Program.*

In the month of June, the General Secretariat of the Organization of American States through the Secretary of the Inter-American Committee on Ports (CIP), and the National Port Authority of Peru (APN) signed a technical cooperation agreement.

Carlos M. Gallegos, Secretary of the CIP/OAS, and Frank Boyle, President of the APN, signed the agreement which "establishes a regulatory framework with respect to the development of a Program of Technical Cooperation in order to execute programs and activities designed to institutionally strengthen the APN and the National Port System of Peru, in addition to promoting the exchange of technical experiences and best practices applied to the development, improvement, and modernization of the ports of Peru."

In addition, the implementation of this program could include the following areas: reforms and modernization of the port systems, organizational and administrative reforms, privatization and concessions; the transference of technology, modernization and automation, planning and port management, institutional development, integral port security, environmental port protection, training and the development of human capital, and international cooperation.

The parties, through their respective coordinators, will establish an annual Work Plan that defines the projects and activities for this year. These projects and activities will be evaluated periodically.

7. *The United States trains security personnel in Central America and the Caribbean.*

The North American Flag Ship HSV 2-Swift, a catamaran boat of high velocity, has traveled to various Central American countries such as Panama, Nicaragua, Honduras, Guatemala, Belize, the Dominican Republic and Jamaica, executing exercises on port security for personnel of these countries. The training is in the security of small maneuvered loads, motor repairs and the leadership of officials. The objective is to set up these nations to supply security within their territorial waters and reduce tensions with their neighbors, in this way, contributing to face diverse problems that could present themselves, such as narco-trafficking and terrorism.

The activity looks to improve security in the maritime and port area, with training programs that are developed throughout eight months in all the region of Central America and the Caribbean and relies on lectures duly designed and nine learning facilities.

The HSV 2 SWIFT is extremely special in the North American army. It is operated by the Southern Command of the United States lead by the Marines. Its dimensions are 93 meters long, 27 meters wide and 27 meters high, it was placed in water in 2003, can transport more cargo than those which are conventional (635 tons) and can board in shallow waters, near the beach.

It is the fastest ship in the world, traveling at more than 850 kilometers per hour, holds cargo areas, a heliport, conference rooms, and a modern cabin with highly advanced navigation equipment. It was used in the past to provide logistical support during the recovery efforts of the tsunami in Indonesia.

The following agencies participate in this cooperative security operation: Global Fleet Station Command, HSV-2, a commando training expedition unit, the training unit of the US Coast Guard, the State Department of the United States, the embassy of the United States, along with functionaries of local institutions of the country participants.

8. *Investments in the port of Veracruz reached an average of 60 million dollars annually in the last 15 years.*

During the 2001-2006 period, investments in the port of Veracruz, considered second in the cargo of commercial values, was close to three billion pesos (360 million US dollars) and generated 34 thousand jobs, of which 8 thousand were direct, 17 thousand indirect and 9 thousand temporary. Port authorities have signaled that Veracruz has been transformed into one of the principle magnets for public, private, national, and foreign port investment.

In 2002, the port received 690 thousands ships, but for 2006 the figure reduced to 600 thousand. Nevertheless, in 2002 the movement of cargo increased from 14.8 million tons to 18.5 million tons in 2006. The movement of cargo has increased due to large ships or larger carriers, but the number of ships entering the port has reduced.

Also, the number of concessionaries and lenders of port services has increased. In 2000, 17 concessionaries operated and there were 29 lenders of port services. In 2006, the number increased to 22 concessionaries, 31 lenders of services, and 50 lenders of connection services.

9. Panama analyzes Central American maritime routes and their logistics.

The Central American Commission for Maritime Transportation (COCATRAM) and the Economic Commission of Latin America and the Caribbean (ECLAC) are conducting a study to analyze the logistical routes of Central America. The study looks to strengthen and improve regional cargo maritime transportation and maritime transportation over short distances.

Zoila Yanisselli, director in charge of Ports and Auxiliary Maritime Industries of the Maritime Authority of Panama, signaled that the application of the study will assist maritime port authorities to prioritize their activities with a perspective that focuses on sustainable development. In addition, the study looks to establish a project of environmental codes of conduct that facilitates the management of ports in Central America according to new environmental standards. This code will be voluntary and should be interpreted as a guide to achieving actions within port groups using an environmental point of view, leading to good port management. This is in relation to what is occurring in other regions of the world where different organizations have approved environmental codes, like ESPO of Europe, AAPA in America and the United Nations environmental program.

10. Approval of the bidding process to acquire port cranes for Callao.

The Board of the Empresa Nacional de Puertos (ENAPU) approved the convocation for the public contract to buy four port cranes to be installed in the port of Callao; two for docks and two for patios for the service of container cargo. The measures were announced by the President of the Board of ENAPU, Mario Arbulú, and emerged from complaints by agents in the sector which brought port workers of the sector to decree a preventative stop for 24 hours.

The value of this important investment is in upwards of USD \$ 34 million, and also includes apart from the four pieces of equipment, the cost of repairs, training of personnel in management and other additional costs. The time frame for the grant is until next July 19 and in accordance to norms, the contract will be fixed the third week of August.

After the signing of the contract, the manufacturing and installation of the port cranes in Dock 5 of the Port Terminal of Callao will need approximately 440 to 660 days, a time frame defined as one of the factors of qualification, which can be found in the web page of the Consejo Superior de Contrataciones y Adquisiciones del Estado (CONSUCODE), for those interested.

In the Pacific coast of the continent the port of Callao has, without counting port cranes, the most container traffic. It is estimated that with the new equipment the movement of 13 containers per hour will increase to 25 or 30 containers per hour reaching a great rotation of ships since the unloading time will be reduced from 26 to 12 hours, increasing the number of ships passing through Callao.

For its part, Adolfo Granadino, Secretary General of Frente de Trabajadores de ENAPU (FENTENAPU) applauded the decision, but stated that they will be vigilant before any obstacle that may arise in the process.

11. A common port policy is ruled out in the European Union.

Just as predicted, the recent Annual Conference of the European Sea Ports Organization (ESPO) ruled out the approval of a common norm for European ports.

After two frustrating attempts, the European Commission (EC) announced, through its Vice President and Commissioner of Transportation, Jaques Barrot, the refusal of creating common port norms for all European terminals and explained that a communication will be developed to include recommendations for all ports of Europe. Mr. Barrot, who closed the Annual Conference of ESPO, with the objective of anticipating which points would be included in the future proposal of the European Commission for a common port policy, recognized the difficulty in applying the same formula for all. "European ports have demonstrated to be very different, with heterogeneous models and multiple formulas of integration in the supply chain," recognized the European Commissioner of Transportation. Faced with this reality, Barrot left clear that the future of European port policy will not pass through a new port guideline, but through the "approximation of the most modern problems, with new tools to guarantee the application of the EU Agreement."

With respect to the proposal that is to be presented by the Commission next October 17, five will be axels: First, a greater integration of environmental issues in matters related to port development. Barrot assured, "It is reassuring to know that ports have learned a lesson and have placed on the balance sustainability as a method to channel new investments. I feel that environmental integration in the early stages of new port projects is imperative." Nevertheless, he warned that "before beginning to increase port capacity in a port, existing capacities should be used."

Secondly, Brussels will propose the creation of a new document management initiative on merchandise and electronic ships which will reduce time and generate greater efficiency.

Third, in the next few months, boards will be established to finance great port infrastructure, equipment and services, based on "the transparency in the application of tariffs and transparency in financing," the European Commissioner, recognized on Friday, adding "we will attempt to apply for all the board on financial transparency currently applying to ports with incomes of more than 40 million euros."

Fourth, the search for better working conditions for loading, establishing a minimum of formation and demanding that security norms are adhered to.

Finally, the European Commission included various methods for ports to improve their social image, proposing visits for the general public, "to demonstrate that port innovation is critical for economic development of a region."

In summary, Europe has decided to apply a guide of recommendations based in a green or white book, which will not be obligatory, but will use all of the proposals launched in each of the seminars and conferences that have taken place on the continent.

12. The European Parliament prohibits petroleum one hull ships.

The European Parliament approved a law which prohibits one hull ships from entering European ports or anchoring in their territorial waters. The law establishes that only petroleum ships with double hulls can hold the flag of a Member State.

The 1999 spill of "Erika" in France and the "Prestige" in Galicia, Spain, in 2002, both one hull ships, provoked great social movement against these types of vessels. In the first case the ship, of Maltese origin, spilled 3,000 tons of fuel, while in 80% of the 77,000 tons being transported was spilled, affecting six countries and damaging marine life until 2012, according to experts, and costing 6 billion euros.

While Spanish ecological organizations maintain an aggressive watchguard policy for the stretch of Gibraltar to avoid the circulation of these vessels through their waters. Voices from "Greenpeace" stated that of the 3,500 ships in the petroleum industry, approximately 1,700 are one hull ships that must be retired before the year 2012, according to regulations from the IMO. The European regulation is currently working on the ban. The ecological organization is complaining to the EU that while they have accelerated the elimination of the petroleum ships, they have not established measures to make sure that their disposal is clean and safe, running the risk that irresponsible sectors will end filling the beaches with toxic waste.

13. Port Activities

- **Expologística 2007.** July 4 - 6, 2007. Mexico City, Mexico. <http://www.expologistica.com>
- **Port Security & Safety Seminar.** July 18 - 20, 2007. Boston, MA, USA. <http://www.aapa-ports.org>
- **Seminar "The port challenge facing the transport chain, competitive factors."** July 25 - 27, 2007. Veracruz, Mexico. <http://www.oas.org/cip>
- **Seminar for countries of the Caribbean on Port Statistics, Costs, and Tariffs.** August 27 - 31, 2007. Kingstown, Saint Vincent and the Grenadines. <http://www.oas.org/cip>
- **Meetings of the Technical Advisory Groups of the CIP.** September 10 - 11, 2007. Salvador, Bahía, Brasil. <http://www.oas.org/cip>
- **Fifth Meeting of the Inter-American Committee on Ports.** September 11 - 14, 2007. Salvador, Bahía, Brasil. <http://www.oas.org/cip>
- **Eighth Ibero - American Course on Technology, Operations, and Environmental Management in Ports.** From September 16 - October 13, 2007. Santander, Spain. <http://www.puertasantander.es/AULA> / <http://www.oas.org/cip>
- **APPA Annual Convention.** From September 30 - October 4, 2007. Norfolk, VA, USA. <http://www.aapa-ports.org>.
- **Master's in Port Management and Intermodal Transport.** October 4, 2007 to June 29, 2008. Valencia, Spain. <http://www.fundacion.valenciaport.com> / <http://www.oas.org/cip>
- **APPA/NAWE/MARAD Terminal Management Training Program.** Long Beach, CA, USA. October 15-19, 2007. <http://www.aapa-ports.org>.
- **Twelfth Ibero - American Course on Port Management.** September 30 - October 27, 2007. Madrid, Spain. <http://www.puertos.es> / <http://www.oas.org/cip>
- **Ninth Meeting of the Executive Board of the CIP.** December 2 - 5, 2007. Lima, Perú. <http://www.oas.org/cip>

- **Ibero – American Port Forum on Logistical Activity Zones.** December 2 - 5, 2007. Lima, Peru. <http://www.oas.org/cip>

Visit us at:

<http://www.oas.org/cip/>

Secretariat

Inter-American Committee on Ports (CIP)

1889 F St., NW, Washington D.C. 20006, USA

Telephone: (202) 458-3871, Fax: (202) 458-3517

E-mail: cip@oas.org