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**1. THE THIRD HEMISPHERIC CONFERENCE ON PORT SECURITY WAS CELEBRATED WITH GREAT SUCCESS**

The Third Hemispheric Conference on Port Security was held in Punta Cana, Dominican Republic from April 7-10. With more than 200 delegates from 31 of the 34 Member States of the Organization of American States (OAS), in the Hotel Ocean Blue Resort, the forum was celebrated and presented different elements related to security issues in ports of the continent.

Presentations were made on international standards and norms port security from main countries with respect to security measures demanded from vessels docked in ports. Also various presentations were made on problems which countries of the hemisphere are facing in this issue, especially on how they are solving these important challenges. Examples from various ports were presented highlighting their best practices in these aspects. Finally various forms of international cooperation among countries in addition to international organizations were presented to assist in overcoming difficulties in ports.

Speakers included: Ambassador Alexander Addor-Neto, Secretary of Multi-dimensional Security of the OAS, Mr. Curtis Roach, Regional Maritime Specialist of the International Maritime Organization (IMO), Mr. Carlos Ochoa, Program Administrator of the U.S. Customs and Border Protection Agency, Dr. Christian Frederickson, Regional Coordinator for the World Health Organization, Mr. George Quick, Vice-President of the International Organization for Masters, Mates, and Pilots, Mr. Sean Connaughton, Administrator of the Maritime Administration (US MARAD), and Mr. Pedro J. Roman, Head of Port Safety and Maritime Security of Puertos del Estado, Spain.

On the panel on best practices presentations were conducted by Eric Chang - Manzanillo International Terminal, Panama, Mr. Omar Walker - APM Terminals Limited, Jamaica, Mr. Jose Antonio Rodriguez - Puerto Multimodal Caucedo, Dominican Republic, Mr. Paval Chinchilla - Puerto Barrios, Guatemala, Mr. Armando Rivas - Haina International Terminal, Dominican Republic, Mr. Manuel Medina - Administracion Portuaria Integral (API) of Veracruz, Mexico, and Mr. Carlos Sposaro - Port of Buenos Aires, Argentina.

With regards to country presentations, the situation of the following countries was presented, Argentina, Barbados, Brazil, Chile, Colombia, Dominican Republic, El Salvador, Guatemala, Grenada, Honduras, Jamaica, Mexico, Panama, Paraguay, Peru, Suriname, Saint Lucia, Saint Vincent and the Grenadines, Trinidad and Tobago, Uruguay and Venezuela.

Presentations were made for the panel of international cooperation by Lieutenant Commander Raymond Negrón of the U.S. Coast Guard and Mr. Michel Donner of the World Bank. The conference concluded with a panel integrated by Mr. Luis Mussolino of the TRAINMAR Association for South America, Mr. Fernando River of the Caribbean Shipping Association, Mr. Fernando Sanchez-Albavera of the Economic Commission for Latin America and the Caribbean, Mr. Diego Sepulveda for the CIP and Mr. Curtis Roach of the IMO.

The Conference was presided by Mr. Luis Taveras, President of the Administrative Counsel, of the Dominican Port Authority (APORDOM), the coordination of Vice Admiral Homero Lajara, Director of the Cuerpo Especializado de Seguridad Portuaria (CESEP), of the Dominican Republic, and was under the responsibility of Mr. Carlos Gallegos, Executive Secretary of the CIP. Present at the event was Ms. Sherry Tross, Chief of Staff of Assistant Secretary General of the OAS.

**2. THE SUBCOMMITTEE ON POLICY AND COORDINATION OF THE CIP (SPC-CECIP) MET IN PUNTA CANA**

Making the most of the Third Hemispheric Conference on Port Security, the members of the SPC (presided by Mexico and integrated by Barbados, El Salvador, United States, and Uruguay) met in Punta Cana, Dominican Republic on April 7, 2008.

The agenda of the Subcommittee meeting included the evaluation of the Technical Advisory Groups (TAG), monitoring the pending activities of the CIP, as those of the past in addition to new Program Activities. It also considered the situation of CIP Magazine, the 2008 training plan, and the situation of CIP meetings and the future of this important committee, among others.



The final report of this meeting can be seen on the Web page of the CIP, and highlights that the Subcommittee has taken into account the perspectives of this port forum expressing its concern for the different circumstances that can affect its future. It highlights the importance of the TAG within the function of the CIP and formulating ideas to improve its work, considered a priority. The Subcommittee also highlighted its concern for the closure of Latin Trade, the publishing company of CIP Magazine, considering that it is fundamental to continue publishing the magazine since it is an important link for the port sector of the continent.

The Training Plan for this year was reviewed and it was found pertinent to encourage countries to ratify their interest in developing the planned activities. With regards to the future of the CIP, the Executive Secretary stated that proposals to change the organization and activities of the Committee were received. In particular, those proposals that permit delegates to receive with sufficient time and in their specific language, documents and draft resolutions presented at various CIP meetings. He stated that this may bring forth some additional financial costs for the meetings and also extend their duration. The Subcommittee instructed the Secretary to gather and communicate these observations to view them at the next meeting of the CECIP.

### **3. THE TECHNICAL ADVISORY GROUP ON PORT SECURITY CELEBRATED ITS ELEVENTH MEETING**

On April 7, 2008, the TAG on Port Security held its Eleventh Meeting before the celebration of the Third Hemispheric Conference on Port Security in Punta Cana. Twenty-four member countries of the CIP participated in the meeting presided by the United States. Also in attendance was the Permanent Observer country of Spain and participants from France and Portugal in addition to international organizations such as the World Bank, ECLAC, and the IMO.

Among the issues considered was a database containing all of the information related to port security of countries in the hemisphere. As such it was urged that all Member States provide the information as soon as possible.

In the meeting it was informed of the Seminar on Port Security for ports of the Caribbean. The seminar will count with the cooperation of the IMO, ILO, and WCO and will give priority to countries of the Caribbean which speak English. Another issue related to the Plan of Activities of the TAG was related to the creation of a Working Group for a Pilot Plan. The necessity to count on the names of experts to integrate this group was highlighted, which will have the responsibility of implementing a strategic framework in a pilot port and suggest the entry into force of strict security measures with advanced safety techniques for ports of the hemisphere.

As a complement to the agenda, the TAG listened to a representative of the United States Coast Guard, Captain Michael Brown, who presented the best practices learned by the agency, signaling also the concern that many ports of the continent have limited adopting initial security measures of the ISPS Code, which are considered minimal in front of the advances produced in this material.

The Secretary of Multi-Dimensional Security of the OAS, Ambassador Alexander Addor-Neto, presented on the current situation of the OAS with respect to these issues and on the support which this office offers to improve the levels of security in the hemisphere. Finally, Carlos Ochoa of U.S. Customs and Border Patrol detailed the complementary actions that, through diverse programs, the agency is conducting in order to ensure security of U.S. foreign commerce in the face of possible criminal acts.

### **4. STRONG IMPULSE FOR PROVINCIAL PORTS OF ARGENTINA**

News was announced that the ports of Santa Fe and Bahia Blanca were destined to increase their productivity and participate more actively in Argentine foreign commerce. Authorities of the terminal of Santa Fe announced discounts to cargo services of containers which use installations, while the representative of Louis Dreyfus Commodities (LDC) informed that Bahia Blanca will receive USD \$130 million dollars for improving its services to grain cargo.

The discounts for the container cargo, in both imports and exports, in Santa Fe will be for the entire year. Its objective is to impulse container traffic towards the ports of Buenos Aires and Montevideo, through the "feeder" system or supply vessels through river ways. The discounts were decided for this cargo in order to promote the fleets, optimize costs and support regional production competition. This measure is also related to



LCD Argentina operations in the province, as the transnational bulk is intended to operate in the export of 30 thousand tons agricultural bulk, exceeding that the port has a minimal navigable draw of 25 feet. Loginter, concessionary of the port of Santa Fe, has already prepared the bid for its dredging.

In the case of the terminal south of Buenos Aires, LDC Argentina presented to the Consorcio de Gestion del Puerto de Bahia Blanca the installation project to put into work the plant stock and the handling of grain, seeds, flour, oil and also biodiesel. The work planned also includes an operations dock and a control tower. The USD \$ 130 million investment will begin in payments of USD \$ 50 million in the first and second phase of the project.

Source: LA NACION

#### **5. THIRD DRY DOCK FOR GRAND BAHAMA SHIPYARD (GBS) IN BAHAMAS**

Grand Bahama Shipyard confirmed the important expansion of the acquisition of a third dry dock, the same acquired by the Port of Le Havre. The total cost of the project is USD \$ 50 million and includes the purchase of a floating dock 300 metres in length and 54 metres wide.

The dock will be transported through the Atlantic arriving in Freeport in August and it is planned to be fully operational at the end of this year. GBS is one of the world's most important shipyards for the repair of cruise ships and the new dry dock will expand its operations.

The third dock will also permit improvements of dry dock No. 2, whose expansion will allow cruise ships of greater size.

#### **6. GOVERNMENT OF BRAZIL TO FULFILL STRONG INVESTMENTS IN THE TRANSPORT SECTOR**

While businessmen related to the sector complained for greater liberalization of investments for private ports, the Government of Brazil, through the Director of Planning of the Ministry of Transportation of the country, Francisco Luiz Baptista, announced that his government is planning to invest USD \$14, 600 million in developing roads, highways, ports, airports, and waterway between 2008 and 2010. The investment forms part of the Program for Accelerated Growth (Programa de Aceleracion del Crecimiento (PAC)) of the Federal Government, designed for transport matters to modernize the general competition and industry of the country to improve traffic and benefit cargo vehicles. The investment in public ports, during the 2008-2010 period, will be approximately a total of USD \$ 1,200 million and the waterway will receive approximately USD \$ 250 million dollars.

The country also looks to attract private investments, asserted the official, and added that this will be reached through implementing regulatory policies, the re-evaluation of private investment contracts to guarantee economic and financial equality, and the launching of new concession initiatives through public-private entities and financing. The investments in ports will reach USD \$ 16 million and in the case of the waterway this amount will reach close to USD \$15 million. This, along with the strong investments in the highway sector and also airports, will notably improve the multimodal transport networks of the country, which will benefit all Brazilians and increase competition of the country and drive the port sector.

Source: BNAmericas y NTC

#### **7. SAN ANTONIO PORTS COMPANY BEGINS THE BIDDING PROCESS IN CHILE**

Patricio Arrau, President of the Empresa Portuaria San Antonio (EPSA), stated that his company began the process which will begin the privatization of the Espigon sector. On April 15th, the enterprise called for a public bid to contract a national or international investment bank in order to assist and support the division of a port concession in the Costanera docking.

The new Terminal will have 350 lineal meters at the front and 15 meters depth and for its implementation it is calling for an injection of approximately USD \$ 250 million dollars. It is estimated that the bid can take between 14 to 18 months, the period in which it is hoped to give the concession to the new operator.



Source: El Lider

## **8. THE PORTS VALPARAÍSO AND IQUIQUE REGISTER A GROWTH FOR THE FIRST TRIMESTER OF THE YEAR**

A total of 3,108,108 tons of general cargo moved through the port of Valparaíso during the first trimester of 2008, representing a variation of 13.4% with respect to the same period of 2007 when 2,740,678 tons were transferred. Much of the transferred amount corresponds to the container cargo, which in these three months reached 2,564,135 tons, with a percentage increase of 22.8% compared with the similar stretch last year, during which time there were 2,087,361 tons. In TEU 258,845 units were registered, which represent growth of 19.3% compared to 2007 when it mobilized 216,888 TEU.

For its part Iquique International Terminal reached 26,280 containers transferred in the first trimester of this year. The numbers represent a net increase of 13.3% compared to same period of 2007 which reached 23 thousand 727 TEU. The total load in the period of analysis amounted to 444,413 tons, compared to 456 thousand tons reached the first trimester of 2007. In terms of investment, this year began in Iquique an investment program of approximately USD \$ 15 million. The principal projects include the expansion of sites in order to have more space to draw vessels of great length which will arrive in the next few years.

It also includes investing in the dock No. 3 that suffered damage to the 2005 earthquake and two container cranes of up to 45 tons of lift. With this project the dealer has managed to expand its concession in ten years.

Source: ASONAVE, Estrellavalpo, Mundo Marítimo

## **9. THE NAVY INSISTS IN ITS OPPOSITION TO PORT CONCESSIONS IN CHILE**

The National Association of Navy Agents of the Chile (ASONAVE in Spanish) described Law 19,542 of 1997 unconstitutional which allowed the privatization of ports in Chile. Carlos Manterola, Executive Vice President ASONAVE, pointed out that the institution will oppose with all its efforts within the law, to not allow the privatization of the ports of Coquimbo, jetties of Valparaíso and San Antonio, in the terms signaled by the law.

ASONAVE has pointed out that Chile should follow the example of international experiences where the municipality or region, as part of a master plan outlined by various technical actors in coordination with other authorities, environmental, etc., develop long-term projects and with projections, building facilities with modern models that maintain their validity for several decades. The institution pointed out that within eight years of operation, some terminals have collapsed.

It warns also that in other concession models, the authority requires the principle cargo transfer equipment and that the commercial units, or terminals, are delivered for reasonable periods of time that permit alternation. In addition public investments are recovered with revenues going directly to the direct benefit of the entire community and its environment. Finally, the trade association urged to maintain operation alternatives that would allow the customers to choose between the terminals which have the greatest advantages in its area of specialty, only in this way will it prevent monopolistic practices.

ASONAVE gave notice of economic and protection recourses before tribunals, against the monooperated system, appealing that there would be a monopoly of economic activities. The resources have all been rejected unanimously by the courts. Given the failure of the legal strategy, the institution has maintained a campaign announcing that the bidding of port terminals will generate five thousand unemployed workers.

Source: ASONAVE, Estrellavalpo, Mundo Marítimo

## **10. THE PORT AUTHORITY OF JAMAICA (PAJ) LOOKS TO REFINANCE ITS DEBT**

The Port Authority of Jamaica's (PAJ) overpowered by its balance sheet, looks to refinance its long-term loans by almost \$10 billion. The entity has been difficult to manage before the growth of its debt accrued to the expansion process, in particular the project to expand the cruise terminal of Falmouth.



All of this has signaled that the PAJ significantly reduce its resources for the expansion of the Kingston Container Terminal, to build the port's capacity to 3.2 million TEUs. Last year the operations fell to 1.8 million TEUs, from nearly 2 million TEUs in 2006. However, PAJ authorities consider that this reduction has not been provoked by the financial crisis of the entity.

Plans to refinance look to replace current debt with cheaper loans and reduce the demand for short term resources in the public sector of Jamaica. These operations are recommendations from Merrill Lynch, which PAJ contracted in order to find solutions for its financial problems and restructure its balance.

The negative results demonstrate that PAJ was provoked to retire Maersk operations in the port of Kingston last year, operations which still have not been replaced, since it is considered that the negotiations will take its time.

Source: Jamaican Gleaner News

## 11. VARIOUS PORTS IN MEXICO WILL BE CONCESSIONED

The Executive Director of international promotion of ProMexico, Gabriel Barrera, stated that the Mexican authorities are preparing bids for a series of transport infrastructure concessions from now until 2012.

Promexico, created in June of last year, is holding several meetings in Mexico and globally to promote investment opportunities as part of a national plan to increase competitiveness and participation in international trade. The initiative is part of National Infrastructure Plan (Plan Nacional de Infraestructura PNI in Spanish), of President Felipe Calderón, whose main objective is to invest 5.5% of the country's GDP in these projects and transform Mexico into an important platform for trade infrastructure in the region.

Investment opportunities in Mexican ports until 2012 reach USD \$ 8.000mn, stated Barrera. The projects include construction of five new ports: one for the north Pacific coast, another for the center Pacific coast, two for the Gulf of Mexico and one for the south Atlantic coast. Other projects include the expansion and modernization of 22 other port terminals, an increase in container handling capacity from 4 to 7 million TEUs of containers and construction of 13 new docks for cruise ships.

Source: BNAmericas

## 12. DECREASED GROWTH OF CONTAINER MOVEMENT IN MEXICAN PORTS

The Mexican port system had in the first bimester of this year an increase only of 10% in handling cargo containers, compared with 28% growth achieved in 2007, according to figures from the General Ports Coordination and Communications and Merchant Marine of the Transportation and Communications Secretariat (SCT).

The port of Manzanillo remains the largest recipient of container cargo in the country, moving 225 thousand 995 TEUs, demonstrating an increase of 4.5 percent, while in 2007 this figure was 25.8%. For its part, Lázaro Cárdenas reached a total of 49 thousand 397 TEUs, 40% more than in 2007, contrasting with the 64% difference that was reached between 2006 and 2007.

The reduction in cargo movement is most notably seen in the Gulf of Mexico where the increase was 3.6% this year, as opposed to 10% in 2007. The ports of Veracruz and Altamira increased the number of TEUs in 2.6 and 2.2% respectively. Altamira reached in the first two months of 2007 a growth of 22%, while Veracruz did likewise with six percent.

Source: T21 e info. transportes



### **13. ACP AWARDS DREDGING CONTRACT FOR THE PACIFIC ENTRY OF THE PROGRAM TO EXTEND THE PANAMA CANAL**

The Panama Canal Authority (ACP) awarded the dredging contract for the Pacific entry, the third related work and one of the most important of the Program of Expansion of the inter - oceanic waterway. The selection process used by the ACP for this contract was negotiated bidding for the lowest price.

The B/. 177,500,676.78 contract was awarded to Dredging International of Belgium, one of the most important in the world in the dredging area. Their proposal includes operating in the country some of the largest and advanced dredging equipment available in the world today.

"The contract, the largest amount awarded so far is a clear demonstration of solid progress of the Expansion Program and the manner in which Panama is implementing a project which, as can be seen, attracts the most important companies in the world," stated the ACP administrator Alberto Zubieta German. Dredging International is responsible at present, among other projects, for construction of the Port 2000 in Le Havre, France and the deepening of channels in the La Plata River on the border between Argentina and Uruguay.

The contract works of dredging in Panama include the widening to 225 meters and the depth to 15.5 meters below the average level of low tide the navigation channel from the entrance to the Channel in the Pacific as well as the dredging of the new south access the third set of locks on the Pacific.

The work, which includes the dredging of approximately 9.1 million cubic meters of materials at the bottom of the ocean, will enable the speedy and safe navigation of vessels post Panamax and from the new set of locks on the Pacific side. Dredging International will have a period of 90 days of mobilization. The work must be completed within four years.

Source: ACP

### **14. PRIVATE PORTS INVEST FOR MORE CONVENIENCE FOR SOYBEAN TRUCKS IN PARAGUAY**

Various private ports have begun to invest in improving parking lots to provide more convenience to trucks until they reach their facilities for unloading soybeans, which was causing large agglomeration in the access routes to ports due to limits on existing barges.

The restriction on the number of barges which unload soybeans leads to large numbers of trucks waiting to transfer its cargo. The ports note that this deficit is not their responsibility since their work is limited to receiving trucks and cargo, however they understand the inconvenience caused by the large number of vehicles that accumulates. The parking lots planned include restrooms, restaurants, gas stations, lodging and other amenities. The enlargement is being done by the bulk and storing company GICAL SA which operates in the ports of San Antonio and Paredón and the Port Authority Terminal and Estibajes SA of Puerto Fenix. In both cases the enlargement is expected to avoid traffic bottlenecks.

The Camera Paraguaya de Exportadores de Cereales y Oleaginosas (Capeco), stated that it was imperative to resolve this situation to try to overcome shortfalls in the entire logistics chain. The height of exports of soybeans is stripping deficit logistics infrastructure for exports which Paraguay counts on as hundreds of trucks are stranded at various routes waiting for their turn to download. Some drivers wait up to five days and can not anticipate how much time it will take to deliver its cargo. All of this has led to large amounts of losses for the carriers.

### **15. VENEZUELA APPROVES REFORM OF DECENTRALIZATION AND PORTS LAW**

The plenary of the National Assembly approved in first discussion, the Partial Reform of the Organic Law of Decentralization, Delimitation and Transfer Powers, which allows the President of the Republic to decree the intervention of goods and public services transferred to states in the process of decentralization.

With the norm approved by the Assembly, it intends to "eliminate the exclusive jurisdiction of the states to administer and maintain commercial ports and airports" and determine the "jurisdiction of the states, in coordination with the National Executive, to conserve, manage, and build roads and national highways, ports



and airports and trade." This reform obeys the mandate from the judgment of the Constitutional Chamber of the Supreme Court urging the Assembly to review and revise laws related to Article 164.10 of the Venezuelan Constitution referring to coordination with the National Executive.

### **16. OTHERS ACTIVITIES**

- Seminar on Harbors Navigation and Environment, organized by American Association of Port Authorities (AAPA), to be held in Panamá City, Panamá, from May 20 - 22, 2008.
- XIII Ibero–American Course on Port Management, organized by Puertos del Estado of Spain and the CIP, to be held in Madrid, Spain, from October 5 to November 1, 2008.
- Tenth Meeting of the Executive Board of the Inter-American Committee on Ports (CECIP), that will take place from December 1 - 5, 2008, in Buenos Aires, Argentina.