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MESSAGE FROM THE MINISTER OF TRANSPORT AND WORKS

Since the formation of this Ministry in 1998, it has faced numerous challenges, but like the embodiment of the true Jamaican spirit, it has overcome. It is against this background that I would like to present to this Honourable House, this comprehensive compilation of the achievements of the agencies reporting to the Ministry of Transport and Works during the last financial year.

The Ministry takes its mandate of providing *a modern, safe, reliable, efficient and sustainable transport system and works infrastructure* seriously. The Ministry, through its various agencies in the Land, Marine and Air sectors has embarked on and in some instances, continued several projects all geared toward improving the lot of Jamaicans and all who will visit our shores. The same level of activity is taking place in the Works sector, where my Minister of State, Dr. Fenton Ferguson has direct responsibility. The very visible profile of road construction and improvement works, including the North Coast Highway and Highway 2000, make for a very exciting period in this Nation's infrastructural development. And it will only get better because we firmly believe that *the road to development, is the development of roads.*

Success, of course, is not achieved without the requisite dedication and diligence. This Ministry is blessed with persons who have gone and are still going beyond the proverbial 'extra mile' to make things happen. To them, I wish to say a heartfelt thank you and to encourage them to continue in that path of positive efforts, which can only redound to the benefit of all. With such a resolve, whatever tasks may be undertaken, can only reap rich rewards.

And on to the next year...success being our watchword!

Robert D. Pickersgill
Minister of Transport & Works

The Ministry of Transport and Works Mission and Vision Statements

MISSION

To contribute to the economic growth and social development of Jamaica by securing resources and providing effective policies, planning, standards and regulations for:

- The provision of safe and sustainable transport systems, for the movement of people and goods.
- The achievement of efficient, high quality and timely, architectural and technical works.

VISION

A modern, safe, reliable efficient and sustainable transport system and works infrastructure.

NATIONAL WORKS AGENCY

ACHIEVEMENTS 2004-2005

Northern Jamaica Development Programme (NJDP)

Northern Coastal Highway Improvement Project

The Northern Coastal Highway extends some 270 km along the North Coast. When completed, it will link Negril in Westmoreland, to Fair Prospect in Portland. The improvements along the corridor are divided into three segments for administrative purposes:

- **Segment 1:** This 75 km stretch from Negril to Montego Bay was funded by Overseas Economic Corporation Fund (OECF) and was completed in 2002.
- **Segment 2:** Montego Bay to Ocho Rios is funded by IDB and is 97 km long.
- **Segment 3:** Ocho Rios Fair Prospect a 120 km stretch is funded by the European Union

Segment 2: Montego Bay to Ocho Rios

The contractor, Jose Cartellone Construcciones Civiles continued working along the segment from the Falmouth bypass to Priory doing major earthworks, laying of drainage pipes, construction of box culverts, asphaltic paving and construction of four bridge structures. Just over 12 km of roadway was completed and used by the motoring public including the Duncans Bypass, Coopers Pen Deviation, Burwood and Braco.

Construction works continued on the Falmouth Bypass and the section between Salem and Priory. In addition, works proceeded on bridge structures at Martha Brae, Bengal, Pear Tree and Wakefield Interchange.

It is an open secret that we had difficulties with segment 2 and as a result we met with the contractor and revised the scope of works under the programme to exclude section 1 of the corridor between Montego Bay and Greenside (27 km). Works for this section is out to tender and will commence once a suitable contractor has been identified.

Segment 3: Ocho Rios- Fair Prospect

The Government of Jamaica (GOJ) secured a financing agreement from the European Development Fund (EDF) for financing Segment 3 of the Northern Coastal Highway Improvement Project (NCHIP) — Ocho Rios to Fair Prospect. The design was completed in late 2002 and final approval obtained from the EU for the Works Tender Dossier in June 2003.

The Works Tender was first launched on September 23, 2003, with local and international publications. Only one (1) firm, submitted a tender which was higher than the available funds. This resulted in the cancellation and re-launch of the tender on October 19, 2004 with some modifications to the dossier, eligibility criteria and allowing for the participation of firms from selected Latin America countries.

The second tender was closed on February 28, 2005 and two (2) tenders were received. Both tenders have exceeded the available funds, as a result the European Commission

has given its approval for GoJ to obtain a direct agreement contract, after negotiations with both tenderers.

GOJ's obligations under the Financing Agreements are substantially completed. These include: Land Acquisition, Resettlement of population and relocation of utilities.

National Road Improvement Programme (NARIP)

The roads selected for repair and rehabilitation under this project in the 13 parishes across the island, were designed with emphasis on protecting the pavement against water damage. The location of roads under the programme ranges from flat coastal plains to the steep rugged mountains and carry traffic volume loads varying from 2000 to less than 100 vehicles per day.

Some 152 roads were identified for rehabilitation. The works were undertaken by Surrey Paving and Aggregates and Pavement and Structures Ltd. The project was managed by the NWA through a team of consultants.

Of the 152 road sections, 102 have surpassed 95 % completion, 28 roads are between 75% -95 % complete, whereas 17 road projects fall below 75% completion.

The government experienced financial difficulties that affected the project and works were suspended in January 2004. Negotiations are underway to restart work on 44 roads at an estimated cost of \$982M. Six of these roads have been transferred to the CDB Programme.

National Road Services Improvement Programme (NARSIP)

NRSIP comprises two (2) components:

- The provision of institutional strengthening consulting services; and
- Support for the establishment of the 3-year performance based routine maintenance programme utilizing the RMMS software (to generate prioritized work programmes).

The programme was revised in January 2005 under a re-scoping of all IDB projects and is now funded at US\$29M. The Bank approved the selection of Dillon Consulting (Canada) to conduct the Institutional Strengthening consultancy (it is proposed that they start in June 2005 for the duration of 12 months).

The evaluation of the bid documents for the routine maintenance contracts has been completed and forwarded to the NCC for its approval (expected in April 2005). Once the Institutional Strengthening consulting contract is in place, the Agency will proceed with the awarding of the contracts.

Corporate Area Road Improvement Project

The Project is sponsored by the Road Maintenance Fund and is geared at improving a number of the major intersection and corridors within the Corporate Area. Thirteen corridors were identified. These included:

- East Kings House Road;

- Barbican Road/Russell Heights intersection;
- Half Way Tree Road;
- Old Hope Road/Munroe Road/Stanton Terrace ;
- Constant Spring Road/Shortwood Road and Constant Spring/Dunrobin intersection; and
- Eastwood Park Road

Improvements have been completed along three corridors namely Half Way Tree Road, Old Hope Road and Eastwood Park at a cost of \$105M. Work is ongoing in the other projects.

FLOOD DAMAGE RESTORATION WORKS:

The island has been experienced unusual weather conditions over the past three years. This resulted in instances of heavy and continuous rainfall which in turn caused excessive flooding and damage to road infrastructure.

Flood Damage Rehabilitation Programme — Caribbean Development Bank (CDB)

This programme addresses the rehabilitation of flood damage to roads caused by the October 2001 floods and also the May/June 2002 flood rains through a CDB loan in the amount of US\$36.0M. Over forty contract packages are ongoing island-wide under this programme. The Project is approximately 85% complete. Of the 144 roads started, 98 have been completed.

Flood Damage Rehabilitation Programme - Inter-American Development Bank Funded (IADB)

The five parishes of Manchester, Clarendon, St. Elizabeth, St. Catherine and St. Thomas were extensively damaged during the passage of hurricanes Lili and Isadore. These parishes were declared disaster areas. This programme was aimed at restoring some 178 kilometres of the main roads in these parishes. Of the 18 contracts which were awarded only the YS — Maggotty road in St Elizabeth is incomplete. The work is now approximately 75 % completed. Total expenditure on these roads amounts to J\$585 million or 93% of the projected final cost.

National Irrigation Commission (NIC) Infrastructure

Another component of the project is the improvement to irrigation infrastructure. Works to National Irrigation Commission (NIC) infrastructure continued during the period. Of the twelve (12) NIC projects, six (6) are completed. One project was started recently and the remaining five (5) were tendered. These works are scheduled to be completed in the financial 2005/06.

Inter-American Development Bank (IADB)- Hurricane Ivan Restoration

Hurricane Ivan struck Jamaica between Friday, September 10 and Sunday, September 12, 2004. The heavy rains that lashed the island during the passage of the hurricane did not spare the road network and as such, almost all roadways suffered, some form of damage.

The island received between 15mm to 20mm of rainfall per hour. This resulted in saturation of the soil which was just recovering from tropical storm Charley, which affected the island, just over a month before.

Responding to the devastation, in January the Inter-American Development Bank (IADB) and the GoJ agreed that the remaining funds of US\$ 4.2 million from the IDB would be reallocated to fund a programme of repairs to damages caused by Hurricane Ivan. In addition an additional US\$3 million was allocated to this programme.

To date, 52 contracts have been awarded and works is underway on 32 sites, island wide. The works are focused mainly at replacing damaged structures. Designs for the remaining 20 works are in progress. The works should be completed during the 2005/06 financial year.

Environmental Management/Protection Activities

The 2004/05 Hurricane Season highlighted the fragility of the nation's infrastructure to all natural events. Responding to the need for critical information about the effects of the 2004/05 Hurricane Season on the network, the Agency launched the Landslide/Road Breakaway Mapping Exercise to identify and document the overall distribution of landslides and breakaways. This mapping exercise was performed using a combination of ground based field inspections, gathering of GPS data using mobile mapping devices and photographic records. The intention was to plot physio-graphic and material (soil) susceptibility factors.

Following the data collection in the field, the information was placed onto a GPS database and referenced to the NWA network. This information helped to generate a categorization of the event into breakaways or landslides and a Hurricane Ivan Landslide Inventory Report generated describing the findings discussed above. Although the Agency has collaborated with other stakeholders as the UWI, Department of Mines and Geology, this is the first time that the information gathered has been linked to the network in a meaningful way, which will help with the prioritization of the rehabilitation works.

Jamaica Bridge Development Programme

The Agency has thoroughly examined well over 700 bridges that span just over 5000 kilometres of main road across the island. This survey has given us a true picture of the state of our bridges and has put us in the position to take the necessary steps to protect them.

Mabey and Johnson Priority Bridge Programme

Under this programme the government intends to spend over £22 800M over the next two years to complete rehabilitation of 40 bridges. The contract calls for the design, fabrication and supply of bridge members. So far 43 bridges have been identified for replacement and 2 for rehabilitation.

R.A. Murray Bridge Programme

This programme is for a duration of five years with the construction of an average eight per year, valued at C\$25M. The programme will be undertaken in two phases. Under Phase I, eight bridges are currently under construction and are at varying stages of completion. Under Phase II of the programme, we have identified eight bridges and have completed the designs and fabrication.

Kuwait /OPEC Funded Assisted Road Rehabilitation Project

This programme was executed through funding from the Government of Kuwait and Jamaica in the ratio of 70/30. Five roads were identified for total rehabilitation. Of this number, the three roads in Manchester have been completed. These are the Whitney Turn to Trinity, Mandeville to Mark Post and Williamsfield to Greenvale roads. The Stony Hill to Tom's River road in St. Andrew is now 80% complete, while the scope of works of the Spanish Town Bypass in St. Catherine had to be adjusted.

The OPEC funded aspect of the programme is well underway. One of the three roadways identified: Luana to Sandy Ground, was completed. The Torrington to Galloway road is 90% complete while the Locust Tree to Truro Gate road is 60 % complete.

Quality Assurance

In an effort to streamline the operations and processes within the NWA we have embarked on a comprehensive Quality Management programme so as to better serve our customers and clients. Our ultimate target is to become ISO 9001 certified during 2005. The programme will ensure the consistent delivery of quality roads and associated structures to standards acceptable to the NWA and already we have seen changes in the way we operate. In keeping with quality requirements random testing was undertaken on several projects island wide and reports generated from these inspections.

The Road Maintenance Fund

The Road Maintenance Fund last year financed road works in excess of \$390M.

The major share of this expenditure was for the National Works Agency to effect repairs to approximately 390,000 square meters of roadways across the Island.

Another \$112M was approved to effect maintenance work in various Parishes.

In addition, some \$98M was approved by the Road Fund Board to carry out improvements to road junctions which the experts felt was of crucial importance to the smooth movement of traffic through these corridors.

I am extremely happy to report that two such projects undertaken by the National Works Agency have been completed and motorists and pedestrians have found the improvements useful and timely since the traveling time and the traffic congestion, which previously occurred in those areas, have been drastically reduced.

Completed Projects

Monroe Road/Old Hope Road

The Fund speaks with pride of the work carried out at Monroe Road down to the intersection with Stanton Terrace. It is also worthy of note that the Headquarters of the Jamaica Constabulary force, which is situated along the corridor, received a face-lift because the Fund had to acquire a strip of land in its vicinity to carry out the improvement works.

Half Way Tree Road

The project along the corridor between Ruthven and Oxford Roads was completed. The work involved:

1. The creation of a new lane
2. Improvements to the Chelsea Avenue and Half Way Tree junction
3. The installation of modern traffic signals
4. The upgrading of storm drain systems
5. And the relocation of utilities.

The projects were designed, managed and implemented by the National works Agency.

Constraints

The Fund is constrained by insufficient resources to enable all the required amount of road repairs to be effected.

It is estimated that there is need to repair some four hundred thousand square meters of roadway annually, apart from routine maintenance work.

The Fund anticipates some constraints in 2005/2006 due to:

- The absence of an increase in the Fund's income
- And some increases in the cost of imported materials and locally produced raw materials

Projects Under Construction

Notwithstanding the challenges the Fun is pressing ahead with its programme. A number of special improvement projects in which it is currently involved will impact positively and be of benefit commuters in the KMTR from the resulting reduction in congestion and flow of traffic. They include works at:

- The Constant Spring Road and Dunrobin Avenue junction and corridor
- At Shortwood and Constant Spring roads
- The Barbican Road and Russell Heights junction
- And the East Kings House Road Bridge expansion

The Fund will be looking to duplicate these efforts across the Island as the necessity arrives and as funds are available.

Projections 2005/2006

The Road Fund for fiscal year 2005/2006 also plans to:

- Approve and fund a spray patch programme of approximately 340,000m².
- To Fund a hot patch road repair programme of approximately 50,000m²
- Fund a routine maintenance programme Island wide
- To fund road junction improvements at five major intersections.

ROAD MAINTENANCE EXPENDITURES

- > 394,091M² of roadway was repaired at a cost of
\$169,000,000
 - Road maintenance work were effected across the Island
At a cost of **\$112,000,000**
 - Improvements were carried out to major road junctions
At a cost of **\$ 98,000,000**
 - Several roads were cleared as a result of floods as a
Cost of **\$ 12,000,000**
- **\$391,000,000**

NROCC

The National Road Operating and Construction Company Ltd. is the Government owned company with which the Concession Agreement has been entered with Trans Jamaican Highway Ltd. (TJH), a subsidiary of Bouygues Travaux Public of France for the Phase 1 development works of Highway 2000. The project is comprised of two parts:

- Phase 1. Kingston to Williamsfield
- Phase 2. Williamsfield to Montego Bay, and Bushy Park
To Ocho Rios

The first phase of the development comprises some 83 kilometers from Kingston to Williamsfield including the Hunts Bay Bridge and the Dyke Road. The cost of the project is US\$390 million based on January 1 2001 pricing. Under the agreement between NROCC and Transjamaican Highway, of the total amount, US\$283 is being provided by TJH without any guarantee from the Government of Jamaica. NROCC is loaning the Developer the remainder of US\$107 million, which was raised by a Bond Issue.

The agreement requires Transjamaican Highway, the Developer, to finance, design, build, operate and maintain Phase 1 for a period of thirty-five years, at which time full

operational control the Highway, which the company is required to maintained at specified standards, will revert to the Government of Jamaica.

Last year the second segment of Phase 1 of the development, Bushy Park to Mandela, was opened on December 15, following the opening of the first segment from Bushy Park to Sandy Bay in October 2003.

Traffic Flows

Since the opening of the second segment in December, average daily usage of the highway has moved from eleven thousand to sixteen thousand vehicles. Average daily traffic through the Vineyards Toll Plaza has been reduced from eleven thousand five hundred to ten thousand since the opening of the Spanish Town Toll Plaza, which has recorded average daily traffic of six thousand three hundred vehicles.

Accidents

Over the twelve-month period between May 2004 and April 2005 there were 117 accidents on the highway, resulting in one fatality, twenty-three serious injuries and twenty minor injuries.

There has been a decrease in accidents occurring since February of this year. An analysis of the accidents over the past year suggests that:

- 47% resulted from bad driving
- 34% resulted from mechanical defects
- And 19% as a result of speeding.

Maintenance

The Developer has corrected structural cracks that were at the Vineyards Toll Plaza and cracks that had occurred on the original Old Harbour bypass are the subject of investigation. The incidence of fence stealing has diminished but there is need for improvement regarding litter.

Construction

Construction has been completed on thirty-three of forty-four kilometers in Phase 1A of the project, and is in progress on the remainder, that being the Portmore Causeway and the Dyke Road. Work on the Dyke Road between the Portmore Interchange and the southern end of Waterford has been completed.

A joint inspection with the National Works Agency is scheduled for this Friday, June 17. It is expected to open that section thereafter and work is progressing on the rest of the Dyke Road.

Portmore Causeway

Pile driving for the Hunts Bay Bridge on the Portmore Causeway is in progress, with more than sixty percent of the piles having been driven to finality. Work on the interchanges at Marcus Garvey Drive and Fort Augusta Drive is progressing. All of the work on the Portmore Causeway is targeted for completion by the end of June next year.

Fishing Complex

Approval was granted for the award of a contract to M & M Jamaica Limited in the sum of Eleven million, Four Hundred and Twenty Thousand, Seven Hundred and Sixty-Five Dollars (J\$11,420,765) for the preparation and filling of the area on which the Fishing Complex at Portmore will be constructed. The complex is being built to properly house those fisher folk who were displaced with the commencement of work on the Portmore leg of the Highway.

Litigation

Two Writs have been filed by Mr. Speaker, interested parties, regarding the tolling of the Portmore Causeway, have filed two Writs in the Supreme Court. One of the cases is scheduled to be heard on July 19th and 20th 2005 and the other on August 8th 2005.

North/South Link

NROCC in conjunction with Transjamaican Highway Ltd. and the National works Agency has completed an analysis of the construction and operation of a toll road between Bushy Park and Ocho Rios, which is now being perused.

The auditing of NRROC for the period April 2004 to March 2005 is underway and it is expected that audited financial statements will be prepared by the end of next month.

The Toll Authority/Regulator

Mr. Speaker, The toll Authority continues to monitor the operations of the highway and has processed over eighty contact calls for the past year. User satisfaction surveys were conducted by the Operators recently and showed that 97% of the motoring public is satisfied with the road.

Highway Accidents

The Jamaica Constabulary Force has reported that accidents on the highway are lower than other roads in Jamaica.

Infrastructure Development

Opening of the interior lands will give way to additional housing stock, creating employment opportunities and developing new communities.

1. Achievements vs. Plans, Including Eependiture

The Authority investigated reports of inadequate signage on the highway and made recommendations to Jamaica Infrastructure Operators to correct the problems identified. These have been addressed.

- The Authority reviewed Maintenance Plans proposed by the Operator, and made recommendations regarding modification to better suit the

Jamaica environment. In addition, the sub-committee has, through field visits of the highway, made contributions to the placement and maintenance of proper signage along the route.

- The Authority conducted several inspections this year. Indications are that the operators of the highway are conforming to the terms of the Concession Agreement.

2. PLANS

- *Launch of Public Education Campaign* – Budgetary constraints have delayed this item. However, the Authority is working to have a full-scale public education campaign within the next quarter.
- Continuing to monitor maintenance and operations
- Continuing to monitor compliance with Concession Agreement.

1. Expenditure

- Expenditure to date has been contained.
- All Tax obligations have been remitted.
- The Ministry of Finance recently approved formalization of the operating structure.
- The appointment of a Manger will be effected within the next two (2) months.

The Toll Regulator

Last year, Mr. Speaker the Toll regulator had one application placed before him, which I as minister accepted. This was the application with regard to the opening of the second leg of Phase 1A of Highway 2000 from Bushy Park to Mandela and the establishment of the Spanish Toll Plaza.

The Jamaica Urban Transit Company Limited

Achievements For The Period April 1, 2004 TO March 31, 2005

- The JUTC achieved revenue of \$2.27 billion, an increase of \$39.12 million or 2.25% when compared to the corresponding period last year.
- During the period under review, the JUTC had a total ridership of 77.40 million, a decrease of 11.06 million or 12.50% when compared to 88.46 million in 2004. The following factors contributed significantly to the decline in ridership.
 - Increased, intense competition from illegal operators due primarily to the absence of the regulatory authorities; and
 - Intense rainfall resulting from Hurricane Charley in August 2004 and Hurricane Ivan in September 2004. The JUTC was closed from

September 10 to 12 and operated reduced service on September 9, and 13 to 18.

- The Company provided exceptional evacuation services during Hurricane Ivan.
- Marketing strategies used to promote Smart Card sales resulted in an increase in revenue from \$59.7 million in 2004 to \$110.9 million in 2005, an increase of 85.70%. Ridership also increased by 71.06% up from 2.2 million in 2004 to 3.8 million.
- The JUTC continues to address the needs of the children, elderly and physically challenged as concessionary ridership reflected a slight increase from 27% to 28% of the total ridership when compared to the similar period last year.
- The Company commenced its safety awareness campaign as it continues its thrust to encourage safe driving habits. These efforts have contributed to a 6.27% reduction in accidents, from 1,596 in 2004 to 1,496 in 2005. The following are elements of the safety awareness programme:
 - Driving with headlights on in daylight hours
 - Regular written communication to drivers
 - Refresher training with commuter/customer friendly focus during summer
 - Monthly safety meetings for drivers and monitors
 - Retraining of accident investigators
 - Safety signs installed in depots
 - Acquisition of 4 speed guns to increase monitoring of speeds across the KMTR
- Commenced full operation at the Rockfort Depot and in the process of establishing Ashenheim Road Depot as a central maintenance workshop.
- Our North Parade dispatching operations, which only allowed for roster changes to be made from the street or in a bus, was not adequate for our crew. This operation was relocated to an upgraded facility in East Parade, resulting in improved conditions and a safer environment for our employees.
- The South Odeon Avenue facility was converted to off peak parking for 6 months resulting in savings of 10,000 dead kilometers per month prior to hand over for the new transport center.
- We commenced a pilot exercise for the Automatic Vehicle Locator (AVL) on two major routes (Havendale and Bull Bay), achieving positive results in the following:
 - buses on schedule
 - improved speed control
 - more satisfied commuters
 - vehicle location at all times
- In January 2005 we implemented the Fleet Maintenance Software (DRIVE) which will assist with improving the quality of maintenance done on the buses.
- The hardware to facilitate installation and configuration for the Scheduling and Operations Software (TRAPEZE) has been ordered.

JUTC'S PLANS FOR THE PERIOD APRIL 1, 2005 – MARCH 31, 2006

- Launch and re-brand the Company as a customer oriented organization.
- Seek legislative changes, which will secure fare income. This includes legislation, which will hold passengers culpable for failing to pay the fare relevant to the journey taken.
- To work closely with the Transport Authority and the Transit Police Unit, which will reduce the effects of illegal competition.
- Develop partnerships with the other relevant agencies to reduce congestion at bus terminals and improve facilities. This includes areas such as North and South Parade, Eastwood Park Road and Spanish Town.
- Conduct surveys to allow the Company to establish benchmarks in order to monitor its performance and provide quality service to meet the changing needs of the public.
- Increased promotion of smart cards by partnering with private sector entities.
- Provide time-tables at terminals and major bus stops.
- Implementation of additional transfer systems to further decrease buses operated during reduced service time periods particularly on hill routes and Portmore.
 - Continue route rationalization to improve efficiency and increase revenue.
- Continued implementation of the efficiency improvement programme with emphasis on productivity and energy conservation.

Major Constraints

- Inability to charge economic fares
- Continued intense competition from illegal operators
- Availability of spare parts preventing better maintenance of buses
- Traffic congestion
- Violence with various degrees of intensity in August Town, Mountain View, Spanish Town and Downtown

JUTC Performance Indicators

Indicators	2004 – 2005	2003 – 2004	Variance
Ridership (M)	77.40	88.46	-12.50%
Income (\$B)	2.27	2.22	2.25%
Total Expenses (\$B)	2.89	2.85	1.40%
Cycle Trip Completion	924,499	951,193	-2.81%
Buses Dispatched as a % of Scheduled # of Buses	93%	96%	-3.00%
Ratio of Staff to Bus	4.62	4.79	-0.17
Farebox Recovery	68.84%	68.88%	

Metropolitan Management Transport Holdings Ltd.

The winding down process of Metropolitan Management Transport Holdings (MMTH) commenced on March 31st, 2004. Metropolitan Management Transport Holdings Ltd. was responsible for the importation of buses for the JUTC and the development and management of the depots. The assets of the company went to the JUTC.

Montego Bay Metro

Montego Bay Metro continued its limited service operating on three routes over the course of last year.

The service carried just under four hundred and sixty-six thousand passengers comprised of some two hundred and seventy-one thousand adults and just over one hundred and eighty-two thousand children on its:

- o Greenwood to City Center
- o Sandy Bay to City Center
- o Ands Cambridge to City Center routes.

Eleven buses were used to service the routes and the operations were conducted by a staff compliment of thirty- eight (38), inclusive of management and administrative personnel, drivers and conductors.

Notwithstanding financial restraints, the Company plans to focus this year on:

- Procuring spare parts on a timely basis in order to carry out routine maintenance and repairs effectively
- Repairing and putting back four buses into service
- Establishing a number of needed bus stops with a modicum of shelter from the elements
- The relocation of some existing bus stop
- And effecting repairs to the building housing the company's offices.

The Jamaica Ultimate Tyre Company Ltd.

The period April 1st 2004 to March 31st 2005 saw the factory at Jamaica Ultimate Tyre Company Ltd., fulfilling its primary mandate of doing all tyre-related services for its parent company Jamaica Urban Transit Company Ltd.

Overall the company produced six thousand eight hundred and twenty one (6,821) tires, with four thousand six hundred and ninety three (4,693) tires being for Jamaica Urban Transit Company. This represents an increase of one thousand and seventy-five (1075) tires over the previous year, which is also a tremendous saving for the bus company.

The other facets of the company, including the alignment stand, tyre shop and tire repairs are also operating efficiently and continue to show increase over year 2003 to 2004.

During the year 2004 - 2005 the company won a tender to supply one thousand one hundred and sixty (1160) new tires to Ministry of Water and Housing, Rapid Response Unit at a value of twenty one point six million (J\$21.6) dollars. The first lot of these tyres valued at nine million (J\$9.0) dollars has been delivered, and the order for the remaining two (2) lots will be filled during the year 2005 - 2006.

The company reduced and kept expenses to a minimum. All statutory obligations are up to date and we are now showing profit of twenty-four million dollars (\$24m).

The Company also continues to supply new tyres and provide retreads (where applicable) for the National Solid Waste Management Authority, the National Works Agency and the Ministry of Land & the Environment. The Company is waiting finalization on a number of packages from other entities on which it has tendered. The Jamaica Ultimate Tyre Company expects to increase its customer base significantly in the 2005/2006 Fiscal Year.

The Transport Authority

The Transport Authority is the State Agency responsible for the overall regulation of the operations of Bus and Taxi services. It is no secret that the operations of the JUTC, indeed, the company's very viability, are threatened by the activities of parties operating illegally in the sector.

After extensive consultations by my Ministry with players in the sector including the Transport Authority, the Island Traffic Authority, the Jamaica Urban Transit Company Limited and the National Works Agency, National Association of Taxi Operators, the Jamaica Constabulary Force, the Attorney General's Department and Parliamentarians, Bills were tabled in Parliament toward the end of last year, seeking to introduce amendments to the Road Traffic Act and the Transport Authority Act.

It was necessary to put an effective regulatory framework in place, in order to facilitate the efforts to bring about the requisite good order in the public transportation sector.

Last month, after extensive deliberations in Parliament, and an initial withdrawal in March of the measures tabled, a package of Amendments to the Road Traffic Act and the Transport Authority Act was approved by Parliament.

The package of amendments approved by Parliament will be central to a focused endeavour by the Transport Authority in conjunction with Law Enforcement agencies to effectively regulate the sector and protect the interests of legitimate operators and the commuting public.

Persons operating vehicles as taxis without a road license were given ample time, indeed, more than a year in fact, was given for such persons to regularize their status by applying for road licenses. Some licensed operators would not abide by the terms of their licenses. Not only have illegal operators cut substantially into the revenues of the JUTC and indeed, that of licensed taxi operators who have adhered to terms of their license; but the proliferation of illegal operators has prompted if not forced some lawful operators to depart from their prior adherence to the terms of their license, because of the disadvantages that were accruing to them.

Prior to the recent Approval of the Amendments to the Bills, as a result of initiatives by the Ministry and the Transport Authority, last year a number of measures were agreed with the Associations of Taxi operators and implementation started, to bring about some degree of order in the operations by their members. They include:

- Having all route taxi operators aligned to local Associations.
- Marking all vehicles within the Associations to allow easy tracking. The markings are to include:
 - A colour coding;
 - A numbering system which requires all motor vehicles within each association to have a specific number;
 - Affixing of the logo of the association to the two front doors of the vehicle;

- And there must be one five by seven inch identification with a picture of the driver clearly displayed for passengers viewing inside the vehicle.

Implementation of these requirements is already fostering:

- o More accountability – operators will be more easily identified and information on operators will be more accessible. The Transport Authority can now easily refer to an organization on matters pertaining to its members. This will enable the Authority to carry out its mandate more promptly, effectively and efficiently. It will also result in greater control and improved discipline. **The measures instituted will also better help to protect commuters by assisting in the reduction of the incidence of crime involving taxis, because of easy identification as well as breaches of the Road Traffic Act.**
- o Computerization of the Authority's operations has led to major reductions in the time taken to process applications for the renewal of licenses. Such applications are now processed in as short a time as three days up to a maximum of ten days. The time for processing new applications is now from three to four weeks down from months.

Above all, the legal operators and commuters and commuters are benefiting from the implementation of the new system, because illegal operators are much more easily identified and commuters have no valid excuse for patronizing illegal operators.

The Amendments

The amended provisions include:

- The introduction of a Transport Authority Ticketing System
- The increase of the fines under the Transport Authority Act and the Road Traffic Act
- The establishment of a new class of road license called 'route taxis'
- The inclusion of 'route taxis' to provide service in the Exclusive Licenses
- The seizure of vehicles
- The storage of vehicles
- And the disposal of vehicles

The amendments to the Road Traffic Act also seek to rectify the major problems resulting in excessive road maintenance and repairs expenditure resulting from the widespread practice of extremely overloaded heavy-duty vehicles traversing our roads. In recent spot checks at various points in the island carried out by the National Works Agency, more than eighty percent of heavy vehicles were carrying nearly twice their designated axle-bearing load. There was an average 67% overloading factor.

This practice is having devastating consequences on the life cycle of the Country's roads, the road maintenance programmes and creates the need for the expenditure of huge sums which would not be the case in the absence of widespread breaching of the regulations. Provision has been made for the more flexible use of fixed and mobile weigh scales to determine the loads being carried.

The following steps governing the weighing of motor tractors or trucks are set out in the Act:

- A motor tractor/truck is stopped by a Constable;
- An Island Traffic Authority (ITA) Officer or the Constable requires the driver/operator of the motor tractor or truck to have the vehicle weighed in order to ascertain whether or not it is within the prescribed weight;
- If the vehicle is found to be overweight the driver/operator must remove the excess weight before being allowed to proceed along his journey;
- The goods removed from the over-laden vehicle must be secured by the driver/operator in a way that it does not obstruct traffic on the roadway;
- It is the responsibility of the driver/operator of such goods to remove them from the roadway within 24 hours of offloading;
- The Island Traffic Authority shall remove and store goods from the roadway not removed by the driver/operator within twenty-four (24) hours of offloading. The costs of said removal/storage are to be borne by driver/operator.
- The vehicle is then reweighed to determine compliance;
- An ITA Officer or Constable must give to the driver/operator of a vehicle that has been weighed a Certificate of weighing which sets out among other things the weight and description of the goods removed as well as that the vehicle is within the prescribed maximum laden weight;
- The driver/operator of the vehicle cannot continue his journey without the said Certificate;
- The owner of the goods offloaded from a vehicle may claim the goods from the storage area within 7 days of the removal and shall be given the goods upon payment of the requisite removal/storage fees;
- The ITA may sell the goods if they are not claimed within the 7-day period and pay to the owner the proceeds of sale less the requisite costs of removal, storage or disposal.
- The ITA, advising of funds being held to his credit, shall publish the name of the owner of goods so removed in the Gazette and a daily newspaper. Any such funds not recovered by the owner within 28 days of disposal of the goods shall be held in trust.

Road Safety

The whole thrust to streamline and give teeth to the regulations governing the use of our roadways is also integrally linked to the safe use of our roads and in particular with regard to children. Once again in June Road Safety month is being observed, symbolizing an especial focus in the month of June each year on road safety issues. This year the focus will be on targeting the main perpetrators of road accidents, which the analysis shows are our young male drivers.

The National Road Safety Council is chaired by the Most Hon. Prime Minister. The national Road Safety Policy was passed by Parliament in September of last year. A number of issues have been raised; recommendations made and preparatory work to implementation started.

Among the recommendations made and on which work has commenced are:

- ❑ The re-organization of the Island Traffic Authority.
- ❑ The privatization of motor vehicle testing
- ❑ Revision of the Spirit License Act to take into account issues attendant on the clear co-relation between alcohol use by drivers and accidents
- ❑ Revamping of the Breathalyzer Programme to make it more effective
- ❑ As well as revisions to the Road Traffic Act, which have been undertaken.

Largely through the efforts of the Road Safety Unit of the Ministry, the Transport Authority, the Police and with significant help from a number of other interested parties such as the Gasoline Retailers Association and the Insurance Industry, there had been encouraging developments over the past four years relating to child fatalities resulting from motor vehicle accidents.

It is interesting to note that in 2001 there had been 21 child fatalities, followed by 15, 11 and 11 in the three succeeding years, but by the end of April this year, there were sixteen such deaths. The Country must arrest the current reversal of the downward trend of such fatalities.

A significant percentage of fatalities resulted from cases where there were clear infringements of the regulations governing use of the roads. The Road safety unit of the Ministry will be continuing its programmes of Public Education and especial initiatives in support of the drive to improve safety.

The Half-Way-Tree Transportation Center

Another significant step was taken on April 30 last to bring greater order and enhance the overall operations of the bus services in the KMTR, when ground was broken for construction of the new Transport Center in half-Way-Tree.

Currently the Half Way tree Area is a Hub for buses serving some two hundred thousand commuters on various routes. There is an unacceptable level of congestion and commuters have had to endure the absence of appropriate facilities to meet the needs of

our citizens utilizing public transportation through Half-way-Tree. They are totally exposed to the vagaries of the elements. This is not acceptable.

The Center, on which construction is about to begin following site clearance, is being brought to fruition in great measure through the co-operation between the Governments of Belgium and Jamaica.

- The Center will comprise a state of the art facility featuring two levels, one of which will serve for arriving buses and the other departing buses
- There will be appropriate facilities and comfortable surroundings for the commuting public.

It will also house a commercial area with a number of shops and kiosks and, the Transport Authority and the JUTC will have offices there. The Transport Center will be a modern central facility providing one terminus area for all busses traversing Half-Way-Tree and, will facilitate major improvements in the JUTC's scheduling and dispatching of buses, as well as its overall efficiency.

The Half Way Tree Transportation Center that is being constructed over a 30-month period, will impact positively on the lives of thousands of Jamaicans as they go about their daily endeavours.

The Jamaica Railway Corporation

After protracted negotiations with the RITES group of India, no agreement was reached on plans to rehabilitate areas of Rail service, which were previously offered by the Jamaica Railway Corporation.

The Government remains committed to having some rail service as an integral part of the Country's public transportation profile. On February 2, 2005, the Government of Jamaica signed a Memorandum of Understanding with the China CAMC Engineering Co. Ltd. (CAMCE), a government of China Company. CAMCE is proposing to undertake a feasibility study on the revitalization of the Railway, to execute the project and finance 85% of the project. CAMCE has requested and been furnished information from NIBJ and the Jamaica Railway Corporation and is in the process of signing a confidentiality agreement. A team of technicians from CAMCE should shortly be carrying out a due diligence exercise, preparatory to further progress in this new initiative.

Air Transport

The Civil Aviation Authority

The Civil Aviation Authority is the Body responsible for administering all regulations related to Flight Safety and Navigational Services as stipulated by the International Civil Aviation Organisation.

In July 2004 the Jamaica Civil Aviation Authority was served notice by the US Federal Aviation Administration (FAA) of its intention to conduct an audit of Jamaica's safety oversight capability. Being very mindful of the impact of having been placed in a Category 2 rating by the FAA some ten years ago, the Government embarked on a programme to ensure there would be no repeat of that categorization by the FAA.

Central to the exercise was the revamping of a comprehensive set of regulations, which the Civil Aviation Authority had developed over a five-year period in conformity with the Standards and Recommended Practices of the Convention on International Civil Aviation, but which were becoming out of alignment with some of the regulations being adopted by the majority of Countries in the hemisphere.

Having passed an amendment to the Civil Aviation Act in August 2004, the way was clear for the passing of new Civil Aviation Regulations. Mr. Speaker, the creation of a battery of new manuals and procedures was a mammoth task, which has taken most countries up to two years to complete. It was the opinion of several persons with vast experience with these matters, that we would not be able to meet the deadlines relating to the forthcoming audit of the CAA.

In an extraordinary performance which has earned considerable respect from persons in the industry, the task was accomplished in the record time of less than three months, allowing for the tabling in Parliament of the overhauled Civil Aviation Regulations based on the format of the new ICAO Model Regulations, which gained the approval of the House on December 1, 2004.

The Federal Aviation Administration representatives arrived in Jamaica on December 5 and conducted an assessment from December 6 – 10. At the completion of this assessment they delivered an oral briefing, which gave us reason to be confident about success. As it turned out though, the apparent minor deficiencies that were observed were treated as major weaknesses, when the report of the Assessment Team was reviewed by the FAA's Washington D.C. office.

Jamaica was again under the dire threat of a Category 2 designation.

Consequently the Minister of Transport & Works, the Hon. Robert Pickersgill, led a team to Washington and met with the Administrator of the FAA, Ms. Marion Blakey and on the return of the FAA team to Jamaica the Minister also met and addressed them.

With the hard work of the officers of the JCAA assisted by Aviation Consultants from the USA, Jamaica was able to demonstrate that every area of weakness had been corrected

and that there was indeed, the political will to comply with and exceed all Standards and Recommended Practices of the Convention on International Civil Aviation.

The Minister was able to make a news release on this matter on March 17 advising that Jamaica had successfully retained its Category 1 status. It was decided that they would return in August 2005 to assess how our National Airline, Air Jamaica specifically, and the industry in general, have conformed to the new Regulations, which the JCAA has supplied to them in new manuals.

Air Jamaica has received its Air Worthiness Certificate.

The Government continues to be committed to the safety of our air transport system and, within the framework of the new Regulations will ensure industry compliance and that the JCAA is provided the resources to sustain an effective aviation safety oversight system.

Aerotel

Aeronautical Telecommunications Limited (AEROTEL) offers specialized Engineering and Telecommunication Services for the Aviation Sector.

The company has taken the preparatory steps to creating a secondary telecommunications link/path across the island, in order to have adequate backup/redundancy facilities. It has also enhanced the reliability of its Air-To-Ground Communications by installing a second standby generator.

Aerotel continues to earn revenue by providing specialized telecommunications services to private enterprise, and this secondary link will also increase bandwidth, which AEROTEL can in turn lease to non-aviation customers, thereby obtaining an additional source of income.

Radio Station (KOOL97 FM)

Members are no doubt aware that AEROTEL also operates the radio station KOOL 97 FM, which provides information to the public, primarily, the arrival and departure of flights. The station also contributes to the tourism industry via real-time promotional activities/tours, which highlight the islands historical places of interest.

In January Kool FM entered into a contract agreement with Nationwide News for the station to make airtime available for Nationwide's productions.

It is planned to offer other opportunities to the market for interested parties to contract for the use of some of the station's available airtime.

I am sure that Members will be happy to know that Aeronautical Telecommunications Ltd. is not a charge on the Budget.

Mr. Speaker, the expansion and development of our international airports over the medium to long-term will, without doubt, improve the operational efficiencies; facilitate greater passenger comfort, the attainment of international standards of service and the business effectiveness of the airports' partners. The initiatives and work of The Civil Aviation Authority, Aerotel and the Airport's Authority, underline the commitment by the Government to its objective of providing a user-friendly, safe and modern airport system, to help secure Jamaica's future prospects.

The Airports Authority of Jamaica

Background

The year 2004 marked the thirtieth year since the establishment of Airports Authority of Jamaica (AAJ). The 1974 enactment of the Airports Authority Act invested AAJ with the ownership, management and control of the nation's two international airports. That decision of the Government of Jamaica in 1974 effected the necessary separation of the operational, management and commercial functions related to the international airports, from the regulatory and international functions. In 1990 AAJ's responsibility was expanded to fully embrace the airport system, when the four domestic aerodromes were also included.

Economic Development

Undoubtedly our airport system has made, and continues to make, significant contributions to our nation's economy, undergirding the sustainable development of the tourism and trade sectors, as well as facilitating private capital investment in our country. The airports provide the connectivity that is essential in a global economy; a connectivity which is significant in attracting business to Jamaica, and in ensuring the accessibility that Jamaica's businesses need in order to distribute their goods and services in the international market.

The continued development and success of our international airports is of importance to our country. As economic catalysts, generating employment and providing for other economic and social development, the airports generate over 13,000 direct and indirect jobs and economic activity valued at an estimated JA\$15.2 Billion; which is equivalent to approximately 5.6% of Jamaica's GDP¹.

By the end of April of last year the local industry had begun to show measurable and compelling signs of rebounding from the traumatic and adversely impacting events which occurred in 2001. The business environment since that time has also been affected by other factors, including 'Wars and SARS' and the relatively sluggish economic performance of our major travel markets. As at 2004 August, passenger arrivals (for the calendar year) at the Norman Manley International Airport (NMIA) had increased by

¹ Based on AAJ's "Economic Impact Study – 1999/00". The 2004/05 Study results needed

8.2% over the same period in 2003, while that at the Sangster International Airport (SIA) showed a 7.1% growth for the same period.

The passage of Hurricane Ivan last year, a few months prior to our traditional winter travel season, registered a meaningful setback to the attainment of the projected annual growth level at the two international airports. As a result of the arrival, and the protracted stay, of this unwelcome 'visitor', the total growth in passenger traffic at Jamaica's airports was less than that noted for the Caribbean and Latin America region; as against 2003, when Jamaica outperformed many of the countries within the region. Despite the impact of the hurricane, however, a record number of 4,789,615 passengers travelled through our airports in 2004.

It should also be noted, and emphasised, that within 48 hours of the passage of Hurricane Ivan, both our international airports were reopened to a full schedule of commercial, and relief, flights. In fact, the main cause which resulted in the delay in the re-opening of the airports was the need to clear the roads.

The year-to-date passenger volumes continue to reflect the solid 'pre-hurricane' growth trend noted in 2004. This augurs well for Jamaica, and the recent expansion of US Airways' service, with daily flights out of NMAA, is a signal of our confidence for further growth in the business and tourism market segments.

The thirtieth Anniversary of Airports Authority of Jamaica was celebrated at a time when the organization was earnestly and assiduously "Moving Ahead" to ensure that Jamaica's two international airports are being expanded and developed to take advantage of the anticipated growth in the local and global travel industry.

The airport expansion programme which is in progress at EACH facility is aimed at ensuring that our international gateways:

- Remain competitive with the other airports in the region,
- Adequately address the changing needs of our travellers, as well as provide improved levels of service, and
- Continue to be significant economic catalysts and contributors to the development and growth of our country.

The development work for each airport will result in the transformation of the facility, which will be a source of pride to all Jamaicans, providing a meaningful 'first impression' for our many visitors and our families and friends residing overseas.

In less than two years hence, our international airports will be unveiled as truly first-class international gateways to the world, and will significantly augment our tourism product and further enhance the identity and meaning associated with 'Brand Jamaica'.

INFRASTRUCTURAL DEVELOPMENT

Norman Manley International Airport

Cabinet recently approved the 20-year three-phased Capital Development Programme for the Norman Manley International Airport, valued at \$127.7 million. The medium to

long-term developments at the Airport will be guided by the Master Plan which was completed in October last year. With the approval to proceed with the programme, work will commence on Phase 1A, which is estimated at approximately \$62.8 million. The work drawings and tender packages are now completed and preparations are being made to proceed to the construction phase. In September of this year the aggressive eighteen-month construction programme will commence and completion of the initial aspect of the development is aimed to coincide with the hosting of World Cup Cricket in the spring of 2007.

Phase 1A of the development will result in the construction of a new three-level Departure Concourse of approximately 10,000 square meters, which will be integrated with the existing Ticketing Concourse. The new and redeveloped Ticketing Area will accommodate fifty-four Check-In Desks, and to support the airlines and build efficiencies the Common Use Terminal System (CUTE) will be introduced. The Ticketing Area will also have the capacity to accommodate Well-wishers within the Terminal. A significantly improved area will also be available for Passport Control and for Security Check. VIP and Airline Lounges will also be in place. On the third floor of the Concourse a new Departure Lounge with retail offerings and facilities to comfortably accommodate passengers will be erected. In order to comply with regulatory requirement, the existing Arrivals/Departure pier will be redeveloped to provide a two-level structure to accommodate the separation of arriving and departing passengers. This development will also result in Passenger Loading Bridges being installed.

Phase 1A of the programme will also include the renovation of the Arrivals Area, to ensure that a more welcoming façade and 'first impression' is provided to our inbound passengers, as well as to the Airport Meeters and Greeters. The existing Immigration Hall will be renovated and expanded to better facilitate passenger flow and processing requirements. The existing Departure Lounge will be reconfigured to accommodate administration offices, while the arrivals hall will be rehabilitated to provide additional passenger and other Airport user services.

Major landside and support infrastructure works are underway as part of the capital Programme, with significant undertakings scheduled to be completed on a phased basis over the next two years. The development will result in the expenditure of approximately half a million dollars to upgrade the road network, with the realignment of the existing access way and the construction of a four-lane roadway and the expansion of the car park. In addition, the electrical distribution, waste water and environment management systems will be upgraded.

The expansion and rehabilitation of the Terminal facilities was initiated during the last financial year with the additions and alterations to the Departure Concourse. This project, which is slated for completion in August, was subsequently modified in scope to conform to the new Terminal Expansion programme and will improve the levels of service standards for passenger check-in and circulation. Significant improvements were also made to the Baggage Make-up Area, which was completed in January at a cost of \$19 million.

Other infrastructural works which were undertaken at the Airport during the last financial year included:

- The upgrade of the electrical & mechanical facilities which resulted in a

2 MVA generator being installed and commissioned into service in February of this year. A new 70 tonne Air-handling Unit, along with associated duct work and housing, were installed in the Customs Hall.

- Energy management and efficiency procedures remain of importance in the operation of the Airport. During the year a Building Information and Automation System was installed. The system which is expandable and designed to manage various electrical and mechanical installations will initially control the existing Terminal air conditioning. It will subsequently be expanded to control the chilled water air conditioning system for the new Terminal building.
- The development of the cargo facilities at NMIA is underway with the projected delivery of Phase 1 of the Cargo Village (a 30,000 square foot facility with associated electrical, mechanical and car park facilities) by the end of this calendar year.

Privatisation - NMIA

The Government of Jamaica is proceeding with the privatisation of the Norman Manley International Airport in parallel with the Capital Development Programme which is being undertaken at this entity. This is being done in much the same way as was done for the Sangster International Airport, which as you are all aware, was handed over to the private consortium in 2003 April.

The **Sangster International Airport** (SIA) is ranked as the second busiest airport in the Caribbean in terms of passenger traffic (Airport Council International Traffic Report - 2004). As you are aware, the development programme for the island's airports commenced with this facility; with the primary objectives being the alleviation of the current capacity constraints and the improvement of operating efficiencies, in keeping with international best practices within the airport and the construction industries. The critical role of this gateway in Jamaica's tourism infrastructure therefore dictated the priority placement.

The three-phased major expansion programme at Sangster commenced during the 1999/2000 period with the Airports Authority of Jamaica expending in excess of US\$21.0 million to complete a significant portion of the Phase 1A works, prior to the handover to the new operator in 2003. Under the concession agreement the current operator of this facility, MBJ Airports Limited will undertake the expansion and upgrading works at the airport, which will be completed at a value of approximately US\$200 million.

Phase 1A of the programme valued at US\$13.1 million, resulted (*inter alia*) in the installation of six (6) passenger-boarding jet bridges at the existing airport terminal building in 2003 December. Since that then, one more has been erected and all eleven bridges, as planned, will be in operation by the end of this month (April).

Phase 1B of the capital development programme is estimated to cost US\$42.5 million. The work which commenced in 2003 November is scheduled for completion by December 1 of this year. At that time a new twelve-gate airside concourse will be in place, complete with gate lounges, passenger loading bridges and new shopping facilities. Four additional aircraft parking positions and supporting taxiway will also be

constructed, with an extension of the public address and a computerized security systems, an upgrade of the control tower facility and an extension of the fuel hydrant system. In the meantime, the design work for Phase 2 of the airport's programme is well advanced and work on this phase is expected to commence in 2007, which will see a major expansion and upgrade of the existing terminal facilities.

Aerodrome

Work is underway at the Negril Aerodrome to rehabilitate and improve the level of service and operational safety on the airside, with the extension of the existing 660 meter runway to create a 150 meter safety area. This work is scheduled for completion in June of this year.

Security Focus

The safety and security focus at our international airports remain critical within the context of the global concern. Improvements are evident in our air navigation and communication capabilities as well as our access control, screening and preventative procedures and programmes.

A security strengthening project valued at approximately US\$625,000 was continued during the last fiscal year, having commenced in 2003. The project which is scheduled to be completed during this year, is being undertaken with the assistance of the Inter-America Development Bank (IDB), under the Multilateral Investment Fund (MIF) and has resulted in the enhancement of the operating procedures and the establishment of standards to support the aviation security regulatory framework, as well as the installation of additional equipment; including CCTVs.

The expansion and development of our international airports over the medium to long-term will, without doubt, improve the operational efficiencies; facilitate greater passenger comfort, the attainment of international standards of service and the business effectiveness of the airports' partners. All these initiatives and developments serve to reinforce the commitment and the objective of the AAJ to provide a user-friendly, safe and modern airport system by 2007.

The Architects Registration Board & The Professional Engineers Registration Board

Last year two Bills were presented to Parliament to make provision for the process of the Architects Registration Board and the Professional Engineers Registration Board becoming compliant with CARICOM Single Market and Economy.

The Government of Jamaica agreed to accelerate the process of becoming compliant with the CSME, and consequent on that decision, the Government needed to commit itself to fulfilling its obligation under Chapter three of the Revised Treaty of

Chaguaramus. In order to do so, certain amendments were made to the Architects Registration Act and the Professional Engineers Registration Act.

Both Acts were amended to remove the requirements that applicants for registration be “Jamaican citizens or ordinarily resident in Jamaica” The Amendments allowed “Caribbean Community Nationals” as defined in the Acts, to be registered to practice engineering and architecture in Jamaica, therefore removing the requirement of being a citizen of Jamaica.

Both the Architects Registration Board and the Professional Engineers Registration Board are charged with the responsibility of ensuring that only such persons as are appropriately qualified and registered, are permitted to practice in Jamaica. In order to fulfill this mandate both Boards review the qualification and experience of applicants for registration and Engineers deemed eligible are issued a practicing certificate on payment of the prescribed fee.

The amendments also increased the fines in the schedule to the Professional Engineers Registration Act. The newly inserted Section 23A of the Professional Registration Engineers Bill provides that the Minister may, by order subject to affirmative resolution in the House of Representatives, amend or vary any penalty or fine under the Act.

The fines have been increased under the Professional Engineers Act for persons who are not registered as engineers and who practice or use in relation to himself the designation “engineer. Any person who contravenes the provisions of the section shall be guilty of an offence and shall be liable on summary conviction before a Resident Magistrate.

The fine for a first offence has been increased from two thousand to two hundred and fifty thousand dollars and in the case of second or subsequent offence; the fine has increased from five thousand to five hundred thousand dollars

The fines for any person not registered by the Board under the Architects Registration Act have similarly been increased as those in the Professional Engineers Act. The law provides that person not registered by the Board shall pay two hundred and fifty thousand dollars up from two thousand dollars for a first offence and five hundred thousand dollars up from five thousand dollars for second or subsequent offences.

The penalties has also increased for persons whose registration has been cancelled or suspended by the Board or upon whom the Board has imposed specific conditions and who after such cancellation or during such suspension or while such conditions remain in force, practice the profession or do so in violation of the condition imposed by the Board.

Marine Transport

Over the past year, significant strides were made to solidify the base of the Maritime sector and enhance its contribution to Government's programmes which are designed to secure the Country's future.

The Caribbean Maritime Institute

The Caribbean Maritime Institute (CMI) continued to offer valuable tertiary training to some three hundred and ninety-four students last year. One hundred and five students successfully completed their programmes in 2004 in the month of September, which is the end of the Institute's academic year.

Sixty-five students were enrolled in the International Maritime Organization Professional seafarer's programme. The large majority of the remainder of the two hundred and twenty-nine students was pursuing courses of study leading to:

- The Diploma in International Shipping and Logistics; and
- The Associate degree in Industrial Systems Operations and Maintenance.

The three hundred and ninety-four students enrolled represent a six point nine percent increase over the previous year.

The Institute has been able in the past year to make progress in an area that has presented challenges over the years, that of securing enough berths to place its cadets on ships both for hands on training and thereafter as employed seafarers.

The CMI managed to place some one hundred and twenty Cadets on ships, some as employees and some for training on a rotating six-month basis.

Largely through the efforts of the International Crewing Agency Caribbean, thirty Cadets were placed aboard ships and sixty-eight had rotated training and were employed ashore. Eleven Engine Cadets were rotated at the Jamaica Private Power Company at Rockfort and another eleven were rotated at the Doctor Bird Power Barge at Old Harbour Bay, St. Catherine.

In the course of the year, the Institute was able to carry out its programmes, despite encountering some difficulty in acquiring the services of lecturers in two very specialized areas.

That situation has been exacerbated and the Institute faces competition in this area from the recent upgrading of a polytechnic college in Trinidad to the University of Trinidad and Tobago. With the assistance of British Petroleum, which is a significant player in the Trinidad and Tobago Oil Industry, the new Institution is planning to establish a Marine Department. The Caribbean Maritime Institute has to cope with a situation in which the new entity is offering remuneration for specialist tutors which is beyond the current gift of the CMI.

Some discussions have taken place between representatives of both Institutions, with a view to arriving at a situation where they could to some extent, work in tandem. Enrollment at the Institution could be affected.

The CMI is accredited to provide certification in some advanced and specialized programmes, which the new Institution in Trinidad would not have and the possibilities of having the advanced courses offered here at the CMI, are being explored.

The plans of the CMI for 2005/2006 include:

- The completion of the organizational restructuring exercise of the Institute;
- Completing the Accreditation of its programmes and certification, through the University council of Jamaica by July 2005;
- The placing of more Cadets and ratings on commercial vessels;
- Complete the ISO Quality Assurance Certification exercise in this month;
- Construction of new containerized offices to accommodate staff; and
- Undertaking Phase 2 of the refurbishing of the Admiralty House#1A (J\$14.5m) for overseas students.

Last year the CMI continued its collaboration on programmes of study with the Montego Bay Community College and the Critchlow Labour College in Guyana.

The Institute is always seeking to enhance its endowments and help to provide more opportunities for deserving students. The CMI Trust Fund has benefited from two scholarship endowments which have been made in memory of two persons who gave distinguished service to the Shipping Industry. The Caribbean Shipping Association was responsible for one endowment in the sum of US\$ 35,000.00 in memory of the Ms. Monica Silvera, who served regional shipping with distinction through the Shipping Association of Jamaica.

The Other endowment in the sum of J\$500,000.00 was made by the Rattray family in honour of the late Lucien Rattray who also served the industry in Jamaica and the Caribbean with distinction.

MARITIME AUTHORITY OF JAMAICA

The activities of the MAJ during 2004/2005 continue to reflect its mandate to ensure that the maritime activities of the country are conducted in accordance with national and international standards of maritime safety and pollution prevention. Accordingly emphasis continued relative to:

- Drafting of regulations necessary for the implementation and monitoring of various activities under the Shipping Act;
- Inspection and licensing of the vessels operating in the Tourism Industry and commercial fishing sector;
- Casualty investigations
- Port State Control Inspection and inquiries into marine accidents occurring in the Jamaican waters; and
- Examination and certification of seafarers.

ACHIEVEMENTS (2004-2005)

A. *Increased Revenue Generation*

Since its inception in 1999 the MAJ has pursued strategies to increase its income generating potential with the ultimate objective of becoming self- sustaining. Earnings of the MAJ was recorded at J\$22.5 million for the 2004/2005 fiscal year; a 40% increase over the J\$16 million earned in the previous year but approximately, 6% below the target of J\$24.4 million. This increase was achieved primarily from ship registrations and the activities of the Maritime Technical Services Ltd, the company incorporated to provide surveying and other technical services to the local and international markets.

The launching of the Jamaica Ship Registry (JSR) as an international registry in October 2000 represented a critical strategy to generate income for the Authority and to establish Jamaica as a shipping center. However, resource constraints have not allowed the degree of marketing effort necessary to establish the Registry in the very competitive market of international ship registration and to significantly achieve its potential to contribute to the income of the MAJ and Jamaican economy.

B. Strengthening the Legislative Framework for Maritime Administration

During the 2004-5 financial year the focus was on consolidating the legislative work in progress namely, the Marine Environment Protection from Ship Source Pollution Act as well as, the following regulations:

- Shipping (Fees), (Registration) & (Local Trade) regulations under the Shipping Act
- Maritime Security Regulations
- International Convention for the Safety of Life at Sea (SOLAS)
- International Conventions on Load lines
- Tonnage Measurement Convention, (which govern matters relating to the safe operation of ships).

The drafting of regulations for several pieces of maritime legislation was finalized for which promulgation is expected early in the new fiscal year. Namely, the Shipping (Registration) and Shipping (Fees) Regulations 2004. These were forwarded to the Honorable Minister of Transport and Works for signature. The regulations provide important support for the administration of the JSR.

The preparatory process towards the promulgation of the Marine Pollution Bill advanced significantly during the period with the completion of the review of the provisions by the Attorney General. It is presently being reviewed by The Ministry of Transport and Works

and should be forwarded to the Office of the Parliamentary Counsel in the first quarter of the new financial year.

The Authority also continued to facilitate Jamaica's reporting obligations under the International Convention on the Establishment of an International Oil Pollution Compensation Fund. This fund is intended to provide compensation to countries that have suffered damage to their territorial waters caused by marine oil spills.

C. Ensure Maritime Safety And Prevention Of Marine Pollution.

In keeping with the provisions under the Shipping Act of 1998, the Maritime Authority of Jamaica has been regulating maritime safety and marine pollution prevention. Since its inception, local vessels operating in the tourism (water sports) fishing and commercial sectors have been required to comply with established safety standards and persons operating them have to be certified by the Authority, to handle such vessels or crafts with competence. Ensuring maritime safety and pollution prevention is very important, due to their economic, environmental health and social implications for the wider society.

During the reporting period, 837 vessels operating in the locally were inspected and forty-eight (48) Coxswain licenses were issued to Boat handlers. Additionally, twelve (21) Flag State Inspections were conducted on large international vessels including four inspections of foreign vessels for Local Trade.

The Authority regulates the certification of seafarers by ensuring that they are upgraded and certified at the recognized international levels of competence. During the year under review, the Authority conducted 263 examinations for students of the Caribbean Maritime Institute. The Authority also issued 15 Certificates of Competency to seafarers and revalidated 8 Certificates of Competency. In upgrading seafarers having STCW Certificates from 78 to 95, seven (7) endorsements were issued, attesting to further training completed and one hundred and eighty three (183) Reciprocal Recognition Endorsements issued to seafarers.

MAJ continued to ensure that foreign vessels operating in Jamaican waters do not pose a threat to maritime safety and the marine environment on which the economy so heavily depends as well as fulfill its obligation under the Caribbean Memorandum on Port State Control to inspect a minimum of 15% of the foreign vessels visiting its ports. Ninety-five (95) Port State Control inspections were conducted on foreign vessels using Jamaican ports.

The Authority completed investigations into three (3) marine casualties, during the period under review.

D. *Developing Jamaica as an International Shipping Center*

The development of Jamaica as an International Shipping Center is one of the major strategic goals of the Maritime Authority of Jamaica. A Jamaica Ship Registry was launched in October 2000 as an international ship registry providing inter alia, ship and mortgage registration services to the international shipping community. This initiative has served as a catalyst for the development of Jamaica as an International Shipping

Center. This model has been practiced with success in Malta, Singapore and the Bahamas. The development of the ship registry would integrate the achievements in the transshipment and cruise sectors by the development of allied services including the supply of crew, marine insurance, banking, legal services, dry docking and bunkering in addition to ship registration.

The Shipping Amendment Act 2000, which provided for tax incentives, expanded the categories of entities qualified to own a Jamaican ship and introduced attractive provisions for banks and other providers of ship finance.

The launching of the Jamaica Ship Registry (JSR) as an international represented a critical strategy to generate income for the Authority. However, resource constraints have not allowed the degree of marketing effort necessary to establish the Registry in the very competitive market of international ship registration and to significantly achieve its potential to contribute to the income of the MAJ and Jamaican economy. The number of international trading vessels currently on the register is 32.

Efforts continued to develop crewing in Jamaica to take advantage of the projected worldwide shortage of seafarers to work on international vessels. Jamaica trains seafarers and can therefore, provide a steady supply of crew to work on vessels. This comparative advantage and the potential for employment generation make it strategic for the country to position itself as a crewing nation. The Authority succeeded in maintaining its certification under the International Standards Organization's ISO 9001:2000 quality standards. The Authority successfully completed the annual surveillance audit of its ISO system conducted by the American Bureau of Shipping (ABS).

The ISO certification has enabled Jamaica to maintain its status on the IMO white list of countries whose maritime training standards are certified as being in keeping with the accepted international standard. Additionally, the confirmation of ISO 9001:2000 certification of the Authority's Quality Management System in 2004, also demonstrates to the international shipping industry that the high service levels of the JSR will be consistently maintained.

The Authority also, played a key role in Jamaica's implementation to the International Ship and Port Facility Security Code (ISPS), which came into operation in July 2004. This Code determines the procedures to be adopted at port and on ships to counter terrorist and other security threats.

Plans for the 2005-6 Financial Year include:

Developing the Jamaica Shipping Registry

The yacht sector has been largely untapped by the JSR and the legal framework is currently being developed prior to the planned launch of a Jamaica Yacht Register in the third quarter of the 2005/2006 financial year. Whilst some yacht revenue will be earned from registration fees the bulk of the revenue will be earned from the provision of survey and other technical services to the yachts by the Authority's inspectors.

Promoting the Shipping Centre concept.

Strengthen the Legal Framework.

Focusing on Maritime Safety and Security

Developing Crewing. A proposal on Crewing has been developed and efforts will be made in the new fiscal year to advance work on establishing an appropriate legal and institutional framework to develop and expand crewing in Jamaica.

Retaining ISO Certification.

Increasing Revenues. During the new current year, the Authority will seek to increase its revenue by approximately, 20% by a) registration of international vessels b) targeting unregistered vessels in the fishing and tourism sectors and, c) providing technical services and outreach through Maritime Technical Services Jamaica Limited for the latter purpose. The Authority's technical outreach programme will be actively, pursued through this subsidiary company, to increase its foreign exchange earnings. This is one of the strategies that it is pursuing to become a fully self-financing public entity.

The company will offer commercial maritime services such as:

- statutory vessel surveys leading to the issue of international certificates under the SOLAS74/78 and Load line Conventions
- Conducting International Safety Management (ISM) audits of commercial ships
- the conduct of assessments and approval of ship security plans leading to the issue of International Ship Security Certificates
- Conduct of International Ship and Port Security (ISPS) audits
- The conduct of assessments and approval of port facility security plans on behalf of other contracting Governments.
- Development of Ship and Port Facility Security Plans
- The conduct of marine casualty investigations
- Auditing of maritime training institutions
- Conditional surveys required by insurance companies.
- Ship Surveys requested by vessel owners to facilitate the purchase or sale of vessels, acquisition of ship mortgages, etc.

The sub-sectors of the maritime economy to be targeted are other maritime administrations, ship owners, as well as commercial entities such as insurance and shipping companies.

The Port Security Corps

Mr. Speaker, the Port Security Corps is an integral player in the successful thrust to enhance the security profile at the Country's air and sea ports.

Airports

Over the past year the Corps worked in tandem with authorities at the Sangster and Norman Manley international airports and the police, to significantly reduce the incidence of illegal drugs and other contraband being placed aboard aircraft.

Regarding the trafficking of drugs, at the Norman Manley airport the Corps was instrumental in the interdiction of some five hundred and seventeen (517) kilograms of marijuana and eight kilograms of cocaine. Their efforts at the Sangster airport resulted in the seizure of one hundred and thirty six (136) kilograms of marijuana and five kilograms of cocaine.

Sea Ports

The quality of service offered by the Port Security Corps at the sea ports has earned it the respect of the operators on the ports and, has resulted in a considerable expansion in the deployment of its personnel.

Last year officers of the Corps serviced one thousand, one hundred and seventy vessels at APM Terminals. They provide on board ship security, transshipment shipside duties and are involved in access control to the port of Kingston and around-the-clock mobile surveillance.

Their activities have contributed to the reduction in the turn around time of vessels at the ports, a major objective of all international Shipping Lines.

Last year, two of the Corps instructors were certified by ICAO to conduct Aviation Security (AVSEC) training course and the Port Security Corps was certified as a Recognised Security Organisation (RSO) by the Port Authority of Jamaica.

The Corps is intent this year on securing more opportunities for specialized training of its personnel.

The United States Embassy and the British and Canadian High Commissions have assisted the Corps in this regard as well as in helping to meet other resource requirements of the Corps.

Performance of The Industry Ship & Cargo Traffic

During the fiscal year 2004, 3,432 ship calls were made to the island's ports, as against 3,850 ship calls in the previous year, reflecting a decrease of 10.86%.

This trend of fewer ship calls is expected in the international shipping as the industry moves to use more mega vessels, which transport more cargo. This development has significant implications for our port development plans and expenditure, because ports will have to meet the infrastructure requirements for accommodating larger vessels.

The Port of Kingston accommodated 2,292 ship calls and handled 14 million metric tonnes of cargo, as against 2,515 ship calls, and 12.9 million metric tonnes of cargo the previous year, reflecting a decline of 8.98.0% of ship calls and an increase of 8% over cargo volumes the previous year. This inverse relationship of ship calls to cargo volumes resulted from growth in the number of larger vessels calling at the Container Terminal, which handled 8.8 million metric tonnes of transshipment cargo.

The Port of Montego Bay, the country's second public port, accepted 177 cargo ship calls, transporting 688,946 metric tonnes of cargo, compared to 244 ship calls and

676,203 metric tonnes the previous year - reflecting a decrease of 27.46 % in ship calls and an increase of 1.88% in cargo volumes, again reflecting the trend of larger vessels calling at our ports.

The Port Authority of Jamaica

The Port Authority is the principal maritime agency responsible for the regulation and development of Jamaica's ports and shipping industry.

The Kingston Container Terminal

The Kingston Container (Transshipment) Terminal, the Port Authority's most prominent commercial entity was a premier performer during the year.

At the end of the fiscal year, the Terminal recorded container throughput of 1,247,018 TEUs, a landmark achievement, as against throughput of 1,087,853 TEUs the previous year, reflecting an increase of 14.63%. Of the overall throughput at the Terminal, transshipment accounted for 81.9%, confirming the Terminal's leading "Hub Status" in the Central American and Caribbean region.

The further expansion of the capacity of the Regional Transshipment Hub at Gordon Key in Kingston from 1.25 million to 1.5 million TEUs or twenty-foot container equivalents, with the required additional infrastructure, has proceeded smoothly. Indeed, I am pleased to report to this Hon. House and the Country that the expansion is being completed in August of this year, some two months ahead of schedule.

The projected and actual expenditure on the project are almost spot on, \$45.9million dollars having been the projected cost and, the final costs now expected to be \$46.2million. Ships have already been berthing at the North Terminal from April of this year.

It is important to note that:

- The improvements in efficiencies and productivity at the Terminal,
- The enhanced cost competitiveness and an aggressive marketing strategy
- Taken in tandem with the expansion programmes undertaken over the past several years, is attracting increasing interest from shipping lines who want to do business with the Port of Kingston.

As a result, it is the case that the additional one-quarter of a million TEUs throughput capacity being added, will be taken up almost immediately on completion of the project in August. The Port Authority therefore has to accelerate its plans for starting the next phase of expansion works at the terminal.

Port Security

While we have always focused on efforts to protect the Country and our foreign trade, particularly our exports and transshipment market from contamination of narcotics, the heightened threat of terrorism in the post 911 dispensation, elevated port security considerations and alertness to its highest level ever.

This resulted in the International Maritime Organisation establishing a July 5 2004 deadline for all ports involved in international trade to meet a designated security profile. Additionally, our major trading partner, the United States, instituted strict guidelines of its own to act in tandem with the IMO requirements. These are similar to ICAO guidelines and FAA guidelines in the Aviation Industry.

The Government appointed The Port Authority as the “Designated Authority” responsible for port security under the IMO ISPS Code and approved a security programme at a cost of J\$1.2 Billion for our major international cargo and cruise ports.

As Minister Pickersgill had promised Parliament and the Country in the 2004/2005 Sectoral Debate, we successfully carried out our programme to meet the requirements of the IMO ISPS Code July 5, 2004 deadline, and became one of the first Countries to be accorded the security certification for its ports.

Over the past eleven months the new security system has been operating effectively. In addition to the five Vacsis X-Ray machines that were put in place, the Port Authority has recently acquired one Aracor X-Ray machine. This machine, which has a deeper penetration capability, will be used to X-ray all agricultural and refrigerated cargo. Along with two additional Vacsis pallet machines to deal with pallet cargo, these eight machines will help to bring the security operations at the port to the optimum level. We are committed to providing the safest cargo and cruise ports facilities in the Caribbean.

A recent audit of our security system by some nine relevant agencies of the United States, indicates that we are in compliance and by far the most impressive in the region.

At the time of publication in the second week of June, the PAJ is completing the installation of 39-cameras to provide coverage for the monitoring of the Terminal by closed circuit television. This is projected to cost approximately J\$185 Million. Meeting the security requirements of the IMO ISPS Code and the requirements of our major trading partner, the United States of America in the post 911 scenario, entailed significant expenditure.

It is therefore important to note that since the new security arrangements have been put in place, there has been an increase of some \$1billion in the revenue intake by the Customs Department. The American Authorities are desirous of using the Security profile of the Port as a model for the region. In that regard there could be some beneficial financial considerations for the Port Authority of Jamaica.

Other projects to be carried out at the Port of Kingston in the current 2005-6 financial year include:

- Construction of the Kingston Container Terminal (three stories) Administration Building
- Maintenance and replacement of beacons in the Kingston Harbour to mark access channels in keeping with international standards

- The paving of lands in the Montego Bay Freeport and the construction of Breasting Dolphin at Berth 2 to enhance the safety of vessels during berthing operation. This is projected to cost J\$68 Million.
- Refurbishing of Berth 11 warehouse to accommodate customs officers and to conduct the stripping of containers. This is projected to cost J\$26 Million.

Port Congestion

Some readers will recall reports in the latter part of last year about congestion at the Port of Kingston.

Some difficulties did indeed arise, which were occasioned in the first instance by increased business over and above projections that had accrued to the port from June of last year. The situation was aggravated by the disruption in service at a number of other ports in the Caribbean and the United States within our chain of operations, which suffered the effects of the active hurricane season that saw four major systems including hurricanes Ivan and Charley affecting the region.

There were assertions from several quarters about the reasons for the congestion, with attempts by some to place all blame on the Port Authority. Whatever the extent of culpability of the Authority, there was a significant contribution by some local business interests using the port. Storage space constraints were aggravated by the fact that some large companies are using the port as a storehouse for containers.

Some companies were making claims that they could not get their goods off the port. When we promptly made arrangements and invited the claimants to come to collect the cargo, which they said they could not access get, none came. The Port Authority, Mr. Speaker, bearing in mind last year's experiences and the fact that we are already into the hurricane season, the Authority has been calling on companies still having containers at the Port to remove them. As we move forward, the public should be advised that the year 2004 registered a period of unprecedented growth in the international shipping industry, which was propelled by a ten percent (10 %) increase in world trade. World trade is expected to grow by six (6) to eight (8) percent in 2005/2006.

A prediction from a reputable maritime yearbook is that container throughput volumes for the year are expected to reach 400 million twenty-foot container equivalents. It was noted that as a result of those sharp increases in volume of goods being shipped, most major global ports had experienced some congestion. There are predictions that congestion will revisit the industry this year, presenting a challenge to global port operators, including the Port of Kingston.

The PAJ is monitoring the daily inventory of domestic containers on the Terminal and importers are requested to remove containers within a stipulated time frame. The Port of Kingston is a Hub Port, which receives containers for other destinations. The Authority is working with the Shipping Lines to ensure that the receiving ports are in a position to take these containers within a reasonable period.

The Authority has been acting aggressively to mitigate problems that could develop as a result of limited storage capacity, and has acquired some sixty acres of land for additional storage space. This is not to provide any comfort to those using the ports as a storehouse because you will recall that throughput at the Terminal and therefore operations have increased significantly because of the capacity expansion programme. The Port has acquired its own machines to allow it to stack containers in multiple rather than a single layer and the utilization of a Global Positioning Satellite system allows for the determination of the location of individual containers on the Port at any given time.

Cruise Shipping

The Port Authority of Jamaica has full responsibility for all operations in the Cruise shipping Sector.

In 2004 cruise ship calls to our ports amounted to 492 transporting 1,088,760 visitors to various destinations, as against 498 ship calls, and 1,125,402 cruise passengers the previous year, reflecting a decrease of 1.20% in ship calls and 3.26% cruise passengers.

(a) **Ocho Rios**

The Port of Ocho Rios remains the premier cruise shipping port of the island. During the fiscal year, 315 cruise ship calls were made to the Ocho Rios Port delivering 768,542 visitors to that region, as against 325 ship calls and 816,338 visitors reflecting a 3.08% decrease in ship calls and an 5.85% decrease in visitor traffic in the previous year.

(b) **Port of Montego Bay**

The Port of Montego Bay, the second major cruise shipping port of the island, welcomed 165 cruise ship calls and 315,718 cruise visitors, as against 162 ship calls and 303,939 visitors, the previous year, reflecting a growth of 1.85% in ship calls and 3.88% of cruise visitors.

(c) **Port Antonio**

Eleven cruise ship calls were made to Port Antonio, transporting 4,630 visitors as against ten cruise ship calls and 4,447 visitors the previous year, reflecting a 10% increase in ship calls and 3.88% in visitors.

In light of restrictions on the size of vessels accessing the Harbour, market promotion has been focused on the smaller vessels deployed in the Boutique niche of the market, mainly from Europe.

In addition to cruise ship calls from our traditional North American cruise partners, our cruise shipping sector began seasonal home porting in Montego Bay for "Aida Cruises" and "Sun Cruises". A third Line will soon commence service out of Europe.

In the current financial year, the Port Authority will proceed with the Expansion of the Montego Bay Cruise Ship Pier to satisfy the demand for additional berths. It is projected

that the Engineering Services will be awarded by July 2005 and design completed by March 2006. Construction is scheduled for completion by October 2007.

It must be emphasized that cruise ship calls will be continuous throughout the construction phase and the implementation methodology will be planned in a manner to minimize and remove potential conflict with Cruise Lines.

In its development role, the PAJ facilitates and participates in the commercial development, expansion and upgrading of the country's ports and allied services.

The Port Authority in conjunction with the Maritime Authority has embarked on another service, which has the potential to reap significant returns for the sector and other business interests. I am referring to the offshore bunkering of ships using our coastal waters. We are now regularly servicing twenty ships per month from a major international company, which are refueled by us in open waters without the ships having to stop.

The company involved operates many more ships and we are seeking in the short term to expand the service for which, the Port Authority has acquired specialized vessels, for servicing sixty vessels per month and eventually up to one hundred ships per month. In addition to the remuneration for the service, other benefits include increased sales of product by Petrojam, as well as additional harbouring and pilotage fees.

The company, which we now serve, has registered its satisfaction with the operations and there is scope for significantly increased business. The PAJ is also investigating additional opportunities regarding stated demand for the provision of water and other required supplies.

Distribution Logistics Center

The Port Authority is finalizing the acquisition of property adjacent to the Kingston Container Terminal to develop the first phase of a Distribution Logistics Center, which will be operated by overseas Private Sector investors involved in the Shipping Sector.

The PAJ is now in the process of settling terms of reference with Zimm Israeli Lines. The Authority has in partnership with Zimm, has purchased the former Cable and Wireless sixteen-acre Maintenance Center property, which will house the Logistics Center at the Port. A Distribution logistics Center incorporates a central marketing point and is an important aspect of the development of large modern Hub Ports.

From a Distribution Logistics Center, a local importer say of refrigerators, may find that his order that is placed with the manufacturing company with which he is doing business, is filled from the Logistics Center at the Port Of Kingston. An example of a major logistics Center at a Port with which many Jamaican business operators are familiar is the Logistics Center in Panama where enormous volumes of business is transacted. Zimm will be opening the first Logistics Center at the Port of Kingston In July. Other major shipping lines have expressed more than ordinary interest in this logistics center.

Planning of the fifth phase of expansion of the Port is well underway and actually started with the realignment of the Causeway Road. That is where the six-lane highway and bridge from Kingston to Portmore will be. These developments represent billions of dollars in investment and will transform the whole of the Portmore area and its environs in an unprecedented way.

The Fifth Phase expansion will provide another one million twenty foot container equivalent throughput, bringing the Capacity of the Port to two and-a-half million TEUs. An additional one hundred and sixty acres of land will be created from dredging works at the Kingston Harbour channel, and will result in the joining of the lands between Fort Augusta and St. Albans. It is a fact that the international shipping lines are very excited about the developments at the Port and the plans they see for the provision of adequate future capacity.

In the last financial year the Maritime sector increased its significant contribution to the economy. The solid base on which it is constructed, will undoubtedly continue to impact positively on the drive to secure the Country's future in the international economy and market place.