

**The Presentation By The  
Minister of Transport & Works  
The Hon. Robert D. Pickersgill  
In The Sectoral Debate  
2005, June 14**

**Opening**

It continues to be my pleasure to report on the plans, programmes, work, challenges and achievements of the Ministry over the last financial year and on the programmes and projects to be undertaken in the 2005/2006 fiscal year.

## **Land Transport & Infrastructure**

### **The National Works Agency**

Mr. Speaker, my Minister of State, Dr. Fenton Ferguson, who has direct responsibility for the National Works Agency will speak substantially on the NWA.

The Agency continued its critical work in 2004/2005, the value of which, many Jamaicans came to appreciate in the days following Hurricane Ivan.

In the course of last year, the Agency proceeded with a number of projects including the Northern Coastal Highway Improvement Project (NCHIP).

Members are aware that the Project is behind schedule, but we are making progress. Indeed, the Martha Brae Bridge and the immediate Section of the Highway is soon to be opened.

Work is also advanced on a number of other bridges including the Pear Tree and Bengali Bridges.

### **The Road Maintenance Fund**

Mr. Speaker, last year, the Road Maintenance Fund financed road works in excess of J\$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 Maintenance Fund Board to carry out improvements to road junctions which the experts felt were 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**

Work on 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, and
5. The relocation of utilities.

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

## **CONSTRAINTS**

The Fund is constrained by limited resources; resources necessary to enable all the required road repairs.

It is estimated that there is need to patch some four hundred thousand square meters of roadway annually, separate and 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 Fund 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 to 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
- Shortwood and Constant Spring roads
- The Barbican Road and Russell Heights junction, and
- The East Kings House Road Bridge expansion



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**

Mr. Speaker, 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. Cracks that had occurred on the original Old Harbour bypass are currently the subject of investigation. The number of incidents of fence stealing has diminished but there is need for improvement regarding litter.

## **Construction**

Mr. Speaker, 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 that this section will be opened 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**

Mr. Speaker, I am pleased to report that last week 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**

Mr. Speaker, regarding the tolling of the Portmore Causeway, the House is aware that interested parties have filed a Fixed-Date Claim form and an application for leave for Judicial Review in the Supreme Court. One of the cases is scheduled to be heard on July 19<sup>th</sup> and 20<sup>th</sup> 2005 and the other on August 8<sup>th</sup> 2005.

## **North/South Link**

Let me advise the House and the Country Mr. Speaker that 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 pursued.

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 the number of accidents on the highway is 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 EXPENDITURE**

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 Jamaican environment. In addition, the sub-committee has, through field visits of the highway, made contributions in respect of 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.

#### 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 Manager 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 Town Toll Plaza.

#### **Land Transport**

Mr. Speaker, over the past several years the Government has spent vast sums from the public purse to put in place the necessary infrastructure and plant in order to provide commuters in the Kingston Metropolitan Transport Region (KMTR) with a modern public transportation system.

Over the course of the last financial year, much effort was expended in determining the requirements and in starting to put some of those measures in place, to advance the process of rationalizing the service offered by the Jamaica

Urban Transit Company, improving the JUTC's efficiency and productivity and to protect and improve the Company's revenues.

### **The Jamaica Urban Transit Company Ltd.**

Mr. Speaker, a review of the operations of the JUTC for the period April 1, 2004 to March 31, 2005 shows that:

- The company achieved revenue of \$2.27 billion, an increase of \$39.12 million or 2.25% when compared to the 2003/2004 corresponding period.
- In the last fiscal year, 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.
  - Revenue is affected by the increased, intense competition from illegal operators due primarily to the absence of the regulatory requirements; and
  - Due to the 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 from September 13 to 18 last year.
- Marketing strategies used to promote Smart Card sales resulted in an increase in revenue accrued through that facility 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 company continued 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.

Mr. Speaker, last year the JUTC initiated its safety awareness campaign in an overall thrust to encourage safe driving habits. The elements encompassed in the safety awareness programme include:

- ❑ Driving with headlights on in daylight hours
- ❑ Regular written communication to drivers
- ❑ Refresher training with commuter/customer friendly focus during summer
- ❑ Retraining of accident investigators
- ❑ Acquisition of 4 speed guns to increase monitoring of speeds across the KMTR

### **Metropolitan Management Transport Holdings Ltd.**

Mr. Speaker, the winding down process of Metropolitan Management Transport Holdings (MMTH) commenced on March 31<sup>st</sup> last year. MMTH was responsible for the importation of buses for the JUTC and the development and management of the depots. The assets and liabilities of the company were transferred to the JUTC.

Last year, the JUTC commenced full operation at the Rockfort Depot and is now in the process of establishing Ashenheim Road Depot as a central maintenance workshop.

Improved arrangements have been made to facilitate dispatching operations in the Parade area of Downtown Kingston.

Over a six-month period, prior to the recent handing over of the site for the construction of a new Transport Center, the South Odeon Avenue facility was converted to off peak parking, resulting in savings of 10,000 dead kilometers per month.

Last year the company also began a pilot exercise for the Automatic Vehicle Locator (AVL) on two major routes (Havendale and Bull Bay), achieving positive results with regard to the following areas of operation:

- ❑ Buses being on schedule
- ❑ Improved speed control
- ❑ More satisfied commuters
- ❑ Knowing a vehicle's location at all times

The JUTC has now acquired systems, namely Trapeze Software Solutions-FX, Blockbuster, OPS and PLAN modules to enhance its ability to prepare effective schedules in a timely manner, as well as to effectively manage bus and duty assignments. The Trapeze Software and Maintenance Contracts were signed in December last year. The Trapeze team visited the JUTC in March of this year and completed an operational review with different groups of JUTC staff, preparatory to implementation.

Computer hardware and database software were ordered in February 2005 and installed last month in preparation for implementation of the first phase of the project.

Four one-week training sessions, which will be completed in August, are being held with Scheduling Staff. The first session was held in May and the second is scheduled to begin on June 20.

Mr. Speaker, the automated production of schedules will significantly reduce the time now required to plan and implement schedules and allow for greater flexibility in adjusting and optimizing schedules to suit the JUTC's operations. At present, creating new schedules manually requires up to fifteen (15) weeks of work to produce and some three weeks to make adjustments for each set of departure schedules.

With the Trapeze system, that same work will now be done in approximately five weeks, with one and-a-half weeks required for adjustments. Another benefit to be derived from the Trapeze scheduling software is the ability to design schedules, which would provide the same level of service using fewer buses.

The second phase of implementation of these systems is slated to begin next January and will include the implementation of Trapeze OPS and PLAN modules. Their introduction will significantly impact the Dispatch and Road Management operations of the company.

They will also enhance the ability of Dispatch and Road Management personnel to control overtime, to more easily contact and assign available bus crews to duties as required, while improving the ability to manage attendance and absenteeism. These modules will be directly linked to the JUTC's payroll system.

Mr. Speaker I would be remiss if I did not publicly recognize and thank the Management and workers of the company for the exceptional evacuation

services it provided in meeting the challenges presented last September by Hurricane Ivan.

**The measures the company has planned to implement this year are:**

- The launch and re-branding of the Company as a customer oriented organization.
- Seeking 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.
- Working more closely with the Transport Authority and the Transit Police Unit, to reduce the effects of illegal competition.
- Developing partnerships with the other relevant agencies to reduce congestion at bus terminals and improve the facilities. This includes areas such as North and South Parade, Eastwood Park Road and Spanish Town.
- Increased promotion of smart cards by partnering with private sector entities and providing timetables at terminals and major bus stops.
- Implementation of additional transfer systems to further decrease the number of buses operated during reduced service time periods, particularly on the Portmore and hill routes.
- Continuing route rationalization to improve efficiency and increase revenue.

- And continued implementation of the efficiency improvement programme with emphasis on productivity and energy conservation.

### ***MAJOR CONSTRAINTS***

It is true to say Mr. Speaker, that last year the company was faced with a number of significant challenges to the efforts to improve its overall operations, among them:

- The inability to charge an economic fare
- Continued intense competition from illegal operators
- The availability of spare parts preventing better maintenance of buses
- Some traffic congestion and outbreaks of violence with various degrees of intensity in the August Town, Mountain View, Spanish Town and Downtown Kingston areas.

### **Montego Bay Metro**

Mr. Speaker, 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:

- Greenwood to City Center
- Sandy Bay to City Center, and

- The Cambridge to City Center routes.

Eleven buses were used to service the routes and the operations were conducted by a staff complement 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 stops, 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) tyres being for Jamaica Urban Transit Company. This represents an increase of one thousand and seventy-five (1075) tyres over the previous year, which is also a tremendous saving for the bus company ( Savings estimated at J\$28 million).

The other facets of the company, including the alignment stand, tyre shop and tyre 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 tyres to Ministry of Water and Housing, Rapid Response Unit at a value of twenty one point six million (J\$21.6M) dollars. The first lot of these tyres valued at nine million (J\$9.0M) 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**

Mr. Speaker, there are two main components serving the public transportation needs of commuters in the Country; the bus services and taxi services. It has been well publicized that the Government has spent in excess of \$6 billion in plant and rolling stock to modernize the bus service. It is also a fact that private interests legally offering bus and taxi services to the public and indeed, many of those operating illegally have invested significant sums.

The lack of effective regulations governing the sector has impacted both the public and private sector operations in the transportation sector in a major way.

Members are aware that 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.

This Hon. House is aware that 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.

Mr. Speaker, 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.

You will recall my informing this Hon. House that in terms of persons operating vehicles as taxis without a road license, ample time, indeed, more than a year in fact, was given for such persons to regularize their status by applying for road licenses. I have also spoken to the issue of some operators not abiding 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:

- 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.***

- 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 Mr. Speaker, the legal operators 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**

Mr. Speaker let me remind you that 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 licence 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.

Let me point out that 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 its 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***

Members of this Hon. House should be aware Mr. Speaker, that 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. Last week Mr. Speaker, we had the launching of Road Safety Month, symbolizing a special 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 Mr. Speaker, 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.

Mr. Speaker, 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 16 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.

We will be exhorting the police and the Transport Authority to adopt a policy of Zero Tolerance as we proceed with our efforts to bring order to the sector.

In the meantime, 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***

Mr. Speaker, 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. As we speak Mr. Speaker, they are totally exposed to the vagaries of the elements. This is not acceptable.

The Centre, 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 Belgium Government facilitated a loan of US\$71 million to Jamaica. Eighty percent of the loan will be interest free and the remainder is repayable over ten years.

- 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 buses traversing Half-Way-Tree and, will facilitate major improvements in the JUTC's scheduling and dispatching of buses, as well as its overall efficiency.

Clearly Mr. Speaker, 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**

Mr. Speaker, Members of this Hon. House are aware that after protracted negotiations with the RITES group of India, no agreement was reached on plans to rehabilitate areas of the Rail Service, which were previously offered by the Jamaica Railway Corporation.

The Government remains committed Mr. Speaker 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 with information from the NIBJ and the Jamaica Railway Corporation and they have signed 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.

Mr. Speaker, it is expected that the overall effort to bring order to the transportation sector, will also redound to a much improved level of safety for users of our roads, particularly our children.

These measures are an integral part of the greater overall thrust to bring more order and discipline into the everyday activities of society, and to promote civility in our dealings one with another.

Mr. Speaker, in the Land Transportation Sector the Government is proceeding aggressively with our programme to impose the superstructure on the solid foundation that has been established, as we go about securing the future prospects for Jamaicans.

## **Air Transport**

### **The Civil Aviation Authority**

Mr. Speaker, 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 this Hon. House 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 Mr. Speaker, the task was accomplished in the record time of less than three months, allowing me to table in this Hon. House the overhauled Civil Aviation Regulations based on the format of the new ICAO Model Regulations, and gain the approval of the House on December 1, 2004.

Mr. Speaker, 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 Mr. Speaker, I 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 I 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.

Mr. Speaker, the House will recall that I was able to make a release on this matter on March 17 that Jamaica had successfully retained its Category 1 status. I would like to thank the JCAA, the Attorney General's Department, and the officers of the Parliamentary Counsel and all who were involved in the process.

It was decided that the Consultants 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.

I am pleased to report that 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 with 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 of this year, 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.

## **The Airports Authority of Jamaica**

Mr. Speaker, our airport system has undoubtedly made, and continues to make, a significant contribution to our nation's economy, underpinning the sustainable development of the tourism and trade sectors, as well as facilitating private capital investment in our country.

As economic catalysts, 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 GDP<sup>1</sup>.

By the end of April of last year the local Aviation industry had begun to show measurable and compelling signs of rebounding from the traumatic and adversely impacting events, which occurred in September 2001. As at 2004 August, passenger arrivals (for the calendar year) at the Norman Manley International Airport (NMIA) had increased by 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.

Mr. Speaker, 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. Despite the impact of the hurricane, however, a record number of 4,789,615 passengers travelled through our airports in 2004.

Let me also remind the Country that within 48 hours of the passage of Hurricane Ivan, both our international airports were reopened to a full schedule of

---

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

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 of 2005, continue to reflect the solid 'pre-hurricane' growth trend noted in 2004. This augurs well for Jamaica. The recent expansion of the service of US Airways with daily flights out of the Norman Manley Airport, is but another signal of confidence by investors in the opportunities for growth in the Country's business and tourism market segments.

The spike in the interest of carriers to expand their service, as in the case of US Airways, or to begin Service to Jamaica as announced by Spirit Airways, is also being enhanced by the development and expansion projects that have been carried out at the airports, as well as the ongoing programme of works.

Mr. Speaker, the airport expansion programme which is in progress at each of our international airports, is designed to ensure that our airports:

- 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, be a source of pride to all Jamaicans, providing a meaningful 'first impression' for our many visitors and our families and friends residing overseas.

## **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. 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, beginning in September of this year.

This 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 project 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 and related facilities. The existing Arrivals/Departure pier will be redeveloped to provide a two-level structure to accommodate the separation of arriving and departing passengers.

Major landside and support infrastructure works are underway as part of the capital Programme. The expansion and rehabilitation of the Terminal facilities were 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.

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, by the end of this calendar year.

#### Privatisation - NMIA

Members are aware that the Government of Jamaica is proceeding with the privatisation of the Norman Manley International Airport, parallel with the Capital Development Programme which is being undertaken there.

This is being done in much the same way as was done for the Sangster International Airport, which as Members know, was handed over to the private consortium in 2003 April.

#### **The Sangster International Airport**

Mr. Speaker, 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).

The ongoing three-phased major expansion programme at the Sangster International Airport, which was started by the Airports Authority of Jamaica, has now been taken over by the private operator, MBJ Airports Ltd.

The Airports Authority completed a significant segment of Phase 1A of the development programme at a cost of US\$21.0 million, prior to the handover to the new operator in 2003.

Under the concession agreement the current operator of the Sangster airport, MBJ Airports Limited is continuing the expansion and upgrading works at the airport, which will be completed at a value of approximately US\$200 million.

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.

However, Mr. Speaker, in the second week of next month, six new Jet Bridges will be opened at the Southern Terminal and all operations will be relocated to that side of the airport.

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.

### **Aerodromes**

Mr. Speaker, work is also 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 approximately 90% completed and is on schedule for completion in June of this year.

### **Security Focus**

Mr. Speaker, as in the case of our seaports from which international trade is conducted, the safety and security focus at our international airports remain critical within the context of global concerns.

Improvements are evident in our air navigation and communication capabilities, as well as in our access control, screening and preventive procedures and programmes.

A security-strengthening project valued at approximately US\$625,000, which is currently being undertaken with the assistance of the Inter-America Development Bank (IDB), will be completed during this year.

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 Architects Registration Board & The Professional Engineers Registration Board**

Members will recall that 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.

Mr. Speaker, 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.

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 offences; 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**

Mr. Speaker, 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***

*Mr. Speaker the Caribbean Maritime Institute 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 229 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 394 students enrolled represent a six point nine percent increase over the previous year.

I am pleased to note that 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.

Mr. Speaker, the CMI managed to place some 120 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.

Mr. Speaker 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. This development Mr. Speaker, could impact adversely on enrollment at the CMI.

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 Containerised Offices to accommodate staff

- And undertaking Phase 2 of the refurbishing of the Admiralty House #1A (J\$14.5.5m) for the housing of 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 Maritime Authority of Jamaica**

The Maritime Authority of Jamaica (MAJ) was established in February 1999 under the Shipping Act 1998 to pursue the development of shipping and to regulate matters relating to merchant ships and seafarers. In continuing to pursue its mandate last year, the MAJ pursued a programme emphasizing:

- 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.

The Authority's efforts in the last fiscal year were focused in large measure on:

A. Strengthening the Legislative Framework for Maritime Administration

B. Ensuring Maritime Safety and Prevention of Marine Pollution.

- With a focus on the curtailing of marine pollution, 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.
- Last year some 837 vessels operating locally were inspected. The MAJ also carried out the required inspection of a minimum of 15% of the foreign vessels using Jamaican ports.
- In conjunction with the Caribbean Maritime Institute, the tertiary institution providing Caribbean nationals with advanced training in a variety of disciplines for the Shipping industry, the Authority undertook the certification and re-certification of seafarers including students at the institute.
- The Authority completed investigations into three (3) marine casualties, during the period under review.

**C. Developing Jamaica as an International Shipping Center**

The Jamaica Ship Registry, which was launched in October 2000 as an International Ship Registry providing ship and mortgage registration services to the international shipping community, currently has 32 international trading vessels, registered with it.

**D. 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. The Authority recorded earnings of J\$22.5 million for the 2004/2005 fiscal year; a 40% increase over the J\$16 million earned in the previous year. This increase

was achieved primarily from ship registrations and for surveying and other technical services offered to the local and international markets.

Mr. Speaker, efforts were also focused on developing crewing opportunities in Jamaica, because we train seafarers at the Caribbean Maritime Institute, and every effort must be made to take advantage of the projected worldwide shortage of seafarers to work on international vessels.

In the current Financial Year the Maritime Authority plans to increase its efforts to:

- Develop the Jamaica Ship Registry and to launch a Jamaica Yacht Register to make use of considerable benefits accruing from involvement in that upscale sector of marine pleasure activities
- Promote the Shipping Center concept
- Develop Crewing opportunities
- Retain ISO Certification
- And Increase its revenues by approximately 20%.

### **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 seaports.

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 seaports 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 at 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%.

Mr. Speaker 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% 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. Mr. Speaker, the further expansion of the capacity of the Regional Transshipment Hub at Gordon Cay 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. Happily I can also report that 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.

Mr. Speaker I am pleased to advise 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, Mr. Speaker, 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.

Mr. Speaker, as I had promised this Hon. House and the Country in my presentation last year, 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.

I am pleased to advise Mr. Speaker, that over the past eleven months the new security system has been operating effectively. In addition to the five Vacis 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 Vacis 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 ship 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 are by far, the most impressive in the region.

As I speak we are 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.

Mr. Speaker, 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 and I am pleased to report to Parliament 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. I am pleased to inform the Hon. House as well, that 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 the Berth 11 warehouse at the Kingston Container Terminal to accommodate customs officers and to conduct the stripping of containers. This is projected to cost J\$26 Million.

### **Port Congestion**

Members of this Hon. House will recall reports in the latter part of last year about congestion at the Port of Kingston.

Some difficulties did indeed arise Mr. Speaker, 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 also 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.

Mr. Speaker, 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 the PAJ promptly made arrangements and invited the claimants to come to collect their cargo, which they said they could not access, 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, has been calling on companies still having containers at the Port to remove them.

As we move forward, let me advise Members 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.

In addition, the Port is in the process of acquiring 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.

But Mr. Speaker, this is not to provide any comfort to those using the ports as a storehouse, because, notwithstanding the fact that the Port has embarked on an expansion programme, throughput has increased significantly, limiting the available storage space on the Port.

## **Cruise Shipping**

Members of the Hon. House will recall that 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% in 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.

Mr. Speaker 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.

Mr. Speaker, to widen its revenue base, 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 the Terms of Reference with Zim Israeli Lines. The Authority, in partnership with Zim, will be purchasing the former Cable and Wireless sixteen-acre Maintenance Center property, which will house the Logistics Center at the Port. A logistics Center incorporates a central marketing point and is an important aspect of the development of large modern Hub Ports.

From a logistics Center, Mr. Speaker, 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 fro 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.

Zim 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.

Mr. Speaker, planning for the fifth phase of expansion of the Kingston Container Terminal 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 provide another one million twenty foot container equivalent throughput, bring 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.

Mr. Speaker, the international shipping liners are very excited about the developments at the Port and the plans they see for the provision of adequate future capacity.

Mr. Speaker in the last financial year the Maritime sector increased its significant contribution to the economy. I am confident that the solid base on which it is constructed, will continue to impact positively on the thrust to secure the Country's future in the international economy and market place.

## Closing

In closing Mr. Speaker, let me hope that I have brought my colleague Members in this Hon. House and yourself up to date on the subjects under my Portfolio.

The Ministry which I have the honour and privilege to lead, impacts on our Country twenty-four seven (24/7), in fact Mr. Speaker, Jamaicans go to bed with us and wake up with us, consequently we are constantly being judged. It falls to me now to be grateful and to say thanks to all those who have contributed to the success of yet another year.

I am sensitively aware Mr. Speaker, that gratitude is the mother of virtues and the most capital of duties. In that regard Mr. Speaker, let me say thanks to my loyal and focused Minister of State, Dr. the Hon. Fenton Ferguson; to the team in the Ministry, ably led by the Permanent Secretary, Dr. Alwin Hales. He is buttressed by seven Directors and a staff of two hundred and forty one (241).

Mr. Speaker, the Minister of State and myself also have responsibility for twenty-four entities, the affairs of which are directed by:

- 21 chairpersons
- Fifteen CEOs
- 144 Directors, thirty- two of whom represent the fairer sex—a grand total of one hundred and eighty persons serving our Country at that level.

They are responsible Mr. Speaker for a wide variety of subject areas, and bring an impressive array of disciplines to bear on their responsibilities.

To my family and to the Constituency of North West St. Catherine, in particular, my four Councillors, my Executive and above all my faithful constituents, I continue to be humbled by their faithful support.

To you Mr. Speaker, who have continued to discharge your important functions with obvious impartiality, expertise and aplomb, I say thanks for your leadership. I say thanks too to the Deputy Speaker who has displayed his mettle.

I would be remiss if I did not pay tribute to our great Leader, to whom we refer in this Ministry as Mr. Infrastructure, as well as my Ministerial colleagues and of course Mr. Speaker, to all my Parliamentary colleagues who have been most kind to me. Above all, Mr. Speaker, to the Almighty, who has blessed each and every one of us bountifully.

### ***Closing***

In closing I would like to say thanks to the Jamaican people for continuing to entrust the conduct of their affairs to this Administration. I would like to say an especial thank you to my constituents in North Western St. Catherine, who have entrusted me with the responsibility of representing their best interests over these past fifteen plus years. They are the repositories from which I have drawn my strength to meet the challenges, which those of us who offer ourselves for active service in the Body Politic, must face. My especial thanks too to my family and friends without whose support the challenges along the way may have proved too much.

Last but by no means least, I would like to thank the Minister of State, my personal staff, the Permanent Secretary, Directors and staff of the Ministry, the Board Chairpersons and the Management and staff of the Agencies falling within the ambit of the Ministry, whose efforts and dedication have been the basis for the successes of the past year.