

PROMOTING THE DEVELOPMENT AGENDA

Access to modern infrastructure – good housing, efficient road networks, transportation, communications systems, potable water supplies and power-generating facilities – is universally recognized as a critical element in promoting national development.

Indeed, the contribution of physical infrastructure to economic development is undisputable. For our part, the Government of Jamaica recognizes that well-developed physical infrastructure is an essential ingredient in creating the framework to move our economy forward, as we seek to position the nation in the competitive, standards-driven international marketplace. The real import of modern infrastructure, Mr. Speaker is that:

- It is essential in the movement of people, goods and services; as well as to facilitate effective international linkages by sea and air.
- It attracts investment.
- It is a catalyst for economic growth.
- It is necessary to avoid bottlenecks and service disruptions.
- It supports a range of social activity, and it promotes the healthy and efficient functioning of society and, ultimately...
- It enhances the quality of life of our citizens.

In China, which, for several years, has experienced consistent growth of some 7.8 % per annum, the Chairman of the Transport Advisory Committee attributes the outstanding economic performance to the country's proactive approach to investment in infrastructure "well ahead of demand." In keeping with this stance, the authorities in China have already spent some US\$34 billion on infrastructure projects for the 2008 Beijing Olympics.

Mr. Speaker, I am sure members of this Honourable House can all appreciate the fact that infrastructure demands high capital expenditure. In fact, during the 1990s, some US\$755 billion were invested in 2,400 infrastructure projects in developing nations worldwide.

Given that infrastructure development involves the investment of scarce resources, the challenge to our Government, therefore, is not only to improve facilities, but also to optimize these resources to ensure that they bring value-added returns to help Jamaica attain sustainable development over the long term.

This, Mr. Speaker, is the primary mandate of the Ministry of Housing, Transport, Water and Works which is responsible for developing and managing several aspects of the nation's infrastructure.

Towards the end of the 2005/2006 fiscal year, the portfolio of the Ministry was expanded to include Housing and Water, under a merger which followed the restructuring of Government Agencies after the appointment of the Most Hon. Portia Simpson Miller as Prime Minister.

My presentation today will, therefore, focus on the Land, Air and Maritime Transport sectors, as well as Housing. The Minister of State, Dr. the Hon. Fenton Ferguson, will address developments under the Water portfolio and the Parliamentary Secretary, Mr. Richard Azan, will report on the operations of the National Works Agency.



HOUSING

Mr. Speaker, this administration of which I am proud to be a part, can deservedly take great pride in reflecting on the record number of Jamaicans, who have been able to acquire housing solutions during its tenure.

Our achievements are not only limited to the past but, through a variety of programmes and institutions, we are constantly creating opportunities for more Jamaicans, across the length and breadth of the island, to purchase their own homes. In fact, even as I speak, initiatives are being pursued to allow an even wider cross section of Jamaicans, particularly those at the lower end of the income ladder, to access housing.

Mr. Speaker, as we have said on numerous occasions, the vision of the Government for housing is that “by 2025 all Jamaicans will have access to affordable, safe and legal housing solutions”.

It is with this goal in mind that, despite the solid achievements to date, the Ministry of Housing, Transport, Water and Works is taking steps to develop a National Housing Policy with a supporting Implementation Plan. The Policy and Plan will give strategic direction to the housing sector and provide the enabling framework within which this vision can be realized.

Mr. Speaker, the Ministry has been working assiduously in a number of areas to ensure that our people have access to safe and secure shelter... and I will focus on five, namely:

1. An improved legislative framework
2. Joint Venture Partnerships
3. Security of Tenure
4. The provision of Social Housing
5. Streamlined rent services

I will deal with each of these areas in turn, following which I will speak to the operations of the Jamaica Mortgage Bank and the National Housing Development Corporation, especially as they relate to the Operation PRIDE portfolio.

IMPROVED LEGISLATIVE FRAMEWORK

In 1996, the United Nations Conference on Human Settlements developed a comprehensive framework for human settlements which became known as the Habitat Agenda. Mr. Speaker, paragraph 65 of that document points to the fact that shelter policies in general, and housing policies in particular, play an important role in addressing lack of shelter.

In fact, it affirms that the “formulation and periodic evaluation and revision... of enabling shelter policies... are the cornerstone for the provision of adequate shelter for all.”

As I indicated earlier Mr. Speaker, the Ministry is currently taking steps to develop a National Housing Policy, the broad objective of which is to facilitate better utilization of resources in the public and private sector, so as to satisfy the demand for housing in a coordinated and economical manner. It should be noted that this policy will respond to the diverse needs of disadvantaged and vulnerable persons within our society.

Mr. Speaker, during the 2005/2006 financial year, a Technical Committee was established to support the policy development process; and funding was identified to supplement budgetary provisions for the development of the Policy. In addition, the process of identifying a consultant to develop the Policy and Implementation Plan was initiated. Unfortunately, a suitable candidate was not found and, as a result, the policy development process was delayed.

It is expected that during the current financial year, a consultant will be identified and work will proceed on the Policy and Implementation Plan.

Mr. Speaker, in keeping with the thrust to improve the legislative framework for housing, the Ministry is also working to have three key pieces of legislation amended, namely: the Housing Act, the Mortgage Insurance Act and the Rent Restriction Act.

Mr. Speaker, the Mortgage Insurance Act and Regulations date back to 1960. It should, therefore, come as no surprise that some of the provisions are now obsolete and are hindering the Mortgage Bank in its attempts to compete with commercial providers of mortgage insurance. The Act is, therefore, being amended to address this situation.

During the 2005/2006 financial year, the proposed amendments were finalized, and a draft Cabinet Submission was prepared. This document formed the basis of consultations with key entities such as the Attorney General's Department, the Legal Reform Unit and the Ministry of Finance and Planning. It is expected that, during this financial year, the draft Bill will be completed and approved for tabling.

Extensive consultations were also undertaken in respect of the Rent Restriction (Change of Name and Amendment) Bill during the year under review, and it is anticipated that approval will be obtained for the tabling of this Bill during the 2006/2007 financial year.

JOINT VENTURE PARTNERSHIPS

Mr. Speaker, while we accept that government has a pivotal role to play in the housing sector, we will not try to fool ourselves into believing that we can successfully undertake this mammoth task on our own. Government, from a policy standpoint, is no longer directly involved in the development, construction and delivery of housing solutions. Our role is to facilitate private sector investment... and this is done through our Joint Venture and Private Sector Facilitation Programmes.

Since its revitalization in the early 1990s, the Joint Venture Programme has been very successful; and a total of 50 housing solutions was completed during the 2005/2006 financial year. For the 2006/2007 financial year, it is projected that the Ministry will oversee the completion of 10 projects, comprising 1,846 solutions.

I must admit, however, Mr. Speaker, that the programme has not been without challenges and we are currently experiencing problems with several of these projects. We have, therefore, instructed a temporary halt while these problems are being resolved. It should be noted that this cessation only affects new applications for Joint Venture projects.

PRIVATE SECTOR FACILITATION PROGRAMME

Our Private Sector Facilitation Programme under which the Ministry assists developers through the planning process, and in seeking approval from the local authorities, as well as by providing relief through the Housing Act, represents another viable approach to our ultimate objective of expanding the housing stock.

During the 2005/2006 financial year, 975 housing solutions were completed and in the 2006/2007 financial year, the Ministry will support two private sector facilitation projects comprising some 1,443 solutions.

SECURITY OF TENURE

Mr. Speaker, adequate shelter is more than just a roof over one's head. It also means, among other things, having security of tenure.

The Ministry has oversight for several housing schemes, which were developed for rental and as cooperatives and condominiums. These schemes, containing some 4,633 units, have been occupied by families for extended periods. We are now in the process of divesting these units in order to provide security of tenure for the residents and to foster the creation of stable communities through pride of ownership.

Divestment of some 675 housing solutions was projected during the 2005/2006 financial year and, I am happy to announce that we exceeded that target by approximately 50% with some 1,060 units being divested. Of this number:

- 27 were in rental schemes
- 718 were in townhouse and condominium developments
- 11 were either from joint venture programmes or serviced sites and
- 304 were lots in upgraded sites

It is projected that 202 rental units, 240 townhouses and condominiums, and 353 upgraded lots totalling 795 housing solutions, will be divested during the 2006/2007 financial year.

SOCIAL HOUSING

Mr. Speaker, in April 2004, the Social Housing Programme which was conceived by then Prime Minister, P.J. Patterson, in an attempt to address the housing condition of the poor, was introduced.

The programme has two modalities, the first of which involves the provision of building materials for repairs to units. Under the other leg of the programme, housing units are provided in conjunction with Food for the Poor.

It was envisaged that 15,000 persons would receive benefits out of a budget of \$150 million during the 2005/2006 financial year. However, a performance review shows that 9,325 persons qualified for and received benefits of \$84 million. It is expected that when the \$150 million is spent, a total of 15,100 persons would have been processed for benefits, which is 100 more than what was projected for the year.

The second leg of the programme has not delivered units at the rate anticipated as Food for the Poor, the organization that contributes and erects the units, is hampered by a large backlog in its own programme. Steps are being taken, however, to address this challenge.

It is projected that in the 2006/2007 financial year, an additional \$150 million will be provided allowing another 15,000 families to benefit.

STREAMLINED RENT SERVICES

During the last financial year, the Ministry established the Rent Services Unit in order to improve the administrative support to the Rent Assessment Board and to enhance the Board's effectiveness. Under the new dispensation, the Board will continue to focus on the judicial aspect of disputes and difficulties between landlord and tenants, while the Rent Services Unit will handle:

- Applications for assessment of rental premises;
- Applications for the granting of exemption from rent control for some commercial properties;
- Mediation of disputes between landlords and tenants;
- The submission and adjudication of complaints.

During the 2005/2006 financial year, the Unit processed 4,774 complaints, most of which were satisfactorily settled. Of the complaints received, 10.3% were in respect of arrears; 19.1% percent had to do with illegal increases; 23.5% related to security deposits; 36.3% were against harassment and 10.7% percent were in respect of illegal evictions.

One hundred and seventy-five applications for rent assessment were submitted and, to date, 123 have been processed and 52 are pending. Some 98 applications for exemption were received for commercial properties and 74 were approved while 24 are still pending.

JAMAICA MORTGAGE BANK

Mr. Speaker, the Jamaica Mortgage Bank (JMB) continues to play a pivotal role in the area of housing financing.

The Bank's current operations fall into three categories namely:

- Primary Market Financing
- The operation of a secondary mortgage market and
- The provision of Mortgage Indemnity Insurance Services

The Bank currently has a portfolio of 34 active projects islandwide, for which it has committed a total of \$2.8 billion, which will provide some 4,297 housing solutions. During the last financial year, the JMB financed some 1,598 units at a cost of \$875 million. The recent cement shortage and delays in documentation to ensure adequate security for loans adversely affected the level of disbursements. However, the Bank ended the year ahead of its targets in respect of commitments and units financed, which were 20% and 13% ahead of budget, respectively.

The Bank will continue to facilitate the provision of affordable shelter and has committed \$2.5 billion for the construction of 2,910 housing solutions during the 2006/2007 financial year. Emphasis will be placed on supporting linkage opportunities for housing arising from investments in the Tourism and Bauxite industries.

Mr. Speaker, with respect to the Secondary Mortgage Market, the Bank had planned to commit some \$220 million in 2005/2006. While that target was realized and the monies were disbursed, the JMB faces several challenges in establishing and maintaining a vibrant secondary mortgage market.

Mr. Speaker, the Bank currently has a Mortgage Indemnity Insurance portfolio of \$772 million with 25,564 issued policies. The value of the Mortgage Insurance Fund as at March 31, 2006 was \$765 million, an increase of 16 percent over the previous year. It is projected that during the 2006/2007 financial year, the Mortgage Bank will issue 300 policies providing coverage of \$50 million. Mr. Speaker, when the amendments to the Mortgage Insurance Act are passed, the Bank will be able to actively promote this service, which should result in a significant increase in the portfolio, since the potential market for the service is very large.

Overall, the Jamaica Mortgage Bank recorded a reasonable financial performance in the 2005/2006 financial year, with net profit growing by 38% over the previous year. This was achieved through a combination of strong revenue growth and tight control over discretionary spending.

Mr. Speaker, the Bank came under new leadership on June 1, 2005, and since then, a concerted effort has been made to streamline its operations and, at the same time, increase its efficiency and effectiveness. To this end, the services of PriceWaterhouseCoopers have been engaged to conduct a detailed organizational review and make appropriate recommendations.

NHDC/OPERATION PRIDE

Mr. Speaker, the Operation PRIDE programmes which are managed by the NHDC continue to make a significant contribution to the overall effort to provide housing for more Jamaican families.

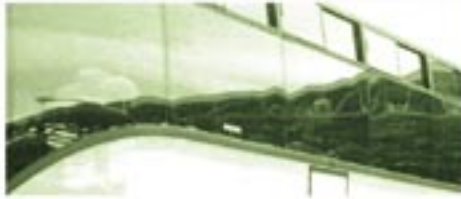
The performance of the NHDC during the 2005/2006 fiscal year was, to a great extent, influenced by a decision to redesign the PRIDE projects from level 1 to level 2 infrastructure development. Over the years, it has been the policy of the NHDC to develop PRIDE schemes to “Level 1 infrastructure”, that is, marl roads, electricity, water and on site sewage. This has, however, proved to be challenging as lending agencies are reluctant to give mortgages in schemes with “Level 1 infrastructure”.

It was, therefore, decided that PRIDE schemes would be upgraded with the delivery of “Level 2 infrastructure” including paved roads, water, electricity, and sewage treatment consistent with the standards of the National Environment and Planning Agency (NEPA). This will enable the schemes to qualify for funding from traditional lending institutions.

Mr. Speaker, the process of redesigning the projects and obtaining the relevant approvals was slower than anticipated and resulted in a reduction in the number of solutions completed during 2005/2006. The three hurricanes that affected the island also impacted project delivery, with the number of solutions handed over standing at 1,660.

Mr. Speaker, the mandate of the NHDC is to “contribute to the improved quality of life of all Jamaicans through social transformation by providing quality affordable shelter solutions with security of tenure”. As the agency seeks to live up to this mandate, it is projected that during this fiscal year, some 3,076 completed solutions will be delivered from 13 schemes, at a cost of \$1.2 billion. A sales target of 1,545 solutions has been established and deposits on 1,662 lots are projected.

During this financial year, the NHDC will also continue work on the plans for its three open market schemes, namely: Lady Musgrave, in Kingston; White River in St. Ann; and Mineral Heights in Clarendon.



TRANSPORT

Mr. Speaker, transportation is a major catalyst for social and economic development and the Ministry of Housing, Transport, Water and Works continues in its quest to provide a modern operating environment that will facilitate the efficient and safe movement of commuters and goods islandwide.

THE JAMAICA URBAN TRANSIT COMPANY

As members of this House are aware, the Jamaica Urban Transit Company is the centrepiece of Government's public transportation network. Over the past year, the company recorded modest success in its efforts to improve its service delivery, enhance efficiency and boost profitability.

Among the performance highlights for the period April 1, 2005 to March 31, 2006 were:

- Increased revenue of \$2.73 billion, which was \$45 million, or 9.9% more than the \$2.28 billion earned during the 2004/2005 fiscal year. In the wake of a 30% increase in regular bus fares granted last August, the Company achieved a small profit in September 2005 and January 2006. However, this was eroded by operational expenses, which grew by \$25 million or 8.28 % from \$3.02 billion in 2004/2005 to \$3.27 billion at the end of the last fiscal year.
- There was too, an eight percent improvement in the revenue recovery ratio, which moved from 75.5% in the previous year to 83.47%, the highest level in the Company's history... reflecting more stringent controls at the fare box.
- Continued growth in the Revenue earned from Smart Card promotions yielded \$186 million in 2005-2006, up from \$110 million in 2004-2005; and representing 7.02% of total fare revenue. The number of sales outlets increased from 18 to 24, in addition to 17 school locations.
- Improved efficiencies in the assignment of bus crews resulted in the complement per unit being reduced to 4.42, as against 4.46 in the previous year.
- A 13% reduction in the number of accidents between 2004 and 2006, highlighted the effectiveness of the Company's ongoing safety awareness campaign. The programme included refresher courses for drivers and increased monitoring of crews on the road, to ensure compliance with speed limits.

Mr. Speaker, while the JUTC faced tremendous constraints over the past year, the gains recorded by the Company were due mainly to the strategic marketing and performance-enhancing strategies that it adopted as part of its re-branding programme.

Major operational challenges encountered by the JUTC included:

- Continued intense competition from illegal operators which negatively impacts on passenger movements and company revenue, as well as long-term viability.
- Traffic congestion.
- The incidence of violence which curtailed travel on the August Town, Mountain View, Spanish Town and Downtown Kingston routes.
- The JUTC also felt the impact of hurricanes Emily, Dennis and Wilma, which forced the Company to shut down operations.

Despite these factors, I am pleased to report that the decline in passenger loads which stood at 12.5% in 2004/2005 was reduced to a marginal 2% during the year under review. The JUTC ended the year with a total of 75.66 million revenue passenger rides, compared to 77.40 million in the previous year.

It should be noted that some 14% of the fare paying commuters during the past year were concessionary passengers, including senior citizens, school children and the disabled. The Company also absorbed approximately \$5 million in discounted fares for public sector workers under the Memorandum of Understanding with the Government and trade unions.

Plans for the current 2006/2007 financial year include:

- The acquisition of 50 new buses to replenish the JUTC's aging fleet, as well as the rehabilitation and reintroduction to service of another 50 buses
- The development of a hub for Portmore buses. This is expected to improve fuel efficiency by reducing the number of buses that do the long haul from nearly 20 points across Portmore, into the Corporate Area and back.
- The launch of a route benchmarking project that will guide the development of new routes or the consolidation of existing routes.
- The Company has also targeted a 15 to 20% reduction in accidents for the current year.
- It plans to install scheduling software in the Ashenheim Road and Spanish Town depots to facilitate the posting of computer-generated timetables along routes served by buses from these installations. Commuters in the Eastern section of the Corporate Area and Portmore are already benefiting from this service. The automated system is significantly reducing the time required to plan and implement schedules and it allows greater flexibility in adjusting the timetables to meet the Company's operational needs. Mr. Speaker, a process which formerly, required up to 18 weeks for completion when done manually, now takes approximately six-and-a-half weeks.
- The JUTC will also seek to generate additional revenues by stepping up the sale of bus tickets to popular events islandwide... for example, this August, families will be able to travel from Kingston to the Denbigh Agricultural Fair in the air-conditioned comfort of a JUTC luxury bus.

Mr. Speaker, this is the kind of practical initiative that is required in order to grow the Company and I commend the JUTC on its resourcefulness.

JAMAICA ULTIMATE TYRE COMPANY

The Jamaica Ultimate Tyre Company, a subsidiary of the JUTC, retreaded 6,386 tyres in 2005/2006, most of which were used by its parent company. This is consistent with its mandate to facilitate an integrated business operation and generate savings for the bus company.

The tyre company, which also does business with several other public sector entities, made a profit of just under \$4.5 million and continued to be an operation in good standing over the past year.

MONTEGO BAY BUS COMPANY

Established in 1997 to provide a dedicated bus service for school children in Montego Bay, the Company currently transports students from more than 20 institutions in the second city and its environs. Passengers continue to benefit from a reliable, scheduled and safe transportation service operated by well-trained and professional crews.

In 2005/2006, the Company recorded total passenger movement of 634,389 on its three municipal and three dedicated school routes, reflecting an increase of 168,389 over the previous year's performance.

THE TRANSPORT AUTHORITY

Mr. Speaker, the establishment of a comprehensive framework for the administration of a modern, efficient and disciplined public transport sector that will effectively support national development, continues to be a major strategic objective of the Transport Authority (TA).

The State Agency responsible for regulating public passenger operators in the sector, the Transport Authority's financial performance improved significantly in 2005/2006 when compared to the results in the previous year.

- While total income of \$323 million for the financial year 2005/2006 was \$48 million more than last year, total expenses stood at \$294 million, some \$8 million less than last year.
- Surplus before tax amounted to \$29 million, representing a 207% increase over the \$27 million deficit recorded in 2004/2005.

These results positively impacted the overall viability of the Transport Authority and its ability to meet its short-term obligations during the review period.

SURVEYS

Mr. Speaker, the Authority devoted much of the past year to garnering baseline information that guided its work in 2005/2006 and also informed the strategies being adopted in the current fiscal year.

A highlight of its work programme was the four major surveys conducted by the Authority in order to secure up-to-date information on current trends in the urban and rural public transport system.

- The first was a Social and Economic Impact Assessment Study. That Study evaluated the effect that the Amendments to the Road Traffic Act and the Transport Authority Act, which were passed by this Honourable House in 2005, would have on the public transport system, illegal operators and their licensed counterparts, many of whom were operating contrary to the terms and conditions of their road licences.
 - The research indicated that there were several benefits to be derived by the commuting public and legal operators.
 - It also showed that 87% of the operators polled were aware of the amendments and their implications.
- The second survey, which was completed in February of this year, was designed to rationalize the adequacy of privately-operated public passenger vehicles in the Kingston Metropolitan Transportation Region (KMTR) in relation to the JUTC's capacity as the state-owned public passenger carrier.
 - The results indicated that 83% of Hackney Carriage operators were working in contravention of the terms and conditions of their road licence.
 - Of the total Hackney Carriage licences issued, approximately 1,135 or 39% were being operated by taxi companies and 1,772 or 61% of licensed vehicles worked from taxi stands in the KMTR.
 - Against this background, Mr. Speaker, it is being proposed that a policy be implemented to make it mandatory for Hackney Carriages to be aligned to a taxi company.



- The third survey sought to rationalize and assess the operations of rural stage carriages that originate or terminate in the KMTR. It focussed on:
 - The extent to which operators were functioning according to their licence
 - Whether there were sufficient vehicles to service the routes
 - The adequacy of terminal facilities for stage carriages and
 - The possibility of these operators terminating their journey on the outskirts of the KMTR which would make it easier to monitor them, and also allow the JUTC to provide an exclusive service in the KMTR.

- Approximately 4,000 route taxis were also surveyed and the findings were used to inform and guide the granting of route taxi licenses.

Although the research activities provided critical baseline information and a background for the review of the grant of two categories of licences, the Authority is cognizant of the need to acquire the requisite SPSS software. This will facilitate the timely processing and analysis of data to support strategic planning.

LICENCES & OPERATIONS

Mr. Speaker, some 34,894 licences were issued in 2005/2006, representing a 10% decrease over the previous year. This was mainly due to the decision to suspend the granting of Hackney Carriage licences, pending the outcome of the surveys, as well as the reduction in the number of Private Carriers and Contract Carriage licences awarded.

As highlighted in the survey findings, the majority of Hackney operators were working as route taxis, in contravention of the terms of their licences. Under the amended Road Traffic Act, this breach now attracts a sizeable fine. Consequently, approximately 147 Hackney Carriage operators surrendered their road licence to the Authority during the past year, and an additional 330 operators have requested a change in their licence type from Hackney Carriage to Route Taxi.

- During the past year, the Transport Authority carried out some 18, 889 prosecutions
- A total of 3,254 vehicles were seized
- Seven hundred and thirty-seven (737) special operations were conducted.
- In addition, approximately \$29.8 million of income was generated through court fines.

The Authority was severely hampered in its operations by an aging fleet of vehicles, many of which were also damaged as a result of frequent attacks by operators; and this resulted in an overall decrease in the number of prosecutions and special operations. The Authority is presently acquiring new vehicles to replenish the fleet.

Mr. Speaker, one of the main challenges to enforcement is the high level of indiscipline that is rampant among drivers and conductors alike. The operators within the transportation sector are also becoming more technologically savvy and often employ sophisticated devices to evade the authorities. The situation is compounded by the presence of other illegal activities at terminals, such as street vending, which often contribute to the high levels of hostility encountered by enforcement officers.

As part of the continuing effort to improve the Authority's regulatory and monitoring functions, a new Memorandum of Understanding was signed with the Island Special Constabulary Force in September 2005. The Authority and ISCF have begun building synergies that can help to re-shape and drive the monitoring and enforcement programmes.

Under the new operations plan being adopted this year, joint ISCF/Transport Authority activities will be intensified at strategic locations in major townships across the island. They will be supported by special squads from the Jamaica Constabulary Force, which will address those situations that are indirectly related to enforcement and which hinder TA officers in the field.

Mr. Speaker, the initiatives that I have outlined will provide a framework in which the Transport Authority can effectively enforce the provisions of the amended Road Traffic Act and Transport Authority Act, protect the interests of legitimate operators and ensure the continued safety of the commuting public.

Last year, I spoke about the amendments to the Road Traffic Act to give more jurisdiction to the Island Traffic Authority and the National Works Agency. Since then, the Ministry has undertaken a comprehensive review of the 1938 Road Traffic Act and Regulations.

To this end, we hired a Consultant with the necessary expertise to review the Act and Regulations. I am pleased to advise that the Draft Bill has been submitted and is being reviewed by a technical team.

DEVELOPMENT

During the current year, the Authority plans to upgrade its Information Technology Systems to improve the overall speed, integrity, reliability and efficiency of the organization.

- The Licensing Management Information System (LMIS) will be enhanced with the acquisition of three new modules for Traffic Ticketing, Route Management, Pound and Operations.
- An electronic archive to facilitate the effective management, storage and retrieval of documents will also be developed...
- And preparatory work is now being done for the launch of the Authority's web services which will provide customers with electronic and web access to relevant forms and information.

Mr. Speaker, I am happy to report that in March of this year, the Transport Authority broke ground for the construction of its first major infrastructure project – a Taxi Stand at Forte Street in Linstead. The facility will have perimeter fencing and consist of parking bays with pedestrian walkways, an access road, storm drainage system and sanitary conveniences.

That Taxi Stand will serve the communities of Wakefield, Banbury, Ewarton, Bog Walk, Llundasvale and Orangefield. Later this year, work will begin to construct a Transportation Centre in Linstead. Both facilities are expected to help reduce congestion in the town, curtail the activities of illegal operators and enhance the safety of commuters and operators.

The Transport Authority will also be refurbishing its Head Office in Kingston and the Southern Regional Office in Mandeville, to create a more customer-friendly environment and one that will help to increase employee productivity levels, as the organization continues its mandate to streamline the management of public transportation across the island.

ROAD SAFETY UNIT

This, Mr. Speaker, brings me to the matter of the conduct of our commuters... motorists and pedestrians... on our roads. Every member of this House has, directly or indirectly, experienced the devastating impact of a fatal or serious road accident. At the broader national level, there is a tremendous toll in terms of the loss of life, human suffering, disability and loss of productive time, high treatment costs and the sheer pressure on our already overburdened health system.

In this context, therefore, I am pleased to report that in 2005, there was a significant reduction in road fatalities which fell by 9% from the 2004 level; a decrease from 360 to 326 road deaths. This achievement actually outperformed the national target set in the National Road Safety Policy, which established an annual reduction in mortality of 5%.

Fatalities in the month of December 2005 were also outstandingly low, reflecting a 30% reduction; down from 50 in 2004 to 35, the lowest for that month in three years.

Road deaths have also been trending downwards over the past three years, registering a mean annual decline of 8% since 2003.

We are attributing this reduction to the ongoing public education initiatives mounted by the Ministry's Road Safety Unit... and, in particular, the two mass media multi-agency information campaigns, spearheaded by the Unit and the National Road Safety Sub-Committee in 2005. This augurs well for the multi-sectoral approach to the promotion of traffic safety.

But, Mr. Speaker, this is just the start of the long journey towards our ultimate objective of behaviour change. To that end, the Road Safety Unit has developed a five-year Public Education Plan in keeping with the National Road Safety Policy. We are confident that implementation of this Plan will help to change the attitude of commuters and further reduce the number of fatal collisions on the nation's roads.

At the same time, alliances are presently being formed with corporate Jamaica to boost the "Education in Schools" programme. Through this association, training videos on multiple road safety themes, such as pedestrian safety, road signs, and the use of protective devices, will be developed. New and improved literature to bring excitement to learning the discipline of traffic safety will be produced, as we seek to intensify initiatives to make safe road use habits second nature, as it were, to our young people.

Children are among the most vulnerable of our road users. In sensitizing them to the importance of road safety, we are nurturing a future generation of adults for whom safety will, indeed, be a way of life.

Mr. Speaker, efforts are also underway to bring our traffic information system to world class standard and to make it more accessible. Through application of the Geographic Information System, driven by the latest computer Network System (SQL Server), interconnection will be established between all repositories of data relating to traffic. These include the Police, the Ministry of Health, the Inland Revenue Department, the Insurance Association of Jamaica and the Ministry of Housing, Transport, Water and Works which is spearheading the process. Thus, full on-line, real time information on traffic accidents will be available to students, researchers and other stakeholders at the click of a mouse.

Mr. Speaker, my Ministry is committed to creating an environment that will promote road safety and further reduce the level of carnage. But, in the final analysis, each citizen has a personal responsibility to ensure that our roads are safe for everyone.

THE ISLAND TRAFFIC AUTHORITY

The other major regulatory agency in the transportation network is the Island Traffic Authority (ITA), which was initially established as a statutory body under Section 3 of the Road Traffic Act, 1938. The ITA administers the provisions of the Act, by regulating and monitoring driver competency and roadworthiness of vehicles, as well as by ensuring general compliance with safety standards. The Authority, therefore, plays a pivotal role in protecting the lives of commuters on Jamaica's roadways.

In September 1999, Cabinet approved plans for the transformation of the ITA from a department in the Ministry of Transport and Works (MTW) to a financially self-sufficient Statutory Body, having full responsibility for its financial and human resources. It was later decided that the ITA would more appropriately fulfill its mandate if it operated as an Executive Agency.

A Bill was subsequently prepared to amend the Road Traffic Act to re-define the role, functions and accountability of the ITA. This Bill provided for the transfer to a private sector company of all activities related to the inspection of motor vehicles to determine road worthiness and the certification of imported vehicles. The remaining functions within the Authority will be modernized.



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The restructured Agency will operate under the provisions of the Executive Agencies Act (EAA) as part of the Government of Jamaica's (GOJ) Public Sector Modernization Project (PSMP). It is expected that the new ITA will conduct its business as a "true" Authority and will be vested with the autonomy to utilize its earnings to maintain viability and achieve its corporate objectives.

Operations

The increased influx of vehicles into the island in recent years has created a severe strain on the current staff establishment. Inadequate funding to carry out corporate objectives also impacts negatively on the Authority's operations.

Mr. Speaker, despite the obstacles, the ITA achieved the following during the 2005/2006 financial year:

- Inspected 350,362 vehicles, an increase of 19.40% over the previous year
- Issued 314,084 Certificates of Fitness, an increase of 12.68% over 2004/2005
- Tested 93,669 candidates for Drivers Licences, a reduction of 8.45% over the previous period
- Processed 35,919 Certificates of Competence, a reduction of 1.40% over the previous period
- Examined 34,173 vehicles at Road Spot Checks, an increase of 225% over 2004/2005. This was due to the decision to assign officers to work with personnel from the Transport Authority.
- A total of 1,976 vehicles that were involved in either serious accidents or fatal crashes, was examined, a reduction of 23.05% over the previous period.

Legislation

As I explained earlier, following Cabinet approval for the general overhaul of the Road Traffic Act and Regulations 1938, drafting instructions were issued to the Chief Parliamentary Counsel (CPC) for the required amendments and the Draft Bill is now being finalized.

Privatization of Motor Vehicle Inspection Services

Mr. Speaker, the Ministers of Finance and Housing, Transport, Water and Works raised serious issues regarding the Draft Cabinet submission presenting the proposed terms of the Agreement for the privatization of the Vehicle Inspection Services. These issues were highlighted in a subsequent Submission to Cabinet which instructed that both Ministers and their technical officers meet with the Negotiating Team on February 8, of this year. The recommendations emerging from that meeting have been submitted to the Cabinet.

THE JAMAICA RAILWAY CORPORATION

Mr. Speaker, it is widely acknowledged that rail has the potential not just to open up new horizons, as it has in the past, but is poised to play a major long term role in rural and urban development. Rail services can provide the public with a viable and affordable transportation alternative and, it is against this background, that the Government remains committed to the revitalization of the rail service in Jamaica.

The Government's focus in respect to rail service is to advance its decision to divest the JRC's operation. Members of the House will recall that on February 2, 2005, the Government of Jamaica signed a Memorandum of Understanding with the CAMC Engineering Co. Ltd. of China (CAMCE). The Company is wholly-owned by the Government of China.

The feasibility study was actually done in September 2005 by a technical team of senior Chinese engineers which visited Jamaica. A Technical Proposal was submitted based on that study; and negotiations with CAMCE to finance 85% of the project are at an advanced stage.

In the meantime, the bauxite mining sector continues to be the main source of revenue for the Jamaica Railway Corporation, with earnings being generated under an agreement with West Indies Alumina Company (WINDALCO) for haulage services between Port Esquivel and the alumina plants at Ewarton, St. Catherine and Kirkvine in Manchester.

A new Track User Agreement involving Glencore Alumina Jamaica Ltd., Jamaica Bauxite Mining Ltd. and Jamaica Railway Corporation, to replace the Alcan/JRC Agreement of 1990, is also working satisfactorily.

THE ROAD MAINTENANCE FUND

The Road Maintenance Fund has now completed its first three years in operation and has demonstrated its usefulness as a direct and reliable source for funding road repairs.

Some Members may not be aware that many countries have adopted this approach and, the performance of the Road Maintenance Fund justifies the decision by the Government of Jamaica to institute this organization.

Over the past three years, the Fund has approved more than \$1.2 billion for road-related repairs in all parishes and, in so doing, it has significantly alleviated the level of road impairment which existed.

In the financial year 2005/2006, the Fund expended more than \$694 Million to repair some 570,000 square metres of main roads which were damaged during hurricanes, Dennis, Emily, and Wilma. In addition, the Fund approved some \$149 Million for Routine Maintenance in all parishes.

I would like members of this Honourable House to note that these expenditures were approved after careful examination of the affected roadways, following which, a priority listing was developed. This was necessary because the income received by the Fund is less than 50% of what is actually required to maintain the main roads at minimum standards.

The Road Maintenance Fund is proposing to spend more than \$612 Million in this 2006/2007 financial year, for road related repairs, which will include routine maintenance, crack sealing, drainage, road junction improvement, markings, signs, beautification, and to deal with emergency conditions. In addition, the Fund will finance repairs at two Corporate Area Road Junctions where poor road conditions have contributed to traffic congestion.

The Road junctions to be upgraded are:

- Barbican and East Kings House Roads where major road widening, bridge expansion and the installation of traffic signals will be undertaken. The National Works Agency (NWA) has already started work on this project
- Barbican Road and Russell Heights where bridge expansion works, reconstruction of a retaining wall and road widening are currently being undertaken by the NWA. The benefits to be derived from these projects include:
 - Improvement to the overall road network in the Corporate Area
 - Improved traffic flow along the Barbican Road corridor
 - The creation of a more pleasant environment
 - Local employment opportunities.

Mr. Speaker, I thank the Board, management and staff of the Fund for their contribution to the Government's efforts to create world-class main road infrastructure.

It is my greatest hope that the resources of the Fund will be improved in the near future, thus enabling it to respond more positively to reasonable requests from members of the public for better and safer road conditions.



AVIATION



Mr. Speaker, the Air Transport industry significantly impacts the nation's economic performance through its effect on other industries and as a facilitator of their growth. At the global level, it enhances efficiency across the whole spectrum of economic activity and contributes to what is referred to as "catalytic" or "spin-off" benefits.

Air Transport:

- Facilitates world trade
- Is indispensable for tourism, especially for an island nation such as ours
- Boosts productivity across the global economy
- Enables investment; and
- Provides benefits that enhance the welfare of individuals

JAMAICA CIVIL AVIATION AUTHORITY (JCAA)

In the year under review, Mr. Speaker, the Jamaica Civil Aviation Authority (JCAA), which has regulatory oversight for the aviation sector, continued to help maintain the stringent international standards governing operations in this industry.

The maintenance of an environment that promotes flight safety is one of the key mandates of the JCAA...and is a major consideration as Jamaica seeks to expand this industry which is integral to the nation's tourism and business sectors. I am, therefore, pleased to report that during 2005/2006 the Sangster International Airport earned the distinction of becoming the first international airport in Jamaica to achieve aerodrome certification. This achievement followed a comprehensive audit conducted by JCAA personnel against international specifications... and in the globalized marketplace where certification is a critical pre-requisite, it will go a far way in boosting the confidence of local and international carriers using the facilities at the Sangster International Airport.

In addition, during the financial year, the JCAA undertook a comprehensive review of the Air Navigation Services.

A team of consultants from the Robinson Aviation Inc. visited the island in March of this year and evaluated all aspects of the Air Traffic Services provided by the JCAA. The assessment was conducted against the relevant International Civil Aviation Organization (ICAO) Annexes Compliance Checklists and identified deficiencies based on personal observation and a review of operational directives.

Mr. Speaker, I am happy to report to this honourable House that the Air Traffic Control operations in Jamaica were deemed to be safe. The evaluation also indicated that the Kingston Air Traffic Control Centre (KATCC) and the Civil Aviation Training Institute (CAATI) were well-defined and equipped. The Consultants, however, made certain recommendations to improve efficiency and customer service. These matters are currently being addressed by the JCAA.

The Authority also continued to enhance air navigation services, by expanding the use of approach radar from 12 to 24 hours. It has also implemented a training programme to ensure that Air Traffic Controllers are conversant with the latest operational procedures. Other achievements in this area included:

- The acquisition of equipment to facilitate the sharing of radar data with adjoining states such as Cuba
- The development of an effective Obstacle Evaluation System, which will facilitate a timely response to the increasing requests for the evaluation of plans for the proposed construction of cellular towers. The Authority has also evaluated the construction of highways adjoining aerodromes.



Norman Manley
International Airport

Professional training for industry personnel is another major remit of the JCAA and, over the past year, it has implemented plans to upgrade the Civil Aviation Authority Training Institute (CAATI) to meet the increasingly sophisticated requirements of the local and regional industry. This process will continue during the current financial year.

The Institute also mounted one Air Traffic Control course for Caribbean nationals in 2005 and employed two additional faculty members. Locally, some 21 air traffic controllers are now being trained and they are expected to receive full certification by the end of 2006. This will bring the total complement of Controllers to 79.

During the current fiscal year, the JCAA will:

- Upgrade its aeronautical messaging system with the installation of a new Fixed Telecommunications Switch. This will allow for the implementation of the computerized Air Traffic Management Handling System, which will facilitate the electronic exchange of aeronautical messages between airlines and air traffic services.
- The Authority will also construct two stand-alone control towers at the Norman Manley International and Sangster International Airports, as part of the current expansion and modernization programmes at both sites. Preliminary work has already been done at the Sangster Airport, where the existing tower is almost 50 years old.

AEROTEL LIMITED

Aeronautical Telecommunications Limited (AEROTEL), which is a subsidiary of the Jamaica Civil Aviation Authority (JCAA), is a wholly-owned Government Company. It was established under the Companies Act in August 1978 to provide Engineering and specialized Telecommunication Services for public and private sector agencies in the aviation industry.

In performing its core function, AEROTEL absorbed the full cost of providing the Jamaica Civil Aviation Authority with maintenance, engineering and technical support services to the tune of \$71.4 million in 2005/2006. This represents a 54.5% increase over the \$46.2 million in service charges that were accrued in the previous year.

The AEROTEL team of highly-trained and competent technicians, working in keeping with the quality standards of the International Civil Aviation Organization (ICAO) Convention, helped to ensure that:

- Navigational systems were routinely maintained and consistently exceeded 99% reliability;
- The JCAA's three radar sites achieved optimum performance;
- The Instrument Landing System (ILS) at the Norman Manley International Airport passed the Federal Aviation Administration's flight check and is being utilized by commercial airlines;
- Air-to-ground communication systems consistently provided radio contact in excess of two hundred miles between pilot and Air Traffic Controller
- Adequate spares were stocked to facilitate the timely replacement of equipment, as specified by manufacturers

As part of its strategy to promote the efficient use of resources, AEROTEL is currently designing a Network Operations Centre (NOC) to centralize the monitoring and control of all remote sites and equipment. This project will be self-financed.

Mr. Speaker, I am pleased to report that AEROTEL has successfully extended its core business and diversified its income sources by providing consultancies, system integration, maintenance services and the rental of space on towers.

The quest by this Company to deliver cutting edge technology solutions has resulted in several joint venture initiatives. During the year under review, AEROTEL collaborated with Mona Informatics in the development of a GPS-based Vehicular Tracking and Navigational System. This real-time, in-car, navigation system would be of value to the tourism sector initially, as well as for fleet management, and we expect that it will be introduced to the market in the current financial year.

Another successful AEROTEL innovation was the Voice-over Internet Protocol (VoIP) network designed and implemented for Jamaica Premix Limited in 2005. Phase II of this project will be implemented in 2006 and there are plans to expand this network island-wide.

AEROTEL, in conjunction with Aeronautical Radio Incorporated (ARINC), has provided aircraft monitoring through the use of the Aircraft Communications, Addressing and Reporting System (ACARS), with an availability of over 99% during the financial year under review.

The creation of a secondary telecommunications link/path across the island was envisaged with a view to ensuring adequate backup/redundancy, thereby promoting an integrated, efficient, competitive and diversified telecommunications system. This secondary link will also increase bandwidth, which AEROTEL can, in turn, lease to non-aviation customers thereby, securing an additional source of income. This project is expected to cost approximately US\$1M.

KOOL 97 FM

Members are aware that AEROTEL also operates the radio station KOOL 97 FM, which provides flight arrival and departure information to the public. The station also contributes to the tourism industry through real-time promotional activities and tours which highlight the island's historical attractions.

In order to assist in meeting the cost of providing these services, KOOL 97 FM sought and obtained permission in 2005 to lease 26.5 hours of airtime per week, subsequently awarded to a news production company.

The radio station is currently engaged in the negotiation phase of the tender process to bring the total number of hours leased to 50 per week. This is in accordance with the Cabinet decision regarding the leasing of airtime by KOOL and in keeping with the provision in the licence allowing the radio station to utilize up to 30% of its airtime in non-core activities.

The station presently operates with 85% coverage, island-wide and additional sites are being sought to increase coverage to 95%.

THE AIRPORTS AUTHORITY OF JAMAICA

Mr. Speaker, the Airports Authority of Jamaica (AAJ) continues to work diligently to fulfil its principal mandate of developing and sustaining a safe and profitable world-class airport system for Jamaica, which is benchmarked to international standards.

Under the Government's airport privatization policy, the Authority divested operational responsibility for the Sangster International Airport (SIA) to MJB Airports Limited, a private sector entity, in 2003. However, it still retains ownership of the facility, as well as the Norman Manley International Airport (NMIA) which is now operated as the NMIA Ltd., a wholly-owned subsidiary of the Authority.

Passenger Movement

The island's two international gateways handled a total of 4,759,248 passengers during the 2005/06 period, which represented a 1.2% decline on the record volume of 4,811,994 attained in the previous year.

The 8.7% growth experienced at the Norman Manley International Airport is attributable to the traffic generated by two new scheduled airline services, namely, US Airways and Sprint Airlines, while the 5.7% decline at the Sangster International Airport is the result of the rationalization programme undertaken by the national airline.

The NMIA Modernization & Expansion

In March 2006, a US\$50.5 million contract was signed with Kier Construction Ltd. for the start of a redevelopment programme under which the aging infrastructure and facilities at NMIA will be modernized over a 20-year period. The upgraded complex will accommodate the increasing passenger loads and satisfy the requirements of local and foreign regulatory agencies, including the International Air Transport Association (IATA), the International Civil Aviation Organization (ICAO), the Transportation Security Administration (ISA of the USA), and the Jamaica Civil Aviation Authority.

Completion of the capital development plan, which will be implemented in three phases at an estimated cost of US\$112 million, is scheduled for 2022. The following preparatory works were undertaken during the 2005/2006 budget year:

- Demolition and reconstruction of the roof and support structure of the former pre-board screening area to facilitate expansion of the Departure Concourse
- Closure and redevelopment of the Waving Gallery to accommodate airline administration offices
- Relocation of the check-in facilities for Air Jamaica and AJAS to the expanded Ticketing Concourse, to allow for the demolition of the section of the terminal which previously housed the national airline

In addition, the first phase of the Cargo Warehouse Complex was completed in February, 2006 resulting in the opening of the NMIA Cargo and Logistics Centre. The Queens Warehouse and some cargo and courier operators currently provide service from the Centre.

By March 2007, in time for Jamaica's hosting of the ICC Cricket World Cup, major rehabilitation and upgrading of the Arrivals area will be completed.

Additionally, work on Phase 1A of the Airport Development Programme is scheduled for completion in late 2007 and will feature:

- A New Departures building at the eastern end of the present terminal, to be integrated with the existing Departure Concourse, which will undergo major rehabilitation. The new three-level building will accommodate security screening stations, out-going immigration and a new departure lounge with expanded retail concessions.
- Upgraded Immigration and Customs Halls, as well as offices
- New Arrivals Duty Free Shops
- A new multi-level Passenger Pier (Finger) that will enable the separation of arriving and departing passengers, as required by international standards for security
- Four Passenger Loading bridges
- The replacement and upgrading of Airport systems, including public address, security control, flight information, baggage information and other Information Technology systems
- Replacement and upgrading of the primary electrical infrastructure
- An upgraded roadway system, expanded public car park and improved curbside facilities
- The development of a Cargo Warehouse Complex



Mr. Speaker, over the past year, global economic conditions, such as the sharp increase in oil prices, have led to a downturn in business travel, which accounts for a significant portion of the passenger traffic at NMIA. They have also contributed to increased expenses at the Airports Authority and the Norman Manley Airport, which are now subject to full taxation.

This situation has been compounded by the recent cement shortage in the construction sector that has already resulted in cost over-runs and could, ultimately, delay the project delivery. In the face of these challenges, the AAJ intends to seek Government approval for tax concessions and financial support to cover cost over-runs in the current financial year.

It is also expected that the privatization process for the Norman Manley International Airport will begin this year.

The SIA Capital Development Programme

With regard to the Sangster International Airport, the new operator, MBJ Airports Limited is proceeding expeditiously with the capital development programme, in keeping with the terms of its 30-year Concession Agreement with the Government.

Phase 1B of the upgrading works, which commenced in November 2003, was completed in December 2005, at an estimated cost of US\$42.5 million. Mr. Speaker, I must emphasize that this phase of the development was completed on-time and within budget. This segment of the programme involved the construction of a new twelve-gate airside concourse, complete with gate lounges and new shopping facilities. All gates are equipped with passenger loading bridges, resulting in a total of 18 gate bridges in operation at SIA.

Phase 2 of the Airport's development programme began in January of this year and will feature:

- An extensive addition of new structures, including a ground transportation hall and parking lots
- Major renovation of the existing terminal facilities, including the ground floor Ticketing area, Departure Lounge and the Customs and Immigration Halls, as well as apron works, will be undertaken.

The work in this phase is valued at US\$50.84 Million and is scheduled for completion in July 2008.



MARINE



Mr. Speaker, the development of Jamaica as an international shipping centre is a strategic objective of the Government of Jamaica and the local shipping fraternity as a whole.

The shipping industry is often taken for granted by the public, but it is critical to the operation of modern society.

More than 90% of world trade is carried by sea. In fact, without shipping, the efficient and cost effective bulk transport of raw materials and the import and export of affordable food, medicines and manufactured goods which we use daily and, on which international trade is built, would simply not be possible.

It can truly be said that the shipping industry is the engine that drives the global economy. In 2005, ships transported 6.6 billion tonnes of cargo. This means that with a reported population of 6.4 billion people in the world last year, the cargo transported by ships works out at more than one tonne for every man, woman and child.

The Government of Jamaica, Mr. Speaker, is committed to carving out our niche in this lucrative and vital area of global economic activity. And, it is in that context that we are determined to pursue the strategic objective of making Jamaica an international maritime centre.

There are three Jamaican Government agencies...namely, the Maritime Authority of Jamaica, the Caribbean Maritime Institute and the Port Authority of Jamaica, which have been playing, and which will continue, in conjunction with local private shipping interests, to play critical roles in the drive to attain that objective.

THE MARITIME AUTHORITY OF JAMAICA

Mr. Speaker, the Maritime Authority of Jamaica (MAJ), which was established under the Shipping Act 1998, is the principal agency responsible for the regulation of matters relating to merchant ships and seafarers.

Over the past year, the Authority placed much emphasis on strengthening the legislative framework for maritime administration.

Work continued on a raft of bills including:

- Shipping (Pollution Prevention and Control) Bill
- Shipping (Fees) Regulations
- Shipping (Registration of Ships) Regulations
- Regulations governing the operation of Small Vessels

The Shipping (Fees) Regulations and the Shipping (Registration of Ships) Regulations were promulgated in March 2006. The Shipping (Fees) Regulations 2006 offer attractive concessions and incentives for Jamaican ship owners, including special provisions for passenger vessels, the home porting of ships in Jamaica and the use of Jamaican crews.

The Authority also focused on expanding the Jamaica Ship Registry, Bunkering, Crewing and Yachting, all important sources of income.

JAMAICA SHIP REGISTRY

The Jamaica Ship Registry (JSR) is a critical element in the strategy to transform Jamaica into an international maritime centre; and the Authority continues to seek creative means to support the promotion of the Registry, among them being:

- The implementation of a public relations plan
- Identification of specific target markets
- Greater collaboration and support to overseas representatives in the marketing of the Registry.

This approach, along with direct sales calls, has resulted in improved awareness of the Registry and increased inquiries from potential business clients.

In May 2006, the JSR welcomed a new container ship from German ship owners, Harren & Partner. The Container Feeder Vessel Company's ship CFS M/V Pafilia, will homeport in Kingston and provide feeder services to the Kingston Container Terminal. This registration will signal a further strengthening of relations with this company, which currently has vessels operating to and between Jamaica and the Caribbean. The Company has also been involved in the training and employment of cadets from the Caribbean Maritime Institute.

The number of vessels on the Registry up to May 2006 is 40, and 23 of these are trading internationally. Significantly, seven new buildings have been registered under the bareboat charter registration provisions of the recently passed Shipping (Registration of Ships) Regulations 2005. These vessels are operating offshore the oilfields of the Caspian Sea.

BUNKERING

Under the Local Trade Regulations of the Shipping Act, a subsidiary of the company, Aegean Bunkering Jamaica Ltd., commenced bunkering operations in Jamaica in February 2005, with the establishment of an offshore facility to provide bunkers to vessels plying the trade routes close to Jamaica's territorial waters.

The operation started with one vessel and now has four ships, with one servicing cruise ships on the north coast.

During discussions between the President of Aegean Marine Petroleum S.A., and the Director General of the Maritime Authority in January 2006, commitments were also received for the registration of vessels owned by that company under the Jamaican flag.

The success of bunkering operations after just one year, has only served to confirm Jamaica's potential as an international maritime centre.

CREWING

During the last financial year, 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 at the Caribbean Maritime Institute (CMI) and can, therefore, provide a steady supply of crew to work on vessels.

We are mindful of the fact that British Petroleum, a major international oil company, is involved in the establishment of a training facility in Trinidad & Tobago within its technical university. Nevertheless, the inclusion of Jamaica on the International Maritime Organization's (IMO) "white list", which certifies this country as providing quality training at international standards, makes it possible to continue to position Jamaica as a crewing nation.

The recent signing of an agreement between the CMI and ship owners, Harren & Partner, to place cadets on their vessels is a welcome boost to Jamaica's drive to provide seafarers for the international maritime industry.

YACHTING

The Yacht market has been growing at 6% globally for the past decade and the Maritime Authority has taken steps to put in place the legal framework to take advantage of this growth.

The Shipping Act provides for unimpeded long cruising around the island by yachts, and a special register for yachts has been established.

Helping to ensure maritime safety and pollution prevention is another priority for the Maritime Authority.

During the 2005/2006 fiscal year, 641 vessels operating locally were inspected and 67 Coxswain licenses were issued to boat handlers. Additionally, 23 Flag State Inspections were conducted on large international vessels.

Through its Port State Control inspection programme, the MAJ continued to ensure that foreign vessels operating in Jamaican waters do not pose a threat to maritime safety, security and the marine environment. It also fulfilled its obligation under the Caribbean Memorandum on Port State Control to inspect a minimum of 15% of the foreign vessels visiting our ports. Sixty-one Port State Control inspections were conducted on foreign commercial vessels using Jamaican ports.

The Authority also completed investigations into four marine casualties during the period under review.

Assisting Jamaica to meet International Maritime Security Requirements is also a portfolio responsibility of the MAJ.

During the past year, the Authority ensured that all Jamaican-flagged vessels remained compliant with the International Ship and Port Facility Security (ISPS) Code. The MAJ also worked along with the Port Authority, the JDF, the Police and local shipping agents to maintain the necessary security requirements at the nation's ports.

I am pleased to report that the United States maritime security team which visited the island from March 29 to April 5 2005, deemed Jamaica to be "in significant compliance" with the provisions of the ISPS Code.

The increasing recognition of and confidence in Jamaica's administration of maritime security on the part of the International Maritime Organisation is evident. In April 2005, the Director General of the Maritime Authority, Rear Admiral Peter Brady, was the lead instructor for an IMO Maritime Security Train the Trainers course in Canada, for government and industry personnel from Canada, the US Coast Guard, the Philippines and Jamaica.

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. For the financial year 2005- 2006, revenues were approximately, J\$29 million. This reflected a 30.13% increase over the J\$22.28 million earned for the previous fiscal year, but was approximately, 7.67% below the revenue target of J\$31.4 million.

This increase was achieved primarily from local trade certification and ship registration. It is anticipated that initiatives being pursued by the MAJ, particularly with regard to the Jamaica Ship Registry, will further increase the Authority's earnings in the current fiscal year.

OTHER DEVELOPMENTS

Maritime Technical Services (Jamaica) Ltd

Mr. Speaker, significant progress was made during the year in establishing Jamaica as a source of high quality technical expertise in shipping.

Condition and insurance surveys, as well as pre-voyage and other technical surveys, which were usually conducted by contracted surveyors from abroad, are now being undertaken by Maritime Technical Services (Jamaica) Ltd., a company established by the Authority last year. Some foreign insurance companies are already acknowledging the high technical standards of work done by the Maritime Authority through the new company.

It is important to note that the Authority has been re-certified under the International Standards Organization's ISO 9001:2000 quality standards. This followed the annual surveillance audit conducted by the American Bureau of Shipping (ABS) in February 2006. The ISO certification has enabled Jamaica to maintain its status on the IMO white list of countries whose maritime training programs meet the accepted international standard.

Plans for 2006/07

Inadequate human and financial resources were the main constraints faced by the MAJ in achieving the targets established for 2005/6.

In the current year, Mr. Speaker, the Maritime Authority will further:

- Develop the Jamaica Ship Registry
- Promote the Shipping Centre concept
- Strengthen the legal framework governing the maritime sector.

There is little doubt, Mr. Speaker, that the initiatives pursued over the past year by the Maritime Authority of Jamaica have helped to propel us forward in the drive to make Jamaica an international maritime centre

THE CARIBBEAN MARITIME INSTITUTE

I now turn my attention, Mr. Speaker, to the Caribbean Maritime Institute (CMI).

The CMI, which is accredited by the Maritime University in the Hague, has been the only institution in the region providing tertiary training for the shipping sector over the past two-and-a-half decades.

Since its inception in 1980, enrolment has grown significantly, as more and persons who were not necessarily restricting their options to the shipping sector, have attended the institution.

Enrolment

There were some 425 students enrolled for the academic year 2005/06 and another 695 persons including managers, supervisors and operators in the shipping and allied industries, successfully pursued various specialized short courses.

During the year, a total 121 graduates completed full programmes of study in specific disciplines.

- Fifty-two students earned the Diploma in International Shipping and Logistics (DISL) in September last year. This included 28 persons who pursued their course through the CMI's distance learning programme.

- Forty-two graduates were awarded the Associate Degree in Industrial Systems Operations and Maintenance (ISOM), and this number included 20 persons who pursued their course at the Montego Bay Community College.

Both the Diploma and Associate Degree programmes are now accredited by the University Council of Jamaica.

Franchise Agreement & Memoranda of Understanding

Members would be interested to learn that the Caribbean Maritime Institute has now signed a Franchise Agreement with the Montego Bay Community College, for delivery of the Associate of Applied Science Degree in Industrial Systems, Operations & Maintenance by the College. This will be of great help to students based in Western Jamaica who are seeking to pursue programmes offered by the CMI.

The Caribbean Maritime Institute has, over the years, sought to enhance its training programmes by providing trainees with practical hands-on experience in the workplace and by helping graduates to gain employment on ships.

Under the recent Memorandum of Understanding with Harren & Partners Ship Management of Germany for Cadet Training & Seafarer Employment, which I mentioned earlier, three Officers have already been employed and 30 Cadets have been trained.

International Crewing Agency - Caribbean (ICAC)

Last year, the ongoing placement effort through the International Crewing Agency Caribbean (ICAC), a subsidiary of the CMI, resulted in:

- Seventy-eight students being placed on board ships as Officers, Deck & Engine Cadets, as well as Multi-Purpose Ratings
- Fifteen Engine Cadets were rotated at the Jamaica Private Power Co. (JPPC) at Rockfort.
- Sixteen Engine Cadets were rotated with the Doctor Bird Power Barge in Old Harbour Bay.
- In January of this year, Mr. Speaker, the CMI also signed an MOU with the Rowing Club of Jamaica, for collaboration in the promotion and development of rowing as an international/Olympic Sport in Jamaica.

Projects

In addition to its core business of training, the Caribbean Maritime Institute is involved in a number of other projects relevant to the marine sector.

- One such enterprise is the Jamaica Business Recovery Programme, through which the CMI, in collaboration with the Jamaica Employers' Federation and the United States Agency for International Development, trained 90 persons in the fishing industry last year.
- In December 2005, the Institute took delivery of a new 45 ft. Fisheries Training Boat, CMI-002, which was grant funded by the JICA and the Inter-American Development Bank. The vessel will be utilised in deep water Squid, Vertical Line and Long Line Tuna fishing research, surveys and training, in collaboration with the Fisheries Division of the Ministry of Agriculture and the University of the West Indies.

As I said earlier Mr. Speaker, the Caribbean Maritime Institute has, for nearly three decades, been providing well-trained graduates to meet the requirements of the shipping and allied industries in the region. However, its operations are being impacted by the planned establishment of another regional

entity which would offer training in some of the disciplines on the curriculum by the CMI. To date, the impact of the facility in Trinidad & Tobago has been mainly in the area of staffing, as individuals have been attracted by higher salary scales and, in some instances, finding replacements has proved a challenge.

Notwithstanding those difficulties, every effort has been made to ensure that CMI students receive expert tutoring and guidance. Currently, seven members of the CMI's staff are pursuing study programmes to enhance their own professional status.

The CMI has also been seeking to attract additional funding for its operations.

Mr. Speaker, the continued development of the Caribbean Maritime Institute is, undoubtedly, a critical element in Jamaica's thrust to create a world-class maritime sector.



THE PORT AUTHORITY OF JAMAICA

Mr. Speaker, I now direct my attention to the operations of the Port Authority of Jamaica.

The accomplishments of the Port Authority have propelled the organisation well along the path toward realising its stated Mission to be:

“Developers and regulators of world class facilities and services that ensure sustainable growth of Jamaica’s maritime industry and maximum satisfaction to all stakeholders”.

The PAJ, Mr. Speaker, has overall responsibility for the development of port facilities, cruise shipping operations and Free Zones, as well as the regulation of operations, tariffs and security at the country’s ports.

Ship & Cargo Traffic

In the fiscal year 2005/2006:

- Some 3,931 ship calls were made to Jamaica’s ports, compared to 3,432 in the previous year. This reflected an increase of 499 or 14.54% in the number of vessels visiting our ports during the period under review.
- The Port of Kingston handled some 2,728 ship calls while Montego Bay recorded 358. Another 334 vessels were processed at the port of Ocho Rios while there were 511 calls to other ports.
- There was an 8.49% or 2,223,936 tonne increase over the 26,205,137 tonnes of cargo handled in 2004/2005, with some 28,429,073 tonnes being processed through our ports in 2005/2006.

Cruise Shipping

Members will recall that the Port Authority was also vested by Cabinet with operational responsibility for cruise shipping. Despite the impact of the active hurricane seasons over the past two years, Mr. Speaker, the cruise shipping sector continues to grow.

Visitor Arrivals

There were 1,151,705 cruise passenger visitors to Jamaica in the year ending March 31, 2006 from the 517 cruise ships which called at our ports. This represents an increase of 62,945 visitors or 5.78% more than in 2004/2005.

Jamaica: ‘The Best Cruise Destination’

The cruise sector is a major segment of the tourist industry and a significant contributor to the national economy. The sector is in robust health, a fact which was highlighted when Jamaica was voted the Caribbean’s leading cruise destination for 2005 in the World Travel Awards.

The Ports of Ocho Rios & Montego Bay

Last year, Ocho Rios, our major cruise port of call accounted for 814,544 visitors transported on 317 cruise vessels, while Montego Bay hosted 329,858 visitors from the 187 vessels calling at that Port. There were 6,891 visitors to Port Antonio.

Mr. Speaker, the Port Authority is projecting that in 2006, Jamaica will host a record 1.24 million cruise visitors, surpassing the 1.2 million passengers who visited in 2003.

Like the operators of cargo ships, cruise lines are also employing more mega vessels in their operations. In order to better accommodate the increased passenger load and ensure more efficient docking of these large ships, berthing and related facilities at the ports of Ocho Rios and Montego Bay will be expanded and upgraded. The upgrading works started in Montego Bay in February 2006 with the construction of a Breasting Dolphin to enhance the safety of the mega liners; and completion is scheduled for this month.

Just last month, Mr. Speaker, the industry received a boost when Montego Bay welcomed the world's largest cruise liner, the Royal Caribbean Cruise Line's flagship M/S "Freedom of the Seas" on its Maiden Voyage. The "Freedom of the Seas", which carries up to 4,300 passengers and a crew of 2,000, is scheduled to call at Montego Bay each Thursday over the next year.

Port Antonio

Several factors, including the limit on the size of the vessels which the Port can accommodate, have militated against the growth of the cruise market in Port Antonio since cruise ships resumed calls there in 2003. The PAJ is, however, pursuing strategies designed to enhance the market share of that eastern port.

The number of yachts visiting the Port Antonio Marina also increased in 2005/2006, following the contracting of management services. The Authority is actively exploring opportunities for further development of the facility as well as Navy Island, as upscale eco-heritage tourism destinations.

The Kingston Container Terminal

Mr. Speaker, the ever-expanding transshipment operations at the Kingston Container Terminal constitute the major commercial activity for the Port Authority of Jamaica.

In 2005/2006 actual throughput was a record 1,657,555 TEUs, representing a 32.36% increase over the 1,252,321 TEUs handled in 2004/2005. It should be noted that this record volume surpassed the rated capacity of the Terminal, and resulted from 1,800 calls from vessels representing virtually every major shipping line.

The Kingston Container Terminal, Mr. Speaker, is now recognized as a leading regional mega hub... making Jamaica the only country in the region with a comprehensive and extensive sea transportation system.

In September, 2005 the Port Authority completed Phase four of its Terminal expansion programme ahead of schedule and within budget. Completion was originally projected for November 2005 at a cost of \$49 million, but the actual cost incurred was \$47.7 million.

This phase of the expansion programme increased the Terminal's rated capacity by 300,000 TEUs, moving from 1.2 million to 1.5 million TEUs.

The KCT comprises a Northern and Southern Terminal, and its facilities include:

- 1,835 metres or 6,020ft. of berthing to a depth of 15.24 metres or 50ft. at the North Terminal, and 14.0 metres or 46ft. at the South Terminal, to accommodate mega container vessels
- 694 Reefer Plugs

- 91 hectares or 225 acres of terminal yard
- 8 Super Post Panamax and 5 Post Panamax cranes, as well as
- 50 straddle carriers

However, in view of the growing demand for the Terminal's services, the Port Authority advanced the implementation of plans which were already finalised for Phase Five of the expansion programme.

The Phase Five Expansion

Project work is now well underway and will, on completion in December 2007, add another 1.7 million TEUs, more than doubling the current 1.5 million rated transshipment capacity of the KCT to 3.2 million TEUs.

Additional infrastructure development, which is being implemented at a cost of some US\$250 million, includes:

- Construction of 475 metres of berth at the West Terminal
- The paving of 66 hectares or 161 acres of yard space at the West Terminal

Leading-edge equipment is also being acquired and these include:

- 6 additional Super Post Panamax ship-to-shore gantry cranes
- 24 straddle carriers
- One 6,000 horse-power Harbour Tug
- Additional closed circuit TV capacity and other security equipment.

Maersk Makes Kingston Its Regional Hub

Mr. Speaker, in November, 2005 the Port Authority entered into an agreement with Maersk, the world's largest container shipping line, to make Kingston its regional Hub Port. The contract is valued at some \$12.5 Billion.

Under the terms of the agreement, Maersk is expected to account for additional business involving some 600,000 TEUs at the Kingston Container Terminal in 2006, separate and apart from business contracted with other shipping lines.

The Maersk contract constitutes a clear endorsement of the KCT and demonstrates the heightened interest in the Terminal by international shipping lines.

Mr. Speaker, there have been reports in the media about the decision by the West Indies Trade Association (WITASS) Group to impose a surcharge on Bills of Lading for the approximately 3,700 containers it moves at the Port of Kingston each month. It is important that the facts surrounding this decision be highlighted.

- When Maersk signed the Hub Port contract, both the shipping line and the Government knew that the Port did not have the capacity to handle the projected volumes of cargo to be transhipped in Kingston.
- The Company planned to ship some 600,000 TEUs through Kingston in the first year of the contract and, this would result in approximately 40 additional ship calls to the Kingston Container Terminal each month.
- All the parties—the Government, the Port Authority and Maersk—expressed confidence that the requisite facilities to properly accommodate the increased volumes for which the Maersk Line had contracted, would be ready by April 1 2006, when the contract would take effect.



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- However, the approval process for the financing and purchasing of equipment, as well as the construction of land space, extended beyond the date identified. The shipment to Jamaica of needed equipment for the port which was manufactured and prepared for dispatch was also delayed, pending instructions from the relevant banks.
- Prior to the start of Maersk's new service, the Terminal handled an average of 127 vessels and 128,000 TEUs per month.
- Since February, when the new service came on stream, the Terminal has handled an average of 150 ships and 160,000 TEUs per month.
- As a result of the increased traffic, there were instances when some ships waited an average of three to four days to unload, as against the relatively short turn-around time that was experienced previously.
- If WITASS implements the charge, it will affect only the approximately 3,700 containers which the Association handles each month out of the total of 15,000 containers bearing domestic cargo per month.
- The Port Authority of Jamaica opposes the imposition of a surcharge by WITASS as a result of the processing delays being experienced. Furthermore, since the shipping lines handling most of the domestic cargo at the Port are not instituting such a charge, the Authority is of the opinion that there is no justification for an increase in the terminal handling charges.

It is rather instructive Mr. Speaker, that just a month ago, following a comprehensive two-and-a-half-year investigation into the practice of charging terminal handling charges (THCs) over and above the freight charges, the Chinese Central Government Authorities ruled that THCs are inherently a part of the freight cost and cannot be charged separately.

While there were some factors at the port contributing to ships having, on occasion, to wait three to four days for processing, as against the usual one to two-day turn-around, some delays were caused by ships leaving other ports late. This, in turn, resulted in the pile-up of vessels at the Port of Kingston.

Mr. Speaker, Hub Ports all over the world experience congestion from time to time and the present situation in Kingston should not cause the Lines to impose a surcharge.

The Port Authority and the major Shipping Lines, Zim, Maersk and CMA-CGM, which provide most business, are currently reviewing arrival schedules in an effort to help alleviate the situation.

Meanwhile, the preparation of land at the Port is now being completed and the equipment is expected to arrive in Jamaica within three weeks. It is estimated that by the end of July following assembly, installation and commissioning of the equipment, the waiting time should revert to the normal one to two-day period.

Mr. Speaker, it is important to note that the group constituting the WITASS lines is in the process of relocating its service and should shortly be handling less shipments of domestic cargo.

The public wharves constitute the only public utility which has not received a rate increase since 1997.

The fact is that the Shipping Industry in the 21st Century is diverse and dynamic. Like any other big business, it must adapt to changes in the operating environment such as acquisitions, mergers and alliances. Suggestions that the Port Authority should not have entered into the contract with Maersk, ignore the realities of this dynamic industry.

KCT Attracts Another Full-Service Shipping Line Office

The growth in business at the Kingston Container Terminal is also reflected in the increased number of full service offices operated by shipping lines in Jamaica.

In December 2005, one year after its incorporation, CCJ, a joint venture between the CMA CGM container shipping line of France and Jamaican partners, opened a full service office in Jamaica.

Since 2002, the number of containers shipped on CMA CGM vessels to and from Kingston has increased by more than 100%. Volumes have moved from 123,141 to 263,508 TEUs; and CMA CGM/CCJ says it plans to introduce several new services to the Americas.

Productivity

I know that Members and the Country at large will welcome the fact that APM Terminals, managers of the KCT, reported that the Terminal ranked fourth in productivity for the month of February 2006 and was consistently in the top ten of the 39 Terminals which the Company operates worldwide.

It is expected that with continued emphasis on increased efficiencies and productivity; and in the wake of the expansion and infrastructure development programme, the KCT will advance its current ranking of 62nd among the world's top 100 ports.

The Logistics/Distribution Hub (Free Zone)

Mr. Speaker, last year the Port Authority also broke new ground as it initiated plans for the development of a modern Distribution Hub here in Kingston under its subsidiary company, Jamaica International Free Zone Development Ltd.

This modern hub will facilitate the re-distribution of goods, particularly from Europe and Asia into the United States of America, England, Central and South America.

Enterprises operating in the Distribution Hub will, in the main, be involved in the stripping, re-packaging, assembly and redistribution of goods. There will also be scope for accommodating light manufacturing.

In the interim, operations of the Distribution Hub are being integrated with the Airports Authority of Jamaica, which plans to develop its logistics distribution capabilities into a major service and revenue centre that will provide significant employment opportunities. The Airports Authority is now acquiring 40 hectares of land for this purpose.

Mr. Speaker, the Ports of Panama and Dubai, which provide a model for the development of our logistic hub services, are testimony to the benefits to be derived from such a facility.

The Zim Shipping Line has also begun distribution hub operations under a partnership agreement with the Port Authority. The new venture is located on a property adjoining the KCT.

The Zim Company plans to offer logistics services including deconsolidation of shipments from China and other countries, and re-packaging for destinations throughout the Americas. It is expected to handle 300, 600 and 1,000 containers a month in the first, second and third year, respectively.

The development of distribution hub capabilities will open up opportunities for international manufacturers to redistribute cargo on a timely basis in this hemisphere. The facilities will also provide a base for manufacturing and export to the region, while creating a solid platform for the marketing of goods and services offered by Jamaica and other Caribbean countries.

Above all, the Hub will enhance our capacity to serve our clients while, at the same time, expanding the income base and improving the profitability of the Port Authority.

Enhancing Security at Our Ports

Mr. Speaker, the increased business activity at the country's ports also highlights the need to focus on the overall security of these facilities.

The Port Authority is the agency entrusted by Government with the responsibility for ensuring compliance with the security provisions under the International Maritime Organisation's ISPS Code; as well as the safety measures imposed by our major trading partner, the United States of America, following the events of September 11, 2001.

As part of its effort to effectively improve security at our ports, the Port Authority of Jamaica entered into alliances with several international and bi-governmental programmes... with the result that Jamaica was among the first countries to meet the new security requirements by the July 5, 2004 deadline.

Mr. Speaker, the Port Security Corps, which was established in 1989, is an integral part of the security systems at both our air and sea ports. In 2005, the Corps, in working with MBJ Airports Limited, operators of the Sangster International Airport and at the Norman Manley International Airport, contributed significantly to the interdiction of:

- 663.36 kg of marijuana and 7.02 kg of cocaine at the Norman Manley Airport, and
- 43.37 kg of marijuana; 3.98 kg of cocaine; and 10.30 kg of Hash Oil at the Sangster Airport.

The Corps also provides on-board ship security, transshipment shipside checks, access control services and mobile surveillance at our seaports.

In 2005, the Port Security Corps serviced 1,557 vessels at the APM Terminals.

Its focus this year will be on business expansion, staff training and development, as well as improved management of its human and material resources. In addition, the Corps will seek to provide several other services for its local clients. These will include divers, canine operations, maritime patrol, ship hull inspection, as well as aviation and maritime security consultancy to other ports in the Caribbean.

During the year under review, there were physical improvements to the security programme for our ports, to further facilitate international trade, as follows:

- Installation of the CCTV surveillance system at the Kingston Container Terminal was completed.
- There was major progress on the necessary detailed preparatory work for the activation of a fully operational Electronic Access Control system at the Port of Kingston. It is expected that the system will be brought on stream in the current year.
- The acquisition of two patrol boats by the Jamaica Defence Force also enhanced the security programme.

Overall, the improved facilities helped to block several attempts to breach the security systems and led to the interdiction of persons bent on utilizing the ports for the transport of drugs, arms, ammunition and other contraband goods.

Accessing the US CSI Programme

Mr. Speaker, our continuing co-operation with several United States government agencies regarding security at our ports, led to the signing on Tuesday, June 20 of a landmark Declaration of Principles under which Jamaica stands to reap major benefits through access to the US Container Security Initiative programme.

Members of this House and the Country, as a whole, should welcome the news that as a result of the signing of that 'Declaration of Principles', cargo shipped from designated ports in Jamaica should soon be allowed entry to the US as domestic cargo, under the American Container Security Initiative programme.

- The Declaration paves the way for Officers of the US Customs and Border Patrol (CBP) to be posted, on a pilot basis, at the Port of Kingston and other local seaports, as agreed by both the American and Jamaican authorities.
- The American customs officers will work in accordance with Jamaica Customs guidelines and under the authority and administrative supervision of the Ambassador of the United States in Jamaica.
- They will cooperate with Jamaica's Customs Department and the Port Authority to identify, screen, and facilitate the sealing of high-risk cargo containers, through the use of inspection equipment that meets the standards of the World Customs Organization. This arrangement will come into effect at a date to be determined by both countries.

Mr. Speaker, gaining access to the US Container Security Initiative is significant because of the considerable benefits to be derived from having Jamaican exports pre-cleared and entering the U.S. as domestic cargo.

It is also very important because of the increasing volume of trade between Jamaican and United States seaports, resulting from Jamaica being the leading regional transshipment hub for cargo originating in many countries.

Members should note that provision has also been made in the Agreement, for the possible stationing, at the request of the Jamaican Government, of Jamaican customs officers in the United States.

This Agreement, signed recently in Washington, demonstrates how countries can act in concert to resolve challenges to their mutual benefit.

Mr. Speaker, 2005/2006 was, undoubtedly, a successful, landmark year for the Port Authority of Jamaica which continues to generate an operating surplus and remain independent of Government finances. In a real sense, the Authority is the lynchpin of the effort to transform Jamaica into an international maritime centre.

The Hon. Noel Hylton, President and CEO of the Authority, along with his team, unquestionably advanced the nation's progress towards meeting that strategic objective.

CONCLUSION

Mr. Speaker, our country continues to make tremendous strides as we work towards our objective of social and economic transformation... while, at the same time, creating a framework for sustained national development. It is evident that we are on course to achieve our objectives through achievements such as:

- The formulation of a National Housing Policy to guide the delivery of affordable shelter for all Jamaicans by 2025
- Improved water and sewerage infrastructure as part of a plan that will bring these vital services to districts across the island
- The streamlining of the land transport sector to ensure the safe and efficient movement of commuters and goods
- The creation of a modern highway network that will open up new social and economic opportunities for citizens, especially those in remote rural districts
- The extensive infrastructure re-development programme at the island's two international airports, which is bringing facilities at these major gateways to world-class standards... and providing a foundation for future growth and profitability
- The upgrading of our air traffic systems, to ensure that they consistently satisfy the stringent safety standards of this global industry
- The multi-billion-dollar expansion programme and marketing initiatives which are contributing to the phenomenal growth in business at the island's ports... and increasing recognition worldwide of Jamaica's potential as an international maritime centre.

Mr. Speaker, politics is meaningless, if it is not people-centred. We recognise that, as a Government, we must constantly seek to address the expectations of the Jamaican people, who have been exposed to the lifestyles of the developed world through a variety of channels.

- We recognise that we have a responsibility to be responsive... and to consistently demonstrate accountability and transparency in our operations.
- We recognize the need to create a performance-driven environment, in which the delivery of quality services to our people is paramount.
- And, we also accept the urgent need to derive maximum benefit from the limited resources available to our nation.

We have started the process, Mr. Speaker and, based on our achievements, to date, we are confident that Jamaica is well-positioned to claim its place on the world stage. It follows logically that our people can also look forward to a future of personal growth and improved living standards, as we strive together to take Jamaica into this new era of development.

I thank you.