

# **THE MINISTRY OF TRANSPORT AND WORKS**

## **From Analysis to Implementation:**

## **Delivering the Multi-Modal Public Transport Policy and National Infrastructural Solutions**

SECTORAL DEBATE

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Presentation by

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### **THANKS AND ACKNOWLEDGEMENTS:**

Two years into my stewardship of the Transport and Works portfolios, I am happy to be now poised to deliver the kind of strategic applications to re-align and modernise both portfolio areas. This is after in-depth analysis of the attendant problems and the inherent weaknesses of the existing systems, including the need to protect some vital public assets which were being systematically allowed to become run-down, apparently for personal and political reasons.

My first duty on taking office was to assess what I inherited, which included good, bad and very bad.

- The expansion and privatisation of the airports, for example, was a good concept, but this came with heavy cost over-runs.
- There was a good toll road concept, but this was funded at interest rates which were too high for that kind of project.
- There were plans for a Spanish Town to Ocho Rios leg of the toll highway with construction mysteriously started in the middle at Threadways into Mount Rosser in a certain constituency, at a date close to elections. Even worse, it was minus the necessary geotechnical studies which we have since had to pay \$30 million to have done.
- The Half-Way Tree Transport Centre was another good idea, but it was badly planned; with poor arrangements for school children; only a half of the initially promised facility being produced by the former administration, with no provisions for the roads outside the centre and horrendously inadequate electrical arrangements for the facility itself.
- There were no arrangements in place for traffic signals and other road safety apparatus along the dualised Segment 2A of the Northern Coastal Highway project from Rose Hall to Montego Bay, which we had to find millions of dollars to put in place to protect lives along what has now come to be called the 'Elegant Corridor'. In fact, what was labeled as a highway, was definitely not so, as it ended up with so many crossings and traffic signals.

- Some \$400 million in grant funding was about to be lost from Segment 3A of the Northern Coastal Highway project due to the then slow pace of work on the project.

From this jungle, we had to determine where to go, and then chart a way towards those goals. We needed to retain the good ideas and the efficient aspects of the system as we positioned the ministry to move towards greater service delivery overall

My two-year projection for completion of the broad process of assessment and analysis to chart the way towards world-class accomplishments is now on target, with actual implementation being unfolded in a number of critical areas. These include:

- Significantly improved dignity and comfort in public passenger transportation within the Kingston Metropolitan Transport Region (KMTR);
- Major breakthroughs within the maritime and aviation sectors;
- Completion and orderly expansion and improvement of the layouts at both existing international airports;
- Hitherto unheralded levels of disaster response by the works side of the ministry;
- The roll-out of the great prospect behind the cess on fuel sales to help rebuilt much of the island's public infrastructure, inclusive of bridges, roads, gullies and other drainage facilities and the revamping and restoration of the Road Master Plan.
- The rolling out of the Weigh Sale Policy and network to prevent damage to the road surfaces by overweight vehicles.
- Identification of a large number of devalued state assets, including Jamaica Railway Corporation, National Works Agency and Jamaica Urban Transit Company properties. **(Point to be emphasized with general reference to listing in hand)**
- Revisiting the planned programme of development to support the Highway 2000 corridor, which was abandoned by the former administration. The stadium which had been promised was abandoned, so too was the New Town housing project, and the Vernamfield development was not followed through as promised. These would have eased the pressure on the toll rates with increased usage of the toll corridors.

Despite the huge challenge presented by the ongoing global financial crisis, with a strong sense of purpose and responsibility to the nation, we have been busy examining the

options ahead of us in our quest to provide dignified and efficient public transportation services and good quality public infrastructure. In this effort, I have had the support and input of the leadership and general staff of the ministry and the agencies and entities within its portfolio areas. Their collective energies are now being channeled towards moving **From Analysis to Implementation of the Multi-Modal Public Transport Policy and National Infrastructural Solutions**. This is a welcome shift in gear ahead of the three-year time frame that was planned for the realization of the shorter-term major accomplishments of the multi-modal policy and the beginning of a serious assault on the infrastructural needs of the country.

My sincere thanks to former State Minister, Joseph Hibbert, Permanent Secretary, Dr. Alwin Hales, the other team leaders and the general staff of the Ministry. To the Heads of Agencies and applicable Entities, their team members, the Board Chairpersons and Members, who after two years, are now up for review, I thank you all for your invaluable service.

Special thanks too to my wife, Dawn and the rest of my family, along with my direct support staff, whose dedication has been most commendable and helpful to me.

Thanks too to the Hon. Prime Minister for his continued confidence in me directing the ministry's contribution to the national development agenda, and my Cabinet colleagues for their continued support and advice, as also you, Mr. Speaker, and the House staff for your continued support.

Of course I will always hold my Constituents in Central Clarendon very dear to my heart, and I thank them for their trust and understanding, especially these days when my ministerial duties sometimes keep me away from them for short periods of time. To my Councilors, Constituency Executive and Constituency Workers, I say "maximum respect" as we approach the 30-year mark.

Our team Humble Lions gave Tivoli a huge scare in the opening match of the National Premier Football League, and registered another big point in Portland on Sunday. Our pivotal constituency basic school support programme and our creative community development programme involving art, music, sports and small industries, such as shoemaking, have also taken root in terms of the development of our youth. Hence, Central Clarendon is definitely on a high, and I look forward to much more accomplishments within the constituency.

There I have taken the concept of intellectual property rights to the business of representing the people, as I correspondingly lobby for the wider interest of us all as descendants of the African slave system, in search of justice in the form of reparation, for past injustices. In that regard, I thank Minister Olivia Grange for her solidarity and support.

## **OPENING REMARKS**

Following my appointment to the Cabinet in September 2007, my stewardship of the ministry has revolved around my now well-known 1-3-5-7-year policy, with the first year being dedicated mainly to analysis of the systems, problems and procedures, before changing gear into the actual implementation stage in time for clear deliverables to be on stream for year three and broad fulfillment of these deliverables by year five.

## **EARLY CHALLENGES**

Amidst the focus on analysis, the beginning of the last financial year saw the Ministry faced with a number of major challenges, including:

- 1) The need to protect the coastal Palisadoes strip in Kingston from the ravages of the sea
- 2) Frequent and damage to the roadway in the Bog Walk gorge dating back to hurricanes Ivan and Dean and later compounded by Tropical Storm Ivan
- 3) The need for a smoother flow of traffic within the Corporate Area
- 4) The then badly declining fleet of the Jamaica Urban Transit Company (JUTC)

These challenges we naturally had to tackle very speedily, while focusing on plans for the medium to long term. This plan included the **Multi-Modal Transport Policy** now being formulated.

### **(Document to be presented)**

Alongside this is the realization, for the first time in decades, of a really serious plan to address the vast amount of poor road and other infrastructural conditions across the country. The focus on infrastructure led to a broad revision of the inherited Road Master Plan, which did not include many of the major roadways, nor the parish council road network and the farm roads. This has been revised in tandem with the government's focus on establishing a single road authority, to get rid of the long-established blame game between agencies over responsibility for various roadways. A comprehensive, island-wide, five-year Road Master Plan is now being reviewed ahead of being sent for Cabinet approval.

Now we have a dedicated cess in place as part of the tax on fuel sales, to fund infrastructural repairs and rehabilitation. Already we have embarked on a wide-scale community road patching programme, ahead of receiving the earliest funding from the cess. It got off in Havendale, St. Andrew, on Coolshade Drive, Swallowfield Avenue,

Vermont Avenue, Morningside Drive and Havendale Drive, and has been broadened out across the Corporate Area and the rural parishes.

This is just for starters, as we look to significantly intensify the scope of work to come from the cess which will now start flowing into the Road Maintenance Fund.

Among the critical infrastructural challenges last year, amidst the post-Hurricane Dean rehabilitation works came Tropical Storm Gustav in August. With the Harbour View bridge collapsed, the Bog Walk gorge extensively damaged, the Sandy Gully network across the Corporate Area battered to the point of accumulating an estimated \$1.6 billion in damage, sections of Portland and St. Thomas in ruin, along with other extensive damage across the country, it was time for action in every sense of the word.

In only three days, a vehicular and pedestrian Bailey bridge was up and running at Harbour View. About two months later, with help from Danish contractors E Pihl and Sons, a permanent type ford was established at Harbour View, to facilitate all types of vehicular traffic across the corridor. The tender process is now under way for the contract to start work on a replacement bridge.

Similarly, in tandem with the French contracting firm, Bouygues, a major overhaul of the extensive damage to the Bog Walk gorge road was undertaken in just one month. Unlike the blinkered approach of some of my predecessors, we made sure to learn from experience and opted to integrate concrete formations and de-silting into the gorge road rehabilitation and protection works.

Some of the emergency works, mainly on retaining walls, gully inverts and other road infrastructure were hampered significantly by the stringency of the new procurement guidelines, but these got under way later in the year, mainly in the Corporate Area, but also in St. Catherine, Clarendon, St. Thomas, St. James, and the badly damaged Buff Bay Valley in Portland.

Most of the works have now been completed, and some of the many communities which were affected are now being relieved of their distress by the extensive rehabilitation job that is being done. Work on the badly damaged Rio Grande Valley in Portland begins this week, as contract signing amounting to \$205 million has been effected to get work going on three major breakaways.

Overall, comparing the early challenges versus accomplishments, we have had significant early results, including:

- 1) The depleted JUTC fleet – 100 new, state-of-the-art buses have been acquired for the company and my first major announcement this afternoon is that Cabinet has signed off on the acquisition of another 200 new buses from Belgium over the next two years. This is in tandem with a major project to completely rehabilitate hundreds of the older JUTC buses in Brazil.

- 2) Widespread lawlessness among public passenger vehicle operators – a rationalization of the sector is now under way in search of the levels of discipline needed in the sector. A clear signal of intolerance has been given to the operators, including the National Transport Co-operative Society (NTCS), ahead of stringent regulatory measures scheduled to come on stream at the end of the year. However, we are focused on working together with the various stakeholders, and not in conflict.
- 3) Overwhelming hurricane/storm damage over the last two years – there has been a broad recovery through a spirited rehabilitation programme involving some seven parishes.
- 4) The need to protect the critical Palisadoes strip from the onslaught of intense weather systems – protective infrastructure has been established there to offer guaranteed protection for up to category two hurricanes. My second announcement is that funding has been identified to advance the protective works and completely rehabilitate and widen the strip.
- 5) The need to protect the integrity of the island's road surfaces from continuous damage caused by overweight vehicles – the weigh scale policy is now being rolled out to prevent such damage to the roadways and traffic accidents caused by things like spilled aggregate. Four static scales to be established, one each at Ferry in St. Catherine, Harbour View in St. Andrew, Coral Spring in Trelawny, and Agualta Vale in St. Mary, and two portable scales have already been acquired to spread the initiative all across the country, beginning with an educational approach in another two weeks or so.
- 6) The need for continued expansion of the aviation sector to accommodate growing demand for the relevant facilities, skills and services – there has been continued expansion and modernization of the Norman Manley and Sangster International Airports, plus the upgrading and expansion of the Boscobel Aerodrome, which I am happy to announce, is to become the island's third international port of entry.
- 7) Added to the mix is the development of a private sector-funded aviation maintenance college, and, of course, Vernamfield to come, which I will leave for later on.
- 8) The need to upgrade the cruise shipping ports of call – upgrading works are coming on stream for the Montego Bay and Ocho Rios piers, while work has commenced on the establishment of the mega Falmouth Pier, which some said wouldn't materialize, to accommodate the world's largest cruise vessel, the 'Geneses of the Sea', with over 8,000 passengers and crew members.
- 9) Perennial flooding on the critical Queens Drive entry road to Montego Bay – repairs were done in the area of the El Greco hotel property, which have since eradicated the longstanding problem.

## **The WORKS PORTFOLIO**

### **Major Projects**

Numbered among the major road projects being undertaken during the 2009/2010 fiscal year is the \$1.4 billion contract to dualise the Bogue Road in Montego Bay, a task which is now well under way.

There is also the rehabilitation of the Fern Gully roadway, for which the first phase is almost completed, with technical work being far advanced for phases two and three. Again, we will be bringing concrete pavement works into the picture to ensure greater resistance to the sometimes ravaging Fern Gully waters. This project is the major component of our overall efforts to rescue the town of Ocho Rios from the kind of devastating flooding which it experienced last year.

In the Bog Walk gorge, a wire netting approach geared at containing the falling rocks which have become a feature of the area is being examined as a new innovation for Jamaica.

In terms of major road initiatives to help with the ministry's overall traffic management programme, work was completed on the six-lane Marcus Garvey Drive thoroughfare in the Corporate Area in fulfillment of a promise made especially to the people of Portmore, to ease the highway traffic coming from the dormitory community. A bicycle path is also to be established along the Portmore toll highway.

This is while we are building facilities to relocate the Causeway fishing village to Jamworld, where, in fulfillment of another promise, new, high-quality facilities are to be opened in December, upon completion of seaside infrastructure to comfortably accommodate the landing and departure of fishing boats. The facility is to include a pedestrian bridge out of safety concerns along the busy Dyke Road which links legs of the Highway 2000 corridor.

A major road widening project is also on stream for the Washington Boulevard/Dunrobin Avenue corridor, where the necessary land acquisition has been completed and some technical challenges, such as the relocation of National Water Commission pipelines, are now being addressed.

Likewise, a reversible three-lane arrangement is on the table for Hagley Park Road, with other major Corporate Area corridors in line for such developments, such as the four-lane bridge setting that is now being put in place on Waterloo Road, which is to be opened to two-way traffic next Sunday.

The Ministry is likewise formulating a Rights of Way Policy to address the use of the public thoroughfare by private entities, for which the public should be benefiting financially. The policy will involve the users paying for access to the public rights of

way, whether in cash or logistical support for the public infrastructure. That is the way it is in the developed world and that is where we are heading. Of course it took the foresight of the present administration to recognize the need for such a policy, which should have been addressed long ago.

Important too are new technologies and approaches in road construction, including an organic and environmentally-friendly product called Pave-Zyme, that bond with regular soil and increases compaction. It makes roads resistant to water and increases load-bearing capacity, while reducing the amount of aggregate and other material needed to construct the road. That approach is being targeted mainly at farm roads.

Similarly, in tandem with the Mining Ministry, the Scientific Research Council, the Bureau of Standards and Green World Crete LLC, a company out of Florida, USA, the Research and Development of the Transport and Works Ministry is actively examining alternative material for road construction. These include the feasibility of using red mud in the process. From all indications, the results with that material have been very favourable and within the next few weeks I will be ready to tell the nation more about this exciting new development.

Still on the works portfolio, the \$5.6 billion North Coast Highway Improvement Project (NCHIP) at the end of the 2008/2009 fiscal year recorded the completion of eight new bridges and refurbishing of 15 others.

Under the R.A. Murray Priority Bridge Programme, the National Works Agency targeted 15 locations across the island for the construction of new bridges at a combined cost of US\$45 million. These included:

- 1) Gordon Town
- 2) Waterloo Road
- 3) Worthy Park
- 4) Bog Walk
- 5) Angel's River
- 6) Milk River
- 7) Springfield
- 8) Johnson River
- 9) Black River
- 10) Steer Town
- 11) Sevens River
- 12) Fierfield
- 13) Troy
- 14) Martha Brae
- 15) Queen's River

Seven of these bridges have been completed, namely the Milk River, Johnson River, Black River, Seven River, Worthy Park, Angel's River and Gordon Town bridges. Work is in progress on others, including the Waterloo Road bridge in St. Andrew, which after

Sunday's opening to two-way traffic, should be ready to accommodate four-lane traffic in little over another month's time.

## **HIGHWAY 2000**

In terms of the Highway 2000 network, work continued amid challenges, on the Mount Rosser leg of the north/south link. At the same time, negotiations are being finalized for funding to establish the Spanish Town to Linstead leg, which was ignore as being expensive, but now we must find the funding to ensure the Mount Rosser leg does not become a white elephant.. The Sandy Bay to Four Paths leg of the highway, after some delay, is now being fine-tuned for implementation.

## **JOBS, JOBS, JOBS!**

Collectively, the initiatives I have outlined up to now have generated thousands of jobs for Jamaicans. These include the National Works Agency, which has had over 10,000 persons gainfully employed for a number of months now, and with major projects to come, this figure will be significantly increased for the near future.

The ongoing work on the Falmouth Cruise Pier, other works on stream for the expansion of other ports, work on the Boscobel Aerodrome, the Bogue dualisation project, among other initiatives of the present administration, and have likewise created thousands of jobs across the island.

This is while a huge employment gains are also being made in non-traditional areas like the maritime and aviation sectors, where wide-scale crewing opportunities are being harnessed, and aviation technicians are now being trained for placement globally. These are high-paying jobs, which bring very meaningful economic opportunities to young Jamaicans.

## **LAND TRANSPORTATION**

On the transportation front, instead of the haphazard and fragmented approaches of the past, I have sought to establish a broad, all-encompassing Multi-Modal Public Transportation Policy. This general framework, which is still being fine-tuned, includes taking a coordinated approach to the air, sea, land and rail transportation needs and possibilities of the country. Under the PNP administration you heard rumours, for example, of what was not possible with rail service because of the toll road arrangements, and we now know of what was initially planned for the Half-Way Tree Transport Centre in comparison to what we inherited there. There was, unbelievably, no anticipation of the vending problems that everybody else knew would be encountered in the area. But that was not surprising, considering the fact that we have had a pedestrian bridge sitting across Marcus Garvey Drive for years now without ever being used, when where we really need such a structure is in the heart of Half-Way Tree near the transport centre.

There we have major challenges with pedestrians, especially school children, crossing the roadways.

## **JAMAICA URBAN TRANSIT COMPANY**

Among the first areas of concentration under my stewardship was the Jamaica Urban Transit Company (JUTC), including the then diminishing fleet of buses which I inherited. That, thanks to Jamaica's excellent relationship with our Belgium partners, has been stemmed with the introduction of 100 new air-conditioned, high-technology Volvo buses to the fleet since February of this year, as part of a plan for similar integration over the next few years, in our bid to bring the bus company to a point of premium efficiency. For that and more in the making, I wish to thank the Belgians for coming to our assistance.

The breath of fresh air that the introduction of the new buses has brought to the JUTC has been very significant. Passenger lifts have gone up by over 100 per cent on most of the new units, signaling without a doubt, the strong yearning of the commuters for a comfortable and dignified public passenger transportation service. This is as we strategically identify as a Government with the need to help the more vulnerable groups, - students, the elderly, and the disabled and unemployed persons in search of work - with low transportation costs. In terms of the student commuters, we are seeking to systematically integrate the use of the JUTC's Smart Card in their travel arrangements, including through the schools, to foster greater safety, convenience and comfort in the lives of the young ones in the public arena.

Having had no increase in the regular fares for the JUTC service for over four years, commuters have so far been enjoying smooth air-conditioned rides with much better customer service and driving that is being shaped by a new training programme. This involves a broad-based curriculum inclusive of exposure to driver simulation technology and machinery now in place at the Caribbean Maritime Institute in Kingston.

Of interest is that we have the Opposition hitting out against any possible fare increase for the JUTC, but at the same time also calling for lower levels of subsidy for the bus company. The question has to be, which do they want, as it's very unlikely that we can have both with the company remaining in business as it is?

So popular have the new yellow JUTC buses become as part of the pilot effort for the pending Colour-Coding Policy for public transportation nationally, that there are calls for the new units to be integrated into transport arrangements across the country. That call is being assessed with a view of incorporating a small number of the new units into pilot transportation plans being established for Montego Bay and three rural towns, namely Ocho Rios, May Pen and Santa Cruz. The Montego Bay Metro bus company is already slated to acquire a number of the new unit, to help improve its service in St. James.

Importantly, the country has never had a structured rural-urban transport plan, but we are now developing such a plan.

The base fares for a regular JUTC ride have remained at \$50 for the regular service and \$15 for the elderly, disabled and school children, since August 2005, and are only now being considered for increases to facilitate the company's long-term viability. The Office of Utilities Regulation (OUR) is to make a recommendation on the matter soon. It should be noted that the remainder of the public transportation sector got fare increases last year.

The JUTC's most significant challenge has been the extent of illegal competition with which it has had to contend in the KMTR. This has resulted in the company's passenger lift falling from 96 million passenger trips in 2002, to an estimated 49 million last year. Earlier this year when sub-franchise operators in the KMTR were renewing their licenses, they were only allowed to do so for six months because we will be streamlining the overall make-up of the transport providers within the KMTR quite soon. Under the strategies to be implemented, there will be no place for the slack, indiscipline and downright disgusting elements the present system.

It should be noted that even with new buses, the JUTC is in no way capable of fully satisfying the public transportation needs across the KMTR, so there is room for operators who desire to be part of a really disciplined and dignified system. Remember, the JUTC started out with over 700 buses, but these simply declined without replacement over the years. We are now seeking to get the company back to the right numbers in terms of its fleet.

We are focusing through colour-coding of public transportation (**Please see the taxi and buses on display outside**) and other aspects of the overall new policy framework to be implemented, to bring pride, discipline and greater dignity to the overall service., much like what the JUTC, to a great extent, is now offering. At the same time we are focused on integrating bus and taxi stands to allow for a more seamless movement of commuters among the various modes of public transportation.

## **TRANSPORT AUTHORITY**

In terms of the Transport Authority, a lot of changes have been made and are in the making. Firstly, there was a change at the administrative helm, with a new Managing Director in place and a clear mandate established to forge a more effective discharge of the authority's regulatory and licensing responsibilities. In response to that directive, the authority has developed strategic goals to guide its performance in pursuit of its mandate of developing a modern, safe, reliable and sustainable public passenger vehicle transportation system.

This is signaling that we intend to make good strides in respect of the work of the Transport Authority. Thus we embarked on a series of community consultations earlier this year. The consultations are intended to generate public feedback on the work of the Authority, so that these can be factored into considerations towards any necessary changes to the regulatory and licensing arrangements in place.

This year the Authority intends to work more strategically, with less of the ‘big stick’ approach to regulating the public transport sector. When you get rid of the bad weeds, you have less rugged policing to do among the operators remaining in the system, who will gradually realize that public transportation is a business like any other, in which your standards of service and efficiency need to be of foremost consideration.

## **THE COLOUR CODING POLICY**

To improve the overall operations of the public passenger services, the Ministry has started to implement the Colour-Coding Policy as part of the National Transport Policy. This will require all PPV units, including buses and taxis, to be repainted yellow, the national PPV colour, with the applicable supplemental outlines on each vehicle based on the applicable region, parish and route.

The arrival of the new JUTC buses represented the initial roll-out of the Colour-Coding Policy, and in respect of the taxi community, the roll-out will begin in Montego Bay and three rural towns, namely Ocho Rios, Santa Cruz and May Pen, for which structured transportation plans are in the making. The policy is intended to make it easier to identify legitimate PPV operators, and thereby assist with law enforcement to enhance the safety of the travelling public.

## **ISLAND TRAFFIC AUTHORITY**

In keeping with the ministry’s policies, the Island Traffic Authority (ITA) has been engaged in a process of transformation into a more modernized entity, while the Road Traffic Act is presently under review, with the final preliminary drafting expected to be completed within weeks.

Since the installation of its new Director in May 2008, over 30 changes in practices, operation and procedures have been instituted. These changes have resulted in more discriminating testing procedures, improved service delivery, reduced processing time at motor vehicle examination depots, less frustrating delays, increased enforcement activities, and more vehicles being taken to the depots for fitness certification.

Among the new measures is the training of Ministry personnel and police officers in sign language, to be able to process drivers’ license applications from members of the deaf community. This is a clear achievement for the deaf community, the Ministry and the Government, and certainly is a bold and major step for Jamaica.

For this fiscal year, the Ministry plans to establish at least one modern vehicle testing facility within the ITA, fully equipped with high-technology diagnosis equipment. When the Authority is equipped with this facility, motor vehicle inspections will be more thorough and objective, and greater integrity will be returned to the process.

## **ROAD SAFETY UNIT**

In terms of road safety generally, the Road Safety Unit in the ministry has collaborated with the Island Traffic Authority and the Jamaica Constabulary Force to have the Road Traffic Act enforced. But the Unit has noted greater need for enforcement of the Protective Devices Legislation of 1999, and that many drivers, passengers, motorcyclists and pillion riders are not wearing the appropriate protective devices.

Despite our best efforts, the Below 300 Project, aimed at recording less than 300 lives lost to traffic crashes this calendar year, is now under serious threat. Up to yesterday a total of 237 lives were lost to crashes on our roadways this year, and only with significantly greater public appreciation of the problem and its associated dislocations and causes, will we be likely to meet the Below 300 target.

## **SEA TRANSPORTATION**

### **MARITIME AUTHORITY OF JAMAICA**

On the maritime scene, we have been reaping some very good successes, for example, in training and high-end job placements globally. Among the major strategic maritime initiatives of the ministry last year was the opening of the first full-service Jamaican Ship Registry office abroad, in Bremen, Germany, which has served to significantly broaden Jamaica's maritime profile internationally, especially on the vibrant European scene. The Bremen office has been marketing Jamaican seafarers trained at the Kingston-based Caribbean Maritime Institute (CMI), resulting in the placement of all the 76 cadets coming out of the CMI so far since last year based on the demand for the graduates, which sees them earning very attractive income.

Jamaica's election to the International Maritime Council (IMO) Council, plus the Maritime Authority of Jamaica's (MAJ) Director General, Rear Admiral Peter Brady's re-election as Chairman of the IMO's STW Sub-Committee, which sets legislation for standards of training and certification for maritime officers, have also favourably influenced Jamaica's global maritime standing. Similarly, the Director General was re-appointed a member of the Board of Governors of the Sweden-based World Maritime University..

For the last fiscal year, the Maritime Authority of Jamaica's revenue was some 34 per cent above its target. Similarly, the authority's ship registry of larger vessels grew by 33 per cent over the previous year, while its registry of smaller vessels grew by approximately 13 per cent. These gains are slated to be boosted by Jamaica's now close association with both public and private sector interests in Singapore, a world power in the maritime industry, from where various forms of technical and logistical assistance have been forthcoming

## **CARIBBEAN MARITIME INSTITUTE**

As part of the multi-modal transport focus I brought to the Ministry, in an effort to capitalize on Jamaica's very favourable geographical advantage of straddling the major north to south and east to west air and sea lanes of the world, we have been moving to develop logistics hubs as the engines of growth. These hubs, planned for Vernamfield in South West Clarendon and the Tinson Pen area near the Port of Kingston, are geared at providing value-added services to North, Central and South America and Caribbean markets, which will be facilitated through air and sea exchanges, supported by the re-development of the rail service. As a result of this, the CMI has been mandated to broaden its training horizon from the traditional maritime training, to now also cater to both land and air transportation.

Out of that thrust has emerged a Bus/Trailer Driver Simulator which was launched through Belgium funding. The CMI is now also busy developing an accredited programme through the National Council on Technical Vocational Education (NCTVET), in conjunction with the Transport Ministry and the Transport Authority, to gradually train and certify all commercial drivers of public passenger transportation, beginning with the JUTC and Montego Bay Metro. This programme is, of course, to be supported by legislation.

Among the air transportation focus of the CMI is its supporting role to the establishment of the new private sector-driven Caribbean Aerospace College (CAC), which is being modeled off the national aviation maintenance training institute of Singapore. The CAC is now offering aviation maintenance training courses at the diploma and degree levels, ahead of being permanently located at Vernamfield when that development comes on stream. Again, technical and logistical support is has been forthcoming for the CMI at no cost from Singapore, where a trade and transport office was opened by Jamaica earlier this year, again at no cost to the country. This has assisted with Jamaica's Ship Registration programme, among other gains in the exciting maritime field.

In firm support of the CMI's critical role in developing the transport sector overall, for the first time in nine years, the institute received capital support from the Government in the fiscal year 2008/2009. A sum of \$32 million was used to finance the first floor of the Bus Simulator/Land Transportation Division, while \$18 million was used to upgrade the canteen, construct a major classroom, and to purchase some necessary equipment

This is very important as the CMI's Cadet Programme, for example, which requires full residency facilities for the training of officers for international vessels, has immediate need for 600 spaces, but only 200 students can be physically accommodated in the programme. This is while there is an estimated shortage of some 89,000 officers globally, which is a huge job prospect open to Jamaica. The programme successfully placed all its students last year, some on board ships as far away as Dubai, Japan, China, Australia, India and South America. Last Sunday's Gleaner outlined much of the successes being

achieved at the Institute.

During a Jamaican delegation's trip to Singapore in May of this year, the CMI found a formula which should allow it to extend its training options globally through an e-learning programme from Jupiter Innovation, a company in Singapore. The new programme has allowed the institute to be now focused on tapping some 6,000 students globally, instead of the less than 700 who are being accommodated at present.

## **PORT AUTHORITY OF JAMAICA**

The global economy has had a tremendous adverse impact on the international shipping industry, resulting in 2009 being a most challenging year for all stakeholders in the industry - shipping lines, port operators and related industries.

The accounts of the international shipping lines for the first half of the year reveal that losses surpassed US\$6 billion, significantly eroding their cash reserves and threatening their survival. The first quarter of 2009 signaled the worst year in the modern era of liner shipping. The total revenue of the top 20 carriers plunged by a staggering 35% overall, in comparison with the first three months of 2008.

The reduction in world trade, 90 per cent of which is carried by the shipping industry, has presented a myriad of problems for even the most established players, hence also Jamaica. The Port Authority of Jamaica, through its subsidiary, Kingston Container Terminal Services (KCT), operates the Kingston Container Terminal, the leading transshipment Hub in the Latin American and Caribbean region. While Kingston Container Terminal has had to deal with the shocks of the challenging times, I am proud to say that the news is not as grim as may have been expected.

For the first five months of the current fiscal year, April 1<sup>st</sup> to August 31<sup>st</sup>, KCT suffered only an 8% reduction in container volumes. During the period the Port Authority recorded an operating surplus of \$2.2 billion and a net surplus of \$490 million. The main reasons behind the positive performance were that:

- The Port Authority carefully tracks developments in the international industry and embarked upon serious cost-cutting measures, resulting in savings of some \$700 million;
- This was undertaken in partnership with the unions, which also involved the renegotiation of contracts;
- The KCT redoubled its efforts and ongoing programme to increase productivity and achieved greater efficiency in its operations;
- Jamaica, happens to be blessed with a wonderful strategic location just 32 miles from the main trading routes, and in its marketing efforts, the Port

Authority never failed to keep reminding the international shipping lines, which have been rationalizing their operations, of that fact;

In the area of cruise shipping, the Port Authority has started work on the Falmouth Cruise Ship Pier, which is to accommodate the new class of mega liners now being constructed for Royal Caribbean Cruise Limited. The project is aimed at expanding the capacity of Jamaica's cruise product and attracting more visitors from the international cruise market.

## **AIR TRANSPORTATION**

### **AIRPORTS AUTHORITY**

Given the global economic recession, passenger traffic numbers at the international airports were lower than the previous year. Up to March 2009, traffic at Norman Manley International Airport declined by 3.36 per cent in comparison to the previous year. Sangster International Airport experienced a more significant downturn as a result of the initial impact of the economic conditions on tourist traffic. Consequently, up to February 2009, the Sangster Airport experienced an approximate 6.18 per cent decrease in passenger traffic over the previous year, which, based on reports, was better than the experiences of other Caribbean countries.

For the current fiscal year, among the main areas of emphasis for the AAJ will be Cargo Development. For example, Norman Manley International Airport Limited, a wholly owned subsidiary of the AAJ, will be pursuing efforts to attract investors to build an additional 70,000 square feet of cargo handling space for commercial clients under a Build-Own-Operate-Transfer (BOOT) arrangement. Of course, the privatisation process continues in respect of the Norman Manley Airport.

The Airports Authority has also embarked on a programme to upgrade designated aerodromes to International Port of Entry status, with Immigration and Customs services, as part of the overall Multi-Modal Transport Policy being unfolded nationally. Priority is now being given to the Boscobel Aerodrome in St. Mary, and construction work is ongoing to extend the runway by approximately 1,800 feet, and to upgrade the terminal and airside infrastructure.

The Ken Jones Aerodrome and the Negril Aerodrome are also to be refurbished, while the Tinson Pen Aerodrome is to be relocated to the Caymanas area of St. Catherine, with the Port Authority taking control of the Tinson Pen lands for the establishment of the Logistics Centre which was mentioned earlier.

The AAJ is also involved in exploring the technical feasibility for an International Port of Entry aerodrome at Duckenfield in St. Thomas, as also the Vernamfield cargo airport project.

## **JAMAICA CIVIL AVIATION AUTHORITY**

The Jamaica Civil Aviation Authority recorded an operating surplus of \$625 million for the 11-month period ending February 2009, which was 216 per cent above the budgeted surplus of \$198 million, and \$174 million or 39 per cent higher than the surplus for the same period of the previous year ending March 31, 2008.

Among the major undertakings projected for the Civil Aviation Authority for this fiscal year are capital expenditure projects inclusive of construction and equipping of control towers at both the Norman Manley and Sangster international airports, as well as the development of the aerodromes which were mentioned before.

## **VERNAMFIELD**

The Vernamfield project continues to attract wide-scale interest among both local and overseas investors, as we seek to establish the right blend of public and private sector involvement in the project. The main emphasis is on private funding, but based on the broad logistical and developmental issues involved, the matter has to be very carefully handled in the long-term interest of the country. These are the considerations now under way, ahead of the actual beginning of roll-out of the project.

## **JAMAICA RAILWAY CORPORATION**

In respect of the Jamaica Railway Corporation, as a Government, we inherited a largely unrecorded and declining asset base for the company. Also, there was no official reporting of the company's affairs for a significant number of years. After a close assessment of the asset base of the JRC, we have established over \$2 billion in property owned by the corporation, up from \$400 million before, and there is more still to be established. That took us some time to establish, but it has definitely been time well spent and work well done.

I know Jamaicans from all across the country have a keen interest in the re-introduction of the rail service and in this regard, I am happy to report significant progress in that endeavour, despite the major challenges that the wide-scale fall-out in the local bauxite industry has presented over recent times. It should be appreciated that the bauxite industry has traditionally been a major plank of the Jamaican railway system.

We are now undertaking a socio-economic impact assessment, while also looking to re-scope the initial phase of the project to US\$100 million, in keeping with a loan proposal to the China Exim Bank.

At the same time we are assessing a number of proposals from both local and overseas interests to operate rail services in Jamaica, and for the Jamaica Railway Corporation to transport aggregate, including limestone.

The overall plans for the rail service include freight services, initially between Williamsfield and Spanish Town, and between Linstead and Spanish Town. The freight haulage would initially involve the movement of aggregate, mostly destined for export, from Williamsfield to Port Esquivel in St. Catherine.

Likewise, there are plans in the making for the hauling of sugarcane from St. Catherine to Clarendon, en route to Monymusk Sugar Factory in Clarendon, which, however, may not get under way until the next sugar crop. The actual rail involvement would be between Hartlands in St. Catherine and Parnasus in Clarendon.

There is also a proposed rum tour by train from Montego Bay. This is being planned to complement the development of the new Falmouth Cruise Ship Pier. Also in the mix is the Clarendon Express heritage and industrial tourism project.

The Ministry is now increasing the capacity of the Jamaica Railway Corporation to effectively manage the re-vitalization process, to ensure that the country benefits fully from the overall initiative. This includes generating alternative revenue sources from the railway's rich heritage, its vast intellectual asset base, and its uninterrupted right of way corridor.

After some setbacks, we are getting closer to the re-activation of the rail service, one of the pivotal promises of the Jamaica Labour Party before taking the reins of government. It took really steady hands to get us this close, and I look forward to the employment which the rail service will generate. I am sure the entire Jamaica is looking forward to the pending development.

## **CONCLUSION**

At this point of the emergence of a more structured global environment with its economic structures unravelling, there is so much change in the making. In the past, for example, the poor could be contained, segregated and often forgotten, but in the new and faceless world, new approaches must be found and embraced by both individuals and nations.

Jamaica must, by its geographical position globally, recognize that it can become the hub of the world. For example, the movement of people presently requires a visa even to in-transit the hubs of the developed world, in the USA and the UK. This alone restricts travel among the significant majority of the world's population.

Jamaica can indeed become the hub of this changing world, and as the Panama Canal opens up to larger ships almost the size of large manufacturing plants, areas must be found to:

- Break bulk
- Store inventory cheaper

- Reduce inventory costs to the marketers
- And respond to buyers' needs as quickly as possible

This is because time and just-in-time are the real essence of success in business today, as e-commerce grows. This environment opens up for us huge growth potential in the maritime and aeronautical industries, and makes us a distributive point to the less productive centres of the world.

We must reach out to places like the Far East, the vast markets of India, China, The Phillipines, Korea and Singapore, to name but a few, and connect with our neighbours to the south, such as Mexico, Peru, Brazil, Argentina and Chile.

We must build air services and open skies agreements and allow the vast numbers of people from these areas to travel to a transit point. We must also expand our alliances with airlines from these corners of the world, to import and export the required cargo to arrive at each point of the globe just in time.

This is the emerging world of opportunity for 2015, with the opening up of the Panama Canal and the inevitable opening up of Cuba. This is the world we are shaping up to accept and face through the Ministry, in the movement of goods and people, and the provision of related services (**for example, aviation maintenance technicians**).

This is what will drive the development which speaks to what I outlined earlier, culminating in the seamless and speedy movement of containers of cargo from sea to shore, to rail or road and on to air. Think what will happen to our economy if we increase traffic of people to 20 million landing and in-transit.

The implementation of the vision has begun. It will be further manifested in road rehabilitation, the railway revitalization, toll road expansion, connecting all our airports, expansion of training in aviation maintenance technology and maritime disciplines, and the development of Vernamfield, all combining to create many new and exciting opportunities.

It's a bold new world out there to challenge and conquer, Mr. Speaker, and only vision, a strong sense of purpose and gritty determination will bring us the success we desire as a country and people. That is something that needs to be understood as we go forward.

Thank you.

