

FONASBA

MINUTES OF THE MEETING OF THE LINER & PORT AGENCY COMMITTEE HELD AT

SOFITEL HOTEL RIO DE JANEIRO

AT 09.00 a.m. ON FRIDAY, OCTOBER 11th 2002

Present:

Mr. J.A. Good

Mr. B. D'Orey

Chairman Liner & Port Agency Committee

President FONASBA

Mr. G. Gordon Finlay	Brazil	Mr. R. Corrias	Italy
Mr. P. Alves	Brazil	Mr. V. Tottorizzo	Italy
Mr. M. Bonelli	Brazil	Mr. T. Iigaki	Japan
Mr. M. Froio	Brazil	Mr. E. Itoh	Japan
Mr. A. Zanin	Brazil	Mr. V. Vaichekauskas	Lithuania
Mr. L. A. Carvalho	Brazil	Mr. V. Banovic	Montenegro
Mr. P. Oliviera	Brazil	Mr. S. Karia	Morocco
Mr. V. Pinto	Brazil	Mr. M. Duin	Netherlands
Mr. L. da Silva	Brazil	Mrs. G. Noer	Norway
Mr. M. Bonelli	Brazil	Mr. P. Bohaugen	Norway
Mr. J. Barboa	Brazil	Mr. A. Belmar da Costa	Portugal
Mr. I Costa	Brazil	Mr. J. Luiz	Portugal
Mr. M. Tudor	Croatia	Mr. E. Bandelj	Slovenia
Mr. C.P. Papavassiliou	Cyprus	Mr. N. Warner	South Africa
Mr. A. Houtved	Denmark	Mr. A. Pérez – Maura	Spain
Mr. G.J. Heinonen	Finland	Mr. L. Lindebäck	Sweden
Mr. K. Kuusela	Finland	Mr. K. Chen	Taiwan
Mr. F. Le Bars	France	Mr. L. Karaçelik	Turkey
Mr. A. Lobadowski	France	Mr. S. Winger	USA
Mr. K. Bültjer	Germany	Mrs. J. Cardona	USA
Mr. J.A. Foord	Great Britain	Mr. G. Knudsen	Intertanko
Mr. P.J. Wood	Great Britain	Mr. P.G.D. Smith	ITIC
Mr. G. Georgopoulos	Greece	Mr. G. Wramfelt	The Shipbrokers Register
Capt. S. Finkei	Hungary	Ms. H. de Leeuw	ECASBA Brussels
Mr. J. Dundon	Ireland	Mrs. A. Robinson	Argentina (Observer)
Mr. M. Ronayne	Ireland	Mr. P. Campbell	Argentina (Observer)
Mr. W. Lennon	Ireland	Mr. R. G. Piñero	Argentina (Observer)
Mr. U. Masucci	Italy	Mr. H. Ferreti	Chile (Observer)

In attendance:

Mr. J.C. Williams

General Manager

Item

1. PRESIDENT'S WELCOME

Action

The **President** welcomed those present.

2. CHAIRMAN'S OPENING REMARKS

The **Chairman** echoed the comments from the **President** and also advised that apologies for

absence had been received from his Vice-Chairman, Volkert Knudsen.

3. **MINUTES OF THE MEETING HELD ANTWERP OCTOBER 19th 2002**

The minutes of the previous meeting having been circulated, and with no comments having been made previously or at the meeting, were taken **as approved**.

4. **MATTERS ARISING**

There were no matters arising that were not otherwise covered in the agenda.

5. **RANGE COMMITTEE REPORTS**

Copies of the reports from BRISCOM and the Nordic Committee had previously been circulated and that of the Far East Committee had been tabled (copy attached). The **Chairman** then asked representatives of each Committee to give a brief verbal summary.

For **BRISCOM**, **Mr. Dundon** gave a brief résumé of the points raised in the report.

For **CNAPSCO**, **Mr. Bültjer** advised that the committee had not met since the last Annual Meeting and no report had been issued as the matters that would be considered were already covered by ECASBA.

The report of the **Far East** Committee having been circulated, **Mr. Itoh** added that a number of major lines were now closing their owned offices and returning to the appointment of independent agents. The details of the agreements varied from line to line but in most cases this being used as a means of reducing the line's own direct costs. The meeting welcomed this trend, which was also being seen in other areas.

Mr. Papavassiliou reported that the **MABSA** Committee had met on Tuesday 8th with 11 associations being represented. The total membership of MABSA amounted to 16 associations and others in the region had expressed a desire to join. The lively meeting reflected the activity of the Committee in the past year. Issues including port security, port dues, agency tariffs, competition between ports, port privatisation and waste disposal were discussed. He said that the wide variance in the membership, especially with some members being in the European Union and others not, ensured that there would always be a high level of activity within the Committee. One particular issue of concern was the increasing requirement for agents to provide bank guarantees and he was pleased to see this would be on the agenda later in the meeting.

For the **Nordic** Committee, **Mr. Kuusela** referred the meeting to the previously circulated report. He and **Mr. Lindebäck** made particular mention of the local campaign to improve safety by standardising on the use of English for vessel operation purposes. This was also an issue in a number of other areas and it was suggested FONASBA should consider issuing a draft recommendation on the matter. The **Chairman** confirmed that his Advisory Panel would consider the matter and respond in due course.

For the **USA**, **Mrs. Cardona** reported on efforts to increase the standards of agency activity across the industry and also to have ASBA recognised as the body responsible for the setting and maintenance of such standards. She also advised that there was an on-going process of consolidation amongst agency companies and, contrary to experience elsewhere, lines were continuing to expand their own agency networks. Obviously, port security was a major issue at the current time and ASBA was working closely with US Customs, the Immigration Service and also in Washington to ensure the measures put in place were workable within industry constraints.

Mr. Froio and **Mr. Findlay** gave a joint report on **South America**. They thanked those present

for their support for this Annual Meeting and for assisting in the raising of FONASBA's profile in South America. They also thanked the representatives of the Argentine and Chilean associations for attending and for their interest in joining FONASBA. Other organisations in the region had also expressed an interest in FONASBA and FENAMAR would be maintaining contact with them locally with a view to them becoming members. A number of problems relating to compliance with government regulations continue to cause concern to agents, not least because of the propensity to hold the agent financially responsible for any breach by vessels under its agency, irrespective of its ownership. The situation is compounded by the fines being levied only after the vessel has sailed, so causing problems in securing funds from the owner. FENAMAR has now enlisted specialist assistance in its campaign to have the agent absolved of any direct responsibility for compliance. With regard to the problem of cargo being released on a NVO bill rather than the master bill, as discussed at previous meetings, the introduction of a new secure electronic payment system will in due course prevent this recurring. Finally, FENAMAR has recently joined, and is increasing its participation in, the National Confederation of Transport, a body that provides guidance to the Brazilian Government on the development of transport law.

The **President** congratulated FENAMAR on their efforts in increasing awareness of FONASBA within South America and wished them well in the future.

For the Argentine association, **Mr. Campbell** expressed his thanks for the invitation to attend the meeting. He said that Argentina would be relying on the shipping industry to assist in returning the country to financial stability and his association would therefore play a prime role in this action. He confirmed that Centro de Navegacion would be applying to join FONASBA and that it was keen to exchange views with and learn from other associations.

Mr. Ferreti, representing Chile, also expressed his thanks for the invitation to attend and said he looked forward to joining FONASBA in the near future, to the increased cooperation between associations in South America and to being able to contribute to the work of FONASBA.

6. STANDARD LINER & GENERAL AGENCY AGREEMENT

The **Chairman** reminded the meeting of the development of the agreement and advised that it was now in use in reasonable numbers, and in some cases in its entirety. Comments from the floor indicated that it was also frequently being used as a checklist for the development of customised agreements between agents and their principals. On the subject of liner agreements, **Mr. Foord** enquired as to whether FONASBA would consider the development of a pro-forma agreement for the establishment of joint ventures, as had been discussed previously. The **Chairman** suggested this would be something for the Liner & Port Agency Advisory Panel to consider.

7. PORT SECURITY MEASURES

It was agreed that the increased security measures being proposed on a global basis would have a significant and lasting impact on port agency operations. Whilst FONASBA had written to the US authorities, and member associations had done likewise with their own local authorities, it was clear that such measures would be imposed and that significant changes to current practices would be required. With regard to the US proposals, **Mrs. Cardona** reported that no date had been set for implementation and she recommended that the FONASBA response should be supported by submissions from national associations. It was clear that a number of the measures proposed would require further revision before implementation and these should be raised with US Customs during the consultation process.

A number of those present voiced concerns about issues such as the nomination of a limited range of ports as export points for cargo to the US and the impact this would have on other ports in the same country/region that presently handle US cargo. Another issue was the ability of

agents to provide the necessary information and also the security of that information once it had been provided, as were the cost implications for agents of the required changes to processes and systems.

Many of those present were in favour of a multilateral approach as proposed by IMO, which was also looking at improvements in security throughout the transport chain, including ports and vessels as well as cargo. The assertion that the US proposals were aimed at improving trade rather than impeding it were picked up and it was suggested that the transport industry should hold the US to this pledge.

With regard to taking the matter further, national associations were once again asked to take up the issues locally, by lobbying national governments, customs authorities and other relevant bodies. FONASBA had already taken issue with the US proposals and now a similar level of action was required in member countries. On this point, **Mr. Foord** reported on the success of the Institute of Chartered Shipbrokers in proving to the UK authorities that their proposals were unworkable, with the result that implementation had been deferred pending further discussion with industry.

8. BONDS AND GUARANTEES

The **Chairman** reported that a number of national associations and delegates to the meeting had raised the question of increasing demands by principals for agents to have performance bonds or bank guarantees in place. The cost of such bonds or guarantees was becoming a major burden on agents and guidance or assistance had been sought from FONASBA. It was also recognised that any additional publicity on this subject could result in other principals, who do not presently require such bonds or guarantees, deciding to demand them in the future. It was therefore agreed that the L&PA Advisory Panel would consider the matter with a view to providing some form of guidance and a suggested text, although it was acknowledged that it may be difficult to reach a consensus view. **Mr. Smith** said that an alternative to the provision of a bank guarantees was for agents to prove to their principals that they keep completely separate bank accounts and financial records, preferably in the name of the agent and the principal, for each principal. As a result the principals' funds would not be taken into account if the agent was forced into bankruptcy and could be returned to the principal. It was also reported that once in place, bank guarantees were extremely difficult to cancel, and so the cost to the agent could carry on after a relationship had been dissolved.

9. ANY OTHER BUSINESS

Mr. Houtved reported a recent incident in Denmark where an agent had been held liable by the authorities for losses sustained when containers had been broken into and some of the contents stolen. He said the agent had received excellent support from ITIC and the matter had been resolved amicably.

Mr. Georgopoulos then raised the problems faced by agents in Greece who are held responsible for contraband found in containers. He said a number of agents faced prison sentences following mis-declaration of the contents of containers being trans-shipped through Greece. He therefore called upon FONASBA and ECASBA to put pressure on the Greek authorities to recognise the true position of the agent in such situations. It was therefore agreed that a small sub-committee be established with a remit to investigate the matter thoroughly and to draft an official submission to the Greek Government and customs authorities. Action through ECASBA, and especially through contacts with DGCUSTOMS and DGTREN, was also recommended but the meeting was reminded that national customs policy was subject to the principle of subsidiarity and so any action in this direction may be limited in effectiveness.

At the **Chairman's** request, messrs. **Smith, Georgopoulos, Belmar da Costa Duin and Tottorizzo** volunteered to join the sub-committee with **Mr. Smith** being nominated as

Chairman.

Finally, **Mr. Papavassiliou** raised the matter of the new electronic booking systems that allow shippers to book cargo directly with lines, rather than through the agent. Whilst it was agreed that these systems could pose a threat to the agent's livelihood, some of those present urged agents to take steps to embrace these new systems and to either join, or work with, the developers.

10. DATE AND PLACE OF NEXT MEETING

The **Chairman** advised that the next meeting would take place in Istanbul in October 2003.

There being no further matters to discuss, the Chairman brought the meeting to a close.

JCW/11.02