

ASSOCIATION OF CARIBBEAN STATES (ACS)

21ST MEETING OF THE SPECIAL COMMITTEE ON TRANSPORT
Port of Spain, Trinidad and Tobago, 20th and 21st September 2012

Rapporteur's Report of the 20th Meeting of the Special Committee on Transport of the Association of Caribbean States (ACS)

1. Opening Ceremony

The 20th Meeting of the Special Committee on Transport of the Association of Caribbean States (ACS) was held in Port of Spain, Republic of Trinidad and Tobago, on 30 June and 1 July 2011. The Executive Board of the Special Committee comprised **Cuba** as Chairman, represented by Mr. Pedro Suárez Reyes, an Engineer and Official at the Ministry of Transport of the Republic of Cuba, **Suriname** and **Mexico** as Vice Chairmen, represented by Mr. Michel Amafo, Director of the Maritime Authority in Suriname and Mr. Sergio Luna, Chargé d'Affaires at the Embassy of Mexico in Trinidad and Tobago, respectively, **Panama**, represented by Mr. Carlos A. Pashales L., Deputy Director of the Civil Aviation Authority, as Rapporteur. In attendance at the Meeting were **11 Member States and 2 Observer Organizations**. The Director of Transport and Disaster Risk Reduction, Eduardo José González Angulo, was also on the Executive Board, together with his Advisor Mathieu Fontanaud, and the ACS Sustainable Tourism Director, Ms. Gloria de Mees. The list of participants is attached as **Annex I** in this Report.

Welcome Remarks by the ACS Secretariat

On behalf of the ACS Secretary General, the Director of Transport and Disaster Risk Reduction thanked those present for attending and invited them to continue working together for the benefit of the countries and peoples of the Greater Caribbean.

Opening Remarks and Report of the Outgoing Chairman, Suriname

Her Excellency Mrs. Fidelia Graand Galon, Ambassador of Suriname in Trinidad and Tobago, formally greeted the countries in attendance and underscored the efforts made by her Country during its time as Chairman, thanking the group of experts from her country in the area of Transport as well as all delegates involved, for their continuous efforts to advance ACS projects. (**Annex II**)

Remarks by the Incoming Chairman, Cuba

The Chairman thanked those present for attending and expressed his pleasure at being elected Chair. He mentioned the challenges and achievements experienced by the technical group to unite the Caribbean by Air and Sea and invited all to continue working in the short term to renew confidence in the Committee. Lastly, he expressed his satisfaction with and gratitude for the work of the Secretariat, in particular that of the Transport Directorate, for the tremendous job done with the Executive Board of the Special Committee, in order to ensure an excellent Meeting, both in terms of the members in attendance as well as the preparation of documents. (**Annex III**)

Welcome Remarks by the ACS Director of Transport and Disaster Risk Reduction

The Director's entire text is attached in **Annex IV**.

2. Approval of the Agenda and Procedural Matters

The **Dominican Republic** invited Ambassadors to strengthen the links among Caribbean countries and regretted the weak intra-regional Exchange in the Greater Caribbean due to insufficient connection and direct flights, for example between Trinidad and Tobago and the Dominican Republic. Thus, he asked Trinidad and Tobago for assistance to promote and approve the request made some days ago, in respect of a Dominican airline operating twice a week between the Dominican Republic and Trinidad and Tobago.

Costa Rica congratulated all on attending and agreed with the Dominican Republic on the importance of increasing connections for cultural, commercial and tourist exchanges. He also declared that it would mean greater political strength, and expressed his interest in collaborating more on ACS activities. He questioned the exclusion of the project presented by Costa Rica from the Committee's Project Portfolio. In response, **the Director** replied that it would first have to be approved and then added to the portfolio. **The Chairman** reiterated the words of the Director and stated that a joint initiative between Cuba and COCATRAM will also be presented for an Integrated Strategy on Port-Maritime Development in the Greater Caribbean, in light of the numerous challenges in this regard. This will also be submitted to the Committee to be included in the 2012-2013 Work Programme.

Lastly, **the Chairman** proposed simple changes to the agenda and, having approved same, the Meeting continued.

The Ambassadors of Costa Rica, Panama and Suriname gave welcome remarks and expressed hopes for a successful ACS meeting, before leaving due to diplomatic commitments.

Panama also congratulated the ACS Transport Directorate for the quality of the meeting, the agenda presented and the organization of the presentations.

3. Information from the Secretariat on the Project “Bases for the Creation of a trade cooperation partnership among Airlines from ACS Countries”

The presentation by **the Directorate** submits this Project to the Special Committee for re-consideration. (**Annex V**)

Costa Rica, Dominican Republic and Suriname highlighted the importance of facilitating travel through alliances in order to increase tourism, lower costs, and develop direct lines and connections, thereby improving the quality of service. In addition, the **Dominican Republic** underscored the importance of small and medium airlines that fly short and medium distances, as well as the importance of public-private plans with respect to these alliances.

The Chairman proposed discussions to continue with effective and concrete objectives, such as refining the ACS Work Programme. He stated that in the multinational interest of the Member States and Associate Members, he would propose a portfolio of 3 or 4 viable projects, so that it would be possible to obtain funds to finance them, carry them out in a concrete fashion and receive the benefit of the investment. **The Director** agreed with the Chairman and proposed the removal of the project from the Work Programme or its modification, with due authorization from the Special Committee.

Mexico congratulated the Transport Directorate for its presentation and direct proposal to focus on what is essential. However, it highlighted the importance and relevance of the issue and therefore proposed that this matter (the removal of the Project from the Work Programme) could be submitted to the authority of the Foreign Ministries and the air transport services in the various countries.

Colombia highlighted the importance of promoting policies that facilitate commercial cooperation agreements and alliances between the airlines of the Members, as they are beneficial to the public by increasing the network of routes and connections, therefore these partnerships should be facilitated, including code-share agreements and operational agreements. In this sense, we can reformulate the document presented by Panama including recommendations for States to facilitate partnerships, either bilaterally or multilaterally. Colombia also announced that it would be pleased to accept this task.

The Chair congratulated Colombia for the initiative to review the Agreement, by formulating proposals of clauses to facilitate alliances between airlines. He also

said that to give a dynamic to the Special Committee, it is needed to define: who will undertake this revision, what the objectives are, and which the timeline is. Therefore **Costa Rica, Colombia** and the **Chair** agreed to identify the types of alliances, make a summary of current examples of alliances between airlines of the Member States to conduct an assessment of the opportunities and obstacles of alliances in the region. It was agreed that Colombia, with the support of Costa Rica and the Secretariat will have a period of three months to present a body of ideas, initiatives and guidelines to be considered by countries to foster alliances between the airlines that are based in the region.

This document will be circulated and countries will have two months to submit their comments. This information would be submitted to the Ministerial Council. **The Chairman** applauded this initiative that would allow work to progress with minimum cost and maximum security to strengthen trade, tourism and the quality of life for countries of the Greater Caribbean.

Mexico and the **Dominican Republic** drafted the following mandate:

1. Submit to Capitals the advisability of discontinuing the Project entitled "Bases for the Creation of a trade cooperation partnership among Airlines from ACS Countries"
2. Colombia and Costa Rica will be responsible for reflecting any recommendations in this regard.
3. Update and revitalize the Air Transport Agreement.

For purposes of time, point 1 will be done simultaneously with the circulation of this Rapporteur's Report. Point 2 must be concluded within the next 3 months; countries will have 2 months more to submit their comments. Point 3 will be done in preparation for the 17th Meeting of the Ministerial Council to be held in January 2012.

4. Presentation of the Updated Table of Airline Routes in the Greater Caribbean

The Director made this presentation in order for the Project to be reconsidered as part of the ACS Work Programme. (**See annex VI**)

The Chairman acknowledged this project as a very good idea from an esteemed colleague, that represented significant effort, with major potential benefit and of great interest to the region; but it is not viable. In fact, a table of airline routes is too dynamic, and would require a coordination centre to monitor the tables of airline routes; furthermore there are no databases today with public information on this issue. Due to the great difficulty of this initiative, it was therefore agreed to remove this item from the project portfolio. He reiterated

that the objective of the ACS is for projects presented to be viable and to favour integration.

Suriname and the **Dominican Republic** stressed the importance of this project since this information is necessary for integration processes and to define guidelines for air transport in the Greater Caribbean. They also regretted the lack of updated and relevant information and asked for this information to be analyzed in order for the conclusions and recommendations inherent in the study to be released.

The Chairman, Director, Colombia and **Costa Rica** agreed that the table was outdated while the request to update the data was circulated several times and it was difficult to obtain relevant information. In addition, as there was no point other than noting the impossibility of uniting the Caribbean by air in 24 hours, it was respectfully and commensurately decided to remove the project from the Work Programme, to which there was no objection.

Suriname congratulated and thanked the Transport Directorate and the ACS for the great work done recently.

5. Proposal to improve direct air connections in the region

As this was discussed in the two previous points, the Meeting agreed to continue with the Agenda.

6. Impact of the Cruise Ship Industry on the Greater Caribbean

See following point.

7. Presentation on results obtained in respect of cooperation between the Special Committee on Transport and the Special Committee on Sustainable Tourism in the matter of cruise ship tourism or other issues of regional interest in this regard

The Sustainable Tourism Director gave a comprehensive presentation on cruise ship tourism in the Greater Caribbean, highlighting concrete advances in the creation of the Association of Caribbean Cruise Ship Destinations. The entire presentation is in **Annex VII**.

The Meeting congratulated the Director for the quality and clarity of her presentation.

Suriname reminded those present of the promise made at the last Meeting of the Special Committee on Transport to call it John Veira Association in honour of

the distinguished Surinamese official who passed away last year; and asked for information on this designation. In response, the Sustainable Tourism **Director** replied that there were no changes to this decision but that the name of the Association could be modified as the Association of Caribbean and Central American Cruise Ship Destinations.

8. Draft Presentation: “Feasibility Study on Trade Opportunities for Short-Distance Passenger Transport and between cruise ship and air routes between Central America and the Greater Caribbean and vice-versa”

Costa Rica stated that this project was not presented at the last meeting, which was planned jointly between COCATRAM and Costa Rica. **COCATRAM** introduced the presentation with a description of the Cruise Ship Industry. The detailed, illustrated presentation is in **Annex VIII**. It stressed the economic, social and environmental problems of the Cruise Ship industry and called for tourism facilitation with public-private partnerships and concerted action, as well as other processes and variables that would facilitate the development of cruise ship tourism in the region. Another point was the importance of considering the complementary nature of Central America and the Caribbean in the sphere of Cruise Ship Tourism since these sub-regions should not be considered rivals but rather complementary.

Costa Rica emphasized the correlation and complementary relationship between short-distance passenger business by air and by sea; as well as the importance of such activity for the economic development of port cities. Similarly, it requested the addition of this pre-feasibility study to the portfolio of priority projects in the ACS Work Programme and asked the Director to explain the future of two of the other projects that were presented by Costa Rica in the past.

The Chairman applauded the excellent presentation and invited Delegations to express their opinions on the pre-feasibility project.

The **Dominican Republic** reminded all of the unique quality of the maritime heritage of the Caribbean Sea and called for the protection of this natural and cultural heritage. It joined in the proposal of an inventory of attractive sites and destinations in the Greater Caribbean and proposed a public-private partnership to create this inventory. He recalled that cabotage existed between the Dominican Republic and Haiti at the start of the 19th century but unfortunately disappeared. He also mentioned the need to develop ferries and bays, and called for the Project to be approved, since it would have major potential impact.

Suriname thanked Costa Rica and COCATRAM for their presentation and the Dominican Republic for its comments and recalled that a similar Project existed in the 1970s between Guyana, Brazil, French Guiana and Suriname, whose objective was to unite the Caribbean destinations in the region. It emphasized the importance of cooperation among Caribbean cruise ship destinations in order to share the natural and cultural wealth of the country and expressed a desire to participate in ACS projects such as this one.

The Director expressed thanks for this presentation and informed Costa Rica that he would look for the two projects mentioned. Additionally, the Director recalled the regulations of the ACS in order for the Project to be approved and asked Costa Rica to present its project in the format of the Project Concept Document within 30 days (before 30 July). He stated that the Secretariat would circulate it before the end of September and that, as a result, it would be included within the Work Programme, if approved.

The Director referred the draft rapporteur's report of the first day to the rapporteur, Panama.

The Chairman acknowledged the inescapable legality of the Director's statement and declared that, as this Project was of common interest, it would be worthwhile to include it in the ACS project portfolio. The Chairman called for comments for approval of the project.

Guatemala congratulated the ACS Transport Directorate for the interesting agenda and noted the work, the analysis, and the near perfection which infuses dynamism into something of interest to the countries. It invited delegations to send this information to countries. **Mexico** joined in Guatemala's congratulations.

Colombia congratulated Costa Rica and COCATRAM for the presentation and project and hoped it would be implemented. **The Chairman** joined Colombia and stated that the Project was approved.

9. Presentation by COCATRAM on an issue or Project in Central America that could be included in the Greater Caribbean context

The Meeting listened to the presentation by **COCATRAM** on developing maritime trade in a competitive and integrated region. It recalled that the logistical transport cost in the region is 40 % of the product cost. It mentioned 6 areas for action for this integration strategy whose aim is to facilitate the movement of cargo and merchandise in the region. The entire presentation is in **Annex IX**.

The Chairman invited discussions on this project. He called for a strategic vision for port-maritime development in the Greater Caribbean.

Haiti joined in the initiative towards a coordinated strategy for integration in the Greater Caribbean and congratulated COCATRAM for this initiative.

The Dominican Republic underscored the importance of political will for such strategies, recalling that the ACS has the same scope. It further emphasized that the Caribbean is very vulnerable and thus coastal management must be promoted to avoid poor development. It stressed that this project was the responsibility of all countries and that it could lead to potential benefit in developing port-maritime infrastructure, calling for building and infrastructure management and respect for the rules and legislation in countries in the region.

The Director stated that this Project could be included in the work programme since it allowed for drafting a master plan to develop a strategy uniting Central America and the Caribbean. Reflecting the Chairman's words in this regard, he invited Cuba, with the support of COCATRAM, to follow the rules of Agreement 10/07 and asked for the Project Concept Document to be presented by Cuba, with the same team and format used in doing the Map of Maritime Routes within three months' time.

The proposal was approved by those attending the 20th SCT Meeting.

10. Presentation of results obtained in respect of updating the Project "Maps of Maritime Routes in the Greater Caribbean"

The Chairman introduced the project which cost less than USD\$ 50,000 to date. In his introduction, he mentioned that due to the unfair embargo imposed on Cuba by the United States Government, the idea was born to look at the real possibilities that existed to connect Cuba with the rest of the World and how this, along with the ACS call to Unite the Caribbean by Air and Sea, with the added knowledge of the regional difficulties with transportation, had given rise to the need to carry out a project with minimum cost and regional experience and here we have the Project of Maritime Routes of the Greater Caribbean. He explained that Phase 2 is underway and deals with updating the routes. **The Chairman** recalled that to date there had been no such tool, which is now more practical and well-built, with the support of ports on a comprehensive and effective database. He gave a demonstration to show the way in which the programme provides routes to persons who need them to transport good from one place to the other. The entire presentation is in **Annex X**.

He reiterated that creating this tool, which is on the COCATRAM website and which will be included on the ACS website, was completely impossible until a short time ago but that now the programme and algorithm are working, which allows access to an updated database. Due to the efforts of the experts involved

(MITRANS of Cuba, COCATRAM and the AMP Authority of Panama), persons who worked with a great deal of dedication and interest, it was successfully achieved. "So people may now learn of the real possibilities that exist for maritime transportation via the public information that is available and for more information there is an option to go directly to the website of shipping companies to get specific information and/or do business."

He also mentioned that the information would be updated on a monthly or quarterly basis.

The Chairman congratulated COCATRAM, the Maritime and Canal Authorities of Panama and all the officials and engineers who worked on this and/or contributed to the execution of this project.

The Director, Mexico, Suriname and the **Dominican Republic** congratulated Cuba, COCATRAM and the Panama Maritime Authority for this major project.

Suriname offered to advertise this project.

The Director also thanked the donor country, Turkey and requested approval of the changes made to the Project profile (regarding budget use) to move forward. He later highlighted the austerity in its development, consultancy and exchanges with the Secretariat with the necessary operational adjustments without changing the budgetary content or its execution. However, for complete transparency and always working in accordance with established legislation, he submitted these details for approval.

The above was unanimously approved.

Next, the **Director** submitted for review new recognition of the work done by the executing Consultancy institutions, MITRANS of Cuba, COCATRAM and the AMP Authority of Panama.

This was also accepted and approved by all present.

Costa Rica asked for this information to be sent to Ambassadors for them, in turn, to send it to their Capitals.

11. Challenges and Benefits of the Panama Canal Extension for the Greater Caribbean

The Meeting listened to the **ACP** on the challenges that the Panama Canal would face in the near future. It offered short and medium-term perspectives on the future of the world economy, citing figures and graphs. It underscored the

important role of the Panama Canal and of its extension for the development of countries in the Greater Caribbean in this era of 18,000 TEUs container ships. The entire presentation is in **Annex XI**.

12. Streamlined Project Portfolio of the Association of Caribbean States: Presentation and Discussion of the Draft Work Programme for the 2012-2013 Biennium

The Meeting listened to the presentation by the **Director** on the 2012-2013 Draft Work Programme, in **Annex XII**. He mentioned that the criteria, new activities and comments should get to the Secretariat before the end of July. Thus the two projects presented have been added and the project mentioned in point 4 has been removed; the work programme presented was approved.

13. Immediate Draft Action Plan to Revitalize the Committee

The Dominican Republic proposed operating flights between the Dominican Republic and the sister Republic of Trinidad and Tobago. The Director read the official letter sent to the ACS Transport Directorate by the Ambassador of the Dominican Republic in Trinidad and Tobago, which is in **Annex XIII**. This document asks the Government of Trinidad and Tobago to consider creating a direct air link between the Dominican Republic and Trinidad and Tobago, twice a week via the MAS Airline. He asked for this project to be included in the Work Programme.

Costa Rica proposed the creation of a newsletter to inform countries of the Directorate's activities. This was supported by **Suriname** and the **Dominican Republic** due to the need to advertise the ACS and due to the simplicity of the project.

However, the **Director** and **Chairman** stated that the idea was good, but that such updated information appeared regularly on the electronic newsletter on the ACS website, which may be freely accessed by all who wish to do so. Currently, though, given the limited financial resources and time, it was practically impossible to carry out this idea.

Regarding the activity 3.3.7. "Online Maritime-Port Databases for the Greater Caribbean," **Mexico** said it could provide information on domestic routes of navigation, if a request is made to that effect. About Activity 3.3.10: "participation in the Annual Session of the International Maritime Organization (IMO) ", Mexico offered to share with the ACS reports that the Organization produces through its permanent representative in London, adding that the official liaison would be the Mexican Ministry of Foreign Affairs. Likewise, regarding the activity 3.3.12: "Application and distribution of scholarships

available for the AEC offered by the Caribbean Maritime University (CMU), CSA, TRAINMAR, Caribbean Institute of Jamaica, and so on." Mexico stressed the importance of the issue training, and suggested that once concluded the technical collaboration agreement between the ACS and the IMO, the Association seeks to generate support for the IMO in order to have better courses and seminars. All of this was immediately approved and Mexico was thanked.

Colombia suggested including in the work programme, the implementation of a study on the analysis of the potential demand for air transport services in the countries of the Association. The study should make an assessment on commercial air policies of member states, an analysis of the available statistics of air transport, and an inventory of infrastructure, and from these elements policy making recommendations should be formulated to encourage air travel in the region. Colombia requested three months to submit the corresponding project profile.

14. Status Report on Institutional Contacts per Country

The Director mentioned that the table of institutional contacts for Transport was on the ACS website and had been circulated to countries.

Mexico stressed the importance of updating this information and asked for it to be regularly updated through a letter to the Foreign Ministries.

15. Proposals for the Date and Venue of the Next Meeting

The Director proposed that no immediate decision be taken since the Chairmen of the Special Committees will be elected during the Ministerial Council meeting and the next Transport Chairman would have to choose the date and venue of the next meeting in consultation with the respective Executive Board.

16. Other Matters

All decisions taken at this Meeting were approved.

17. Meeting Report

The Director referred to Agreement 13/10 and stated that the draft rapporteur's report will be sent within 7 days' time, in keeping with Agreement 13/10.

18. Closure of the Meeting

The Chairman was pleased with the intensive work done during the 20th Meeting of the Special Committee on Transport, which began when Cuba became Chairman, with the unwavering, invaluable collaboration of the Ambassador of Cuba in Trinidad and Tobago, the SCT Director and his collaborating team, as well as many other valuable and anonymous contributors, who deserve to be thanked. He thanked the team of Interpreters who made correct, reciprocal understanding possible. He also thanked those present for their participation and interest, and thanked the Ambassadors who took time away from their busy daily agendas to attend and lend support. He expressed his confidence in the strength of integration and merging wills in order to pursue common objectives. The 20th Meeting concluded with a round of applause.