

THE HONG KONG SHIPPERS' COUNCIL

2407 Hopewell Centre,
183 Queen's Road East,
Wanchai, Hong Kong
Website: <http://www.hkshippers.org.hk>

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Notice

24th July, 2006

Port Security Charge

The Hong Kong Shippers' Council (the "Council") fully supports the requirements for a safe cargo environment and has been working with the container terminal operators (CTO) on a practical solution for additional services to address this need.

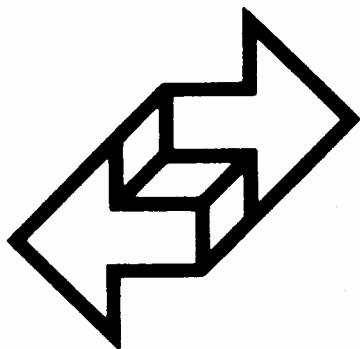
The Council acknowledges that container terminal operators have enhanced efforts and investment to strengthen security at their facilities. Far-reaching measures taken include full compliance with the International Ship & Port Security Code (ISPS), drawn up by the International Maritime Organisation (IMO) in December 2002 and subsequently adopted into Hong Kong law in the Merchant Shipping (Security of Ships & Port Facilities) Ordinance 2004. The costs related to these measures are the basis of the Port Security Charges (the "Charges").

The Council has reached agreement with the following container terminal operators in Kwai Chung/Tsing Yi in regards to the implementation of Charges:

- Hongkong International Terminals Limited
- Modern Terminals Limited
- COSCO-HIT Terminals (Hong Kong) Limited
- Asia Container Terminals Limited
- CSX World Terminals Hong Kong Limited

The Council has agreed to the amount of the Charges announced individually by each of the operators of HK\$20/20' and HK\$30/40' or 45' on the basis of the following:

- (1) All revenue and expenses must be properly accounted for and used for the purpose of enhancing security for cargo to meet international requirements such as ISPS and therefore the Council shall request the container terminal operators to review and ensure that the money is applied correctly after a period of eighteen (18) months from the collection implementation date.
- (2) The Council considers direct payment of the Charges by shippers to container terminal operators a better arrangement than through shipping lines or any other third party.
- (3) An additional review will be held thirty-six (36) months after the collection implementation date to ensure that collections continue to be properly accounted for.



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- (4) In order to provide sufficient notice to our members and the shipping public on all details of the collecting mechanism, collection of the Charges will be implemented with effect from 15 August 2006.
- (5) Since this is a new collection process, the container terminal operators agree to pay the Council an Administration Fee of HK\$2 per container. The Administration Fee will be payable for a period of 12 months from the collection implementation date and may be extended with the agreement of the container terminal operators. The Council will pass on the entire Administration Fee to Hong Kong shippers in order to reduce their burden.

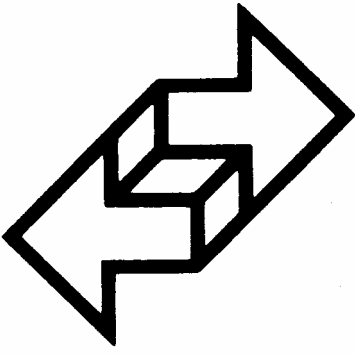
We would also reiterate that a more secure cargo environment benefits not only shippers, but also shipping lines, terminal operators, truckers, stevedores and other business ventures involved in the process. We, therefore, agree to the payment by shippers for Port Security Charges in Hong Kong and that other stakeholders also share and bear the responsibility for cargo security. Shippers can enjoy the net rate of HK\$18/20' and HK\$28/40' or 45' by paying the PSC through one of the following payment methods:

- (a) E-transaction (paperless) through Tradelink, GO-Business Ge-TS or OnePort. For details please contact the following hot lines or check out their websites.

	<u>E-mail</u>	<u>Hot Line</u>	<u>Website</u>
GO-Business Ge-TS	enquiry@ge-ts.com.hk	82010082 (Mon-Sun 0700-2300 hrs)	* www.ge-ts.com.hk
OnePort	contact@oneport.com	36691402 (7x24 round the clock svc)	www.oneport.com
Tradelink	custser@tradelink.com.hk	29178822 (Weekdays 0900-1800 and Weekends 0900-1300)	* www.tradelink-ebiz.com

- (b) Purchase PSC E-coupon from the Hong Kong Shippers' Council. For inquiry:
Hot Line : 2834 0010 (Mon-Fri: 0900-1800 hrs)
Website : *www.hkshippers.org.hk
E-mail enquiry: shippers@hkshippers.org.hk
- (c) Purchase PSC Paper Coupon from the Hong Kong Shippers' Council. For inquiry:
Hot Line : 2834 0010 (Mon-Fri: 0900-1800 hrs)
Website : *www.hkshippers.org.hk
E-mail enquiry: shippers@hkshippers.org.hk

* Website details available after August 1st, 2006.



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With regard to less-than-container-load (LCL) cargo, the Hong Kong Association of Freight Forwarding & Logistics Ltd (HAFFA) indicates that it would recommend to its members a rate of HK\$5 per Bill of Lading.

Hong Kong Shippers' Council at present is approaching other trade organisations in Hong Kong for sale of the PSC Paper Coupon in their offices. Details will be announced later.

Yours sincerely,

Sunny Ho
Executive Director