



Proposal for Tender TPT 02/2007 - Liner Shipping Competition Policy Guidelines



Prepared for



Transportation Working Group (TPTWG)

ORIGINAL DOCUMENT

19th February 2007

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Meyrick and Associates is the trading name of Meyrick Consulting Group Pty Ltd, ABN 60 113 345 743, which is incorporated in N.S.W.

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1. INTRODUCTION

Meyrick and Associates is pleased to respond to APEC's public tender TPT 02/2007. This proposal concerns the provision of consultancy services to develop guidelines for APEC member economies to address the non-competitive aspects of non-ratemaking agreements among liner shipping companies.

1.1 Meyrick and Associates expertise

We believe that Meyrick and Associates provides a unique blend of skills, understanding and experience that will ensure that the objectives of the study are met. Our expertise is summarised as follows:

- We have completed two previous studies for APEC-TWG on related issues: a study on non-tariff barriers in the trade of transport services in 2003; and the facilitation of international shipping project in 2001. Through these projects we have gained a sound understanding of the diverse range of legislative and regulatory arrangements
- We have recently assisted Korea Maritime Institute in its study (for APEC) of future demand for liner shipping and container port requirements in the APEC region
- We recently finalised a report of international and domestic shipping/port developments, both in terms of liner competition policy and operations, for the Australian Maritime Group (AMG)
- Together with Charles Rivers Associates, we recently provided assistance to the Singapore Competition Commission in its development of the Competition (Block Exemption for Liner Shipping Agreements) Order 2006. Our role in this project included a comparative analysis of liner shipping regulation in the European Union and a range of major APEC economies
- We have previously undertaken assessments of the economic consequences of shipping conference agreements for the Australian Government and Shipping Australia Ltd (SAL)
- For nearly twenty years, we have been involved in a series of projects with UN ESCAP and Korea Maritime Institute researching the development of container shipping in the Asia-Pacific region, the future demand for container port services, and the implications for container ports
- In 2003 and again in 2005, we were commissioned by UN ESCAP to draft its Review of Transport Developments, including international developments in shipping, ports and intermodal transport throughout the Asia-Pacific region. We are currently in negotiation with UN ESCAP for a follow-up commission to this previous work
- Together with PDP International, we reviewed shipping services within and between the ten ASEAN nations to identify constraints — operational, strategic and regulatory — that may impact on the efficiency of shipping services between ASEAN nations
- We have recently completed a regulatory infrastructure review for a Peruvian Government agency.

Over sixteen years of working on maritime policy issues in the Asia-Pacific region, we have established a network of government and industry contacts supported by close working relationships with organisations such as the Korea Maritime Institute (KMI) and Maritime Institute of Malaysia (MIMA).

1.2 Our team

Our team for this study has been carefully assembled to provide a blend of skills and experience that we believe will provide us with the capacity to deliver an excellent outcome on this challenging study. We propose to deploy a team of three senior professionals supported by two more junior researchers.

Team member(s)	Background
Steve Meyrick	Steve is Managing Director of Meyrick and Associates. He is a maritime economist / maritime policy analyst with a special interest in liner shipping strategy and policy. He has a particular interest in the Asia-Pacific region, and was project manager and principal researcher on the previous APEC studies Facilitation of International Shipping and Non-Tariff Measures in the Transport Sector.
Guy Reynolds	Guy is a Senior Consultant with Meyrick and Associates. He is a maritime economist with 22 years experience in the analysis of the container shipping industry in Europe, Australia and Asia. Guy's extensive research experience is complemented by executive experience with major international container shipping lines, including direct involvement in the negotiation of inter-carrier agreements, including vessel-sharing, co-operation in terminal development and operation, and equipment pooling arrangements.
Chuyang Liu	Dr Chuyang Liu has recently been appointed as Senior Consultant with Meyrick and Associates. Chuyang is a maritime lawyer and policy analyst who has worked on liner shipping issues both in China and Europe. As well as several projects with the Ministry of Communications, China, her research experience includes working with the Competition Directorate-General of the EC in Brussels to conduct a comparison study between the EU block exemption system and US anti-trust immunity system (both have major influences and connection with APEC economies); and working with the WTO Secretariat in Geneva on the interaction between trade and competition in different regional institutions, including APEC, specifically on reinforcing WTO core principles (transparency and non-discrimination) in the field of liner shipping. Chuyang's fluency in both Mandarin and Japanese as well as English will be a further asset to the study.
Christopher Gould	Christopher is a Consultant with Meyrick and Associates. He has participated in Australian and Singapore reviews of liner competition policy; in writing the UN ESCAP review of transport developments in Asia; and a recent review of maritime policies of Pacific Island countries.
Grant Denholm	Grant is a Consultant with Meyrick and Associates. He has recently completed an MBA at the Australian Maritime College, and participated in an APEC regional shipping study.

1.3 Our understanding of your needs

The overall objective of the study is to support the implementation of the Bogor Goals in the maritime sector. The Maritime Expert Group (MEG) agreed at the 25th APEC TPT-WG meeting in Washington DC in June 2005 to pursue these goals by adopting the nine policy elements of the Facilitation of International Shipping Project. The second of these policy elements is that:

APEC member economies develop a set of guidelines relating to liner shipping.

This project is intended to contribute to the implementation of this policy element.

The identification and analysis of existing non-ratemaking agreements in the APEC region and their impacts on competition, shippers, ports, inland transporters and trade, should result in the development of a suitable set of common (harmonised) regulatory guidelines which both promote the positive aspects of such agreements and address the non-competitive aspects.

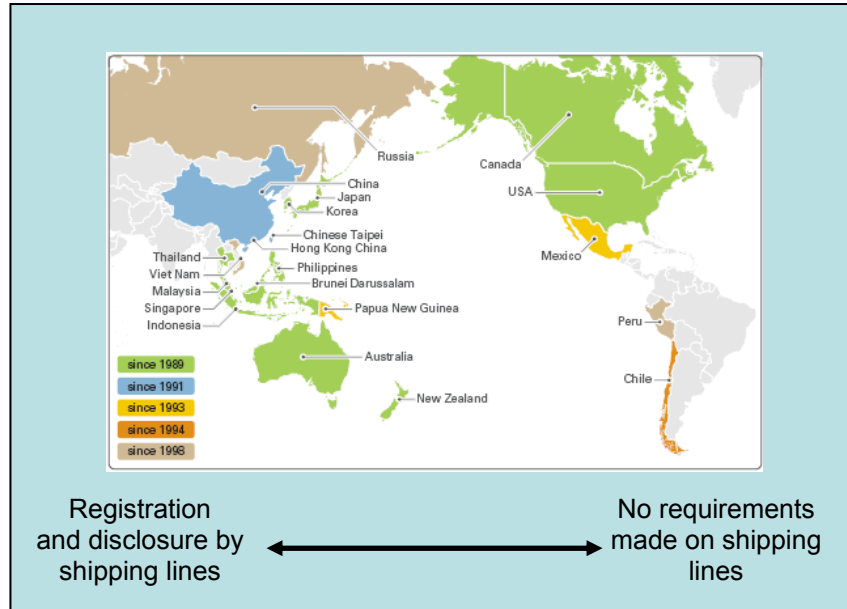
It is believed that few, if any, of the advanced economies have legislation that specifically addresses the possible non-competitive aspects of non-ratemaking agreements. However, there are commonly held views by a number of international trade organisations and regulatory bodies that non-ratemaking agreements should be allowed as a valid operational tool as long as they do not provide undue market power to the group of carriers involved.

The trend internationally is for these non-ratemaking agreements to involve assets and operations further along the logistics chain (i.e. IT-portals servicing electronic trade). Over the years, non-ratemaking agreements have extended from pure joint vessel operations (involving sharing, slot chartering and swaps on linehaul and feeder ships) to the joint operation or use of terminals and associated equipment, inland depots, container equipment (interchanges or 'grey-boxes'), inland equipment (road-chassis'), and inland transportation (block-trains, and truck dispatch).

Certain parts of carrier operations have less or no examples of non-ratemaking collaboration and this may be to do with activities which are considered to offer a carrier a "unique selling point" (often the brand, marketing and customer-service, or secondary distribution).

Non-ratemaking agreements can offer operational cost efficiencies (economies of scale and enhanced asset utilisation) which can lead to trade development and other positive benefits, but at the same time opportunities do exist by the very nature of these "operational alliances" to manage capacity and limit access to low-cost resources which could be considered non-competitive.

FIGURE 1: SCALE OF LEVELS OF REGULATORY DISCLOSURE IN APEC REGION



The scene within the APEC region is further complicated by differing levels of regulation regarding the need to register, monitor/approve, and/or publicly disclose liner shipping agreements (primarily ratemaking). On the one end of the spectrum is the United States who has a fairly demanding disclosure regime administered by the Federal Maritime Commission (FMC), whilst at the other end are a group of countries such as China (i.e. their Ministry of Communications) who have no or low levels of disclosure requirements for liner shipping. Most non-ratemaking agreements are off the radar making this, in our opinion, a very timely and worthwhile study.

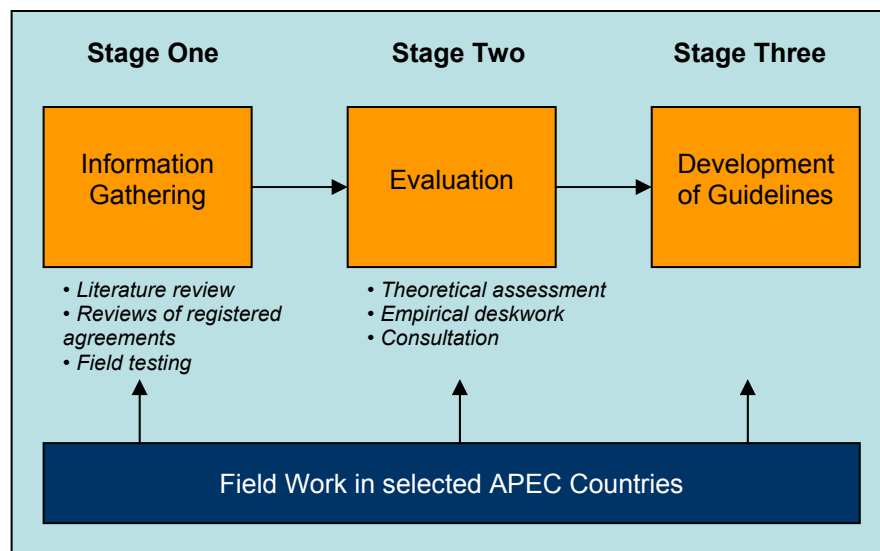
2. OUR APPROACH

2.1 General methodology

Our general methodology for this study will involve the integration of:

- Field work involving consultations in APEC countries
- Desk research including reviews of existing report by third parties
- Our experience and expertise from previous work

FIGURE 2: OVERVIEW OF MEYRICK & ASSOCIATES' PROPOSED PROJECT METHODOLOGY



2.2 Field work

As the field work will provide important input into all three phases of the study (information gathering; evaluation; and policy recommendations), we have decided to discuss it here as a detail of general methodology.

Ideally, the field work would include all APEC economies. However, given budgetary and time constraints, this will not be possible. We therefore propose to limit the field work to a selection of APEC countries. As liner shipping operations are quintessentially international, we do not believe that reliance on research in a sample of APEC economies will compromise the quality of the study outcomes. Nevertheless, it will be important to include a broad cross-section of stages of economic development, location, legislative environments and specific regulations relating to liner shipping.

The final selection of case study economies and relevant themes will be made in close consultation with the project overseer. However, a preliminary review suggests that the sponsoring country (Canada) and the four co-sponsoring countries (Japan, China, New Zealand and Philippines) would provide a useful core for the case study set. This would be desirable as the commitment of the APEC-TWG representative of the economy to the project will be an advantage in ensuring the effectiveness of the field work. We would suggest that this group could be complemented by the addition of one of either Korea, Malaysia or Indonesia. We suggest also adding Australia to the list, since we already have extensive information on this jurisdiction and it could be included without additional travel costs.

Field work would include consultation with:

- Government ministries or departments responsible for liner shipping policy, and where relevant, competition policy
- Major liner shipping companies
- Shipper associations
- Maritime lawyers and economists
- Other stakeholders, including auxiliary services providers.

2.3 Stage one – information gathering

2.3.1 Initial scoping

The principal objective of this phase of the work will be to acquire a clear appreciation of the range of agreements that exist, and to develop a preliminary taxonomy of agreements. This will involve two main activities – literature review and reviews of registered agreements.

Literature review

There has been considerable recent activity in the regulation of liner shipping including but by no means limited to:

- European Commission review of the regulation of conferences under Council Regulation 4056/86
- European Commission review of the regulation of consortia activity under Commission Regulation 823/2000
- The Australian Productivity Commission Review of Part X of the Trade Practices Act
- The Singapore Competition Commission's development of a Block Exemption for Liner Shipping Agreements from that country's competition legislation.

These open and public reviews have generated a considerable amount of recent and relatively accessible material, comprising not only the discussion papers and reports of the regulatory and investigative bodies themselves, but also commission research papers and submissions from interested parties. We would review this material, taken together with the mainstream academic and trade literature, bureaucratic papers such as the OECD report *Competition Policy in Liner Shipping* and material from earlier reviews, including Canada's review of the Shipping Conference Exemption Act and the process leading to the passage of the Ocean Shipping Reform Act in the United States, to clarify and extend our existing understanding of the range of agreements between shipping lines that may be of interest, and of how the nature of these agreements is changing.

Reviews of registered agreements

Some APEC economies — most notably the US, but to a lesser extent Canada and Australia — have in place regulatory regimes that provide a fairly high degree of disclosure of the contents of shipowner agreements. In general, these jurisdictions require that the contents of filed agreements be made available to the public, or, if the actual contents are deemed commercially sensitive, a broad indication of the nature and scope of the agreements be made publicly available. Documents made publicly available in these regimes will also be examined during the initial scoping phase.

2.3.2 Field testing

Understandings of the range, nature and prevalence of non-rate making agreements will be field-tested during the field work component of the study.

Our approach will be to provide key consultees (responsible ministries; shipping lines; and shipper associations) — wherever possible in advance of our meetings — with a brief written description of the main types of agreements of which we are aware from the desk research outlined above, and seek from them:

- Errors or omissions in the draft categorisation of agreements
- An assessment of the prevalence/importance of agreements of each type in the particular jurisdiction

2.4 Stage two – evaluation

Our approach to this element of the work will comprise of three components:

- **A theoretical assessment.** In this we will look at the economic principles and theory relevant to these agreements. A preliminary review suggests that the scope of academic literatures on the economic impact of non-price agreements is rather limited and in large part quite dated, focusing mainly on the issues of capacity restrictions and service coordination. Recent discussions in submissions to reviews, particularly in Europe, explore some newer areas, including the competition implications of information exchange, which are of relevance to the project.

- **An empirical deskwork element.** This will examine developments in entry, exit, number of competitors, supply/demand balance and freight rate movements. It will be based largely on evidence from previous studies, but where possible and appropriate we will complement this with information in subscription databases to which we have access and the trade press. Because liner shipping operations in any given area will typically involve a range of different agreements, it is unlikely that, within the time frame and budget of this study, the empirical work will be sufficiently refined to shed much light on the economic impact of each specific type of agreement. It should, however, improve our ability to make sound judgements on the impact of non-rate making agreements as a group.
- **A consultative element.** The third component of the evaluation process will involve seeking stakeholder views — particular from those most directly involved (shipping lines and shipper representatives) on the consequences of various types of agreement. This will concentrate on obtaining clearer insights into:
 - the reasons why shipping lines enter into various types of agreement, and the benefits that they believe flow from them
 - how these agreements affect shipping line behaviour in practice
 - the importance that lines assign to the different types of agreement
 - whether the views of shipping lines on the effects of various types of agreement are contested by shippers, and if so why.

This will be undertaken as part of our field work programme.

2.5 Stage three – development of guidelines

The third of the major tasks of the study will be to develop guidelines for a common policy among APEC member economies. The RFP notes that these guidelines should promote the positive aspects of non-rate making agreements while promoting competition by minimising any non-competitive aspects of those agreements.

The international nature of the shipping industry implies that the shipping policy regimes of individual APEC member economies will inevitably affect other members. As pointed out earlier in this proposal, there are very substantial differences in the way in which liner shipping between APEC member economies is regulated (or not regulated). These differences can detract significantly from efficiency and/or add to the cost of providing shipping services. On the one hand, an excessively restrictive regime in one member economy may make it practically impossible for shipping lines to engage in practices that would yield benefits not only to that economy but also to its trading partners. On the other, too permissive an approach by one member economy to practices that are anti-competitive in their effect may make it difficult for a trading partner — particularly a less powerful trading partner — to effectively implement appropriate regulation.

While it is desirable for APEC member economies to coordinate and harmonise their regulation of liner shipping — and specifically their regulation of non-ratemaking agreements — given the diversity of current practice it is important that the level of detail incorporated in the guidelines is appropriate. On the one hand, too little detail will reduce the guidelines to broad generalisations that, while useful as a statement of the values and basic direction, are not sufficiently specific to ensure either effective coordination or substantial reciprocity. On the other hand, too much detail will allow too little flexibility to craft policies that are in harmony with existing policies, business practices and the cultural values of individual economies.

In our view, a sound understanding of existing frameworks for the regulation of liner shipping in the APEC member economies will be crucial to striking the right balance in this respect. We are already familiar with many of the more formal regulatory structures, including:

- Ocean Shipping Reform Act 1998 / Shipping Act 1984 (US)
- Marine Transportation Law as modified by the Law for the Adjustment of the Immunity System from the Anti-Monopoly Law (Japan)
- The Maritime Code (1993) / Regulations on International Maritime Transportation (Maritime Transportation Regulations) 2002 (China)
- Part X of the Trade Practices Act 1974 (Australia)
- Shipping Conferences Exemption Act 1987 (Canada)
- The Shipping Act 2002 (Chinese Taipei)
- The Shipping Act 1987 (New Zealand)
- Competition (Block Exemption for Liner Shipping Agreements) Order 2006 (Singapore).

We will endeavour to supplement this understanding with the Transparency Exercise Questionnaire (2000) and other sources. We also understand that APEC MEG has recently completed a *Review of the Status of Implementing APEC Common Principles to Shipping Policy*, which may provide some further insights. If any gaps remain after this review, we may seek permission of the project overseer to approach directly members of the TWG to obtain further information on the status of liner shipping regulation in individual economies.

3. RESOURCING, TIMELINE AND BUDGET

3.1 Project team and roles

As mentioned previously, the Meyrick and Associates project team will consist of the Managing Director, two senior consultants and two support consultants (see Table 1 for an overview of the team members and their main roles).

TABLE 1: OVERVIEW OF MEYRICK & ASSOCIATES' PROJECT TEAM AND ROLES

Team Member(s)	Position	Main Roles
Steve Meyrick	Managing Director	Project Director. Overall responsibility for quality and timeliness of project delivery, presentations and report finalisation. Special focus on formulation of policy guidelines; and country focus on Thailand, Vietnam & S. Korea.
Guy Reynolds	Senior Consultant	Project Manager. Day to day management of the project and liaison with client; general research, analysis and report writing. Focus on North America, Australia & NZ.
Chuyang Liu	Senior Consultant	Research, analysis and report writing. Focus on China, Japan and Malaysia; and regulation best practices from other international agencies.
Christopher Gould	Consultant	General research, analysis and report support. Focus on Singapore, Pacific Islands, and other APEC member economies.
Grant Denholm	Consultant	General (desk) research, analysis and report support. Focus on Pacific Islands, and other APEC member economies.

Further details of the expertise and project experience of the senior team members can be found in Appendix B - Resumes.

3.2 Timeline

Our proposal, and the resulting budget, is based on a project timeline of thirteen months which incorporates the milestone dates outlined in the tender document (Table 2).

TABLE 2: APEC PROJECT MILESTONES

Milestone event	Date
Contract start date	1 st May, 2007
Delivery of Progress Report, Stage One	4 weeks before Fall 2007 TPT-WG-30 meeting
Delivery of Final Draft Report, Stage Three	4 weeks before Spring 2008 TPT-WG-31 meeting
Printing/distribution of Final Report	Summer / Fall 2008

TABLE 3: OVERVIEW OF MEYRICK & ASSOCIATES' PROPOSED PROJECT TIMELINE

STUDY TASKS TIMELINE	Month:	1	2	3	4	5	6	7	8	9	10	11	12	13
1. Information gathering (stage 1)														
1.1 Research		█	█											
1.2 Progress report				█										
2. Evaluation (stage 2)					<--	█	█							
3. Policy recommendations (stage 3)														
3.1 Guidelines formulation								█	█					
3.2 Final draft report										█				
4. Report publication & distribution											----	----	----	-->

Note: Grey cell(s) indicate(s) month(s) in which the associated study task is intended to be undertaken.

Note: Dashes and arrows indicate exact timing dependent on to-be-announced APEC TPT-WG meeting dates.

This timeline assumes the team working during a three month period on stage one (1st May – 31st July, 2007), followed by a two month period on the second stage (1st Sept. – 30th Oct., 2007), followed by a three month period on the third stage (1st Nov., 2007 – 31st Jan., 2008). The final report would be planned to be published and distributed in the last month of the project (May, 2008). The proposed timeline includes periods of inactivity as draft reports are reviewed by the APEC TPT-WG and the timings of scheduled APEC TPT-WG meetings. The precise number of days spent on each project stage is shown in the Study Budget (Table 4).

3.3 Budget by major task and person

The study budget proposed by Meyrick and Associates is detailed in Table 4 by task, days, rates and person.

TABLE 4: OVERVIEW OF MEYRICK & ASSOCIATES' PROPOSED PROJECT BUDGET

STUDY BUDGET (in US Dollars):			SM	GR	CL	CG	GD
		Day Rate:	\$1,800	\$1,300	\$1,300	\$700	\$700
Task	Days	Fees	Days	Days	Days	Days	Days
1. INFORMATION GATHERING (Stage 1)							
1.1 Research to identify agreements	31	\$37,000	3	10	10	4	4
1.2 Progress Report	14	\$17,300	3	5	2	2	2
<i>Subtotal:</i>	45	\$54,300	6	15	12	6	6
2. EVALUATION (Stage 2)							
2.1 Analysis of agreements	12	\$15,900	3	5	2	1	1
2.2 Intermediate write-up (conclusions)	8	\$10,200	2	3	1	1	1
<i>Subtotal:</i>	20	\$26,100	5	8	3	2	2
3. POLICY RECOMMENDATIONS (Stage 3)							
3.1 Formulation of general guidelines	12	\$15,900	3	5	2	1	1
3.2 Final Report	13	\$15,500	2	5	2	2	2
<i>Subtotal:</i>	25	\$31,400	5	10	4	3	3
4. REPORT PUBLICATION							
Preparation & finalisation work	4	\$5,100	1	2	0	1	0
TOTAL CONSULTING FEES (excl. Taxes)	90	-	17	35	19	12	11
	-	\$116,900	\$30,600	\$45,500	\$24,700	\$8,400	\$7,700
TRAVEL & PUBLICATION EXPENSES							
	Cost	Tot. Cost					
Assumed 6 member country visits	\$1,400	\$8,400					
Assumed 5 reports/member x APEC 21*	\$30	\$3,150					
<i>Subtotal:</i>	-	\$11,550					
TOTAL BUDGET							
Excluding Taxes		\$128,450					
Taxes at 0% (export)		\$0					
Including Taxes		\$128,450					

Note 1: SM = Steve Meyrick, GR = Guy Reynolds, CL = Chuyang Liu, CG = Chris Gould, GD = Grant Denholm.

Note 2: (*) Publication and distribution cost based on all report copies sent to APEC Secretariat in Singapore for internal distribution / onward forwarding to APEC member economy representatives.

The proposed total study budget is **US\$ 128,450** (based on 0% tax), of which US\$ 116,900 comprises consulting fees and the remaining US\$ 11,550 project expenses (travel for stage one in-country research, and final report publication/distribution).

4. ADMINISTRATIVE AND CONTRACTUAL REQUIREMENTS

4.1 APEC standard contract conditions

Meyrick and Associates hereby accepts the APEC standard contract conditions as shown in Annex A of the TPT 02/2007 tender document.

4.2 Payment scheme

The following payment scheme is proposed for the project:

- 50% of the total budget to be paid within thirty days after the contract start date
- A further 25% of the total budget to be paid within thirty days after delivery of an approved progress report at the end of stage one
- Remaining 25% of the total budget to be paid within thirty days after printing and distribution of the final approved report.

4.3 Intellectual property rights, documentation and confidentiality

Meyrick and Associates accepts:

- The assignment of intellectual property rights and copyright ownership of the study to the APEC Transportation Working Group
- The entering into of a confidentiality agreement with the APEC Transportation Working Group
- The provision of all documentation (hard and electronic) gathered or generated during the study to the APEC Transportation Working Group.

As such, Meyrick and Associates can only publish or use research material gained via the study after the publication of the final report or after receiving prior written approval from the APEC Transportation Working Group.

4.4 Conflict of interest

Meyrick and Associates is not aware of any actual or potential conflict of interest that is likely to arise in the performance of the proposed work but undertakes to notify the client if and when any conflict of interest does arise during the study.

4.5 Insurance and indemnity

Meyrick and Associates has insurance and indemnity coverage as shown in Table 5.

TABLE 5: SUMMARY OF MEYRICK & ASSOCIATES' INSURANCE AND INDEMNITY COVERAGE

Coverage	Insurer	Policy number	Amount	Expiry
Public Liability	Zurich	26F017104GLG	A\$ 20 million	15 th July 2007
Workers Compensation	QBE	1GF0074811GWC154	n/a	24 th May 2007
Professional Indemnity	CGU	02MIS0525004	A\$ 5 million	28 th March 2007

Copies of Certificates of currency can be viewed in Appendix C.

4.6 Quality assurance

4.6.1 Review verification processes

Meyrick and Associates does not have any QA accreditation. However, the company's protocols require that both technical content and presentation be reviewed through an editing and proof-reading sequence prior to delivery at key stages in a project. This may involve a process of peer review or director level review.

4.6.2 Project management system

Meyrick and Associates uses a systematic project management protocol for all consultancy work. This includes project audits and feedback loops as a means of confirming compliance with the terms of reference of the brief and ensuring that project management processes are being followed.

Furthermore, Meyrick and Associates accept that the project will need to be completed within 15-18 months from the study being commissioned (i.e. completion by Summer/Fall 2008) and that a progress report at the end of stage one (around Fall 2007) will need to be provided by Meyrick and Associates to the APEC Transportation Working Group for approval.

4.6.3 Document control

Meyrick and Associates document control includes:

- the use of version numbers on documents (version control);
- maintaining a history of the development of versions (file maintenance);
- where appropriate, the use of numbered copies of documents (controlled documents); and
- maintaining a list of recipients for distributed copies (distribution list).

At any time in a project we aim to be able to:

- readily determine the difference between documents;
- recognise superseded documents remaining in circulation;
- maintain an audit trail for changes to key project documents.

The Project Manager is responsible for document control.

4.7 Reports

Meyrick and Associates will provide the following copies of project reports to the client:

- Electronic copy (word/pdf) of the stage one progress report (also hardcopy if required)
- Electronic copy (word/pdf) of the final draft report (also hardcopy if required)
- Printed hardcopy and electronic copy (word/pdf) of the final approved report (consistent with APEC publication policy).

The number of published hardcopies of the final approved report has been assumed to be five per member economy with a total of 105 (subject to confirmation by the APEC Secretariat).

APPENDIX A – MEYRICK EXPERIENCE AND QUALIFICATIONS

Meyrick and Associates has a sophisticated understanding of international and Asia-Pacific liner shipping operations, together with the review of competition policy and the development of policy frameworks/guidelines as reflected in a wide range of international projects.

- We reviewed developments in international shipping policies within the APEC economies, and assessed the effect of these policy changes on economic efficiency, and developed a framework for a common set of shipping policies for endorsement by the APEC economies through the completion of two APEC-TWG studies:
 - Non-Tariff Barriers in the Trade of Transport Services, and
 - Facilitation of International Shipping Project (impact of maritime policy reforms; case studies; policy alternatives towards international shipping liberalisation)
- Building on a series of six previous studies undertaken over a fifteen year period, we have worked with the Korea Maritime Institute on an APEC project to develop forecasts of container shipping to from and within the Asia-Pacific region as part of the study reviewing APEC Regional Shipping and Port Development Strategies
- We have recently completed for the Australian Maritime Group a review and analysis of international and domestic shipping developments including liner competition policy and vessel/port operations
- With CRA International, we have recently completed the design of a regulatory framework for liner shipping in Singapore, including an international comparison of liner shipping regulation and an analysis of recent trends and developments
- For private clients, we have undertaken an international review of cabotage arrangements in major OECD jurisdictions and a cross-section of developing countries
- Meyrick and Associates reviewed shipping services within and between the ten ASEAN nations to identify constraints — operational, strategic and regulatory — that may impact on the efficiency of shipping services between ASEAN nations
- We have recently completed a study of intermodal sector development in Vietnam
- Meyrick and Associates was engaged by lead consultants KPMG to review existing forecasts to establish direct and transshipment cargo prospects for the port of Mina Salman and the new port of Khalifa Bin Salman in Bahrain
- Working with Asian Development Bank staff, Meyrick and Associates identified strategic priorities for the Bank in its endeavours to foster greater regional cooperation in transport in the SouthEast Asian region
- For UN ESCAP, we examined global developments in intermodal transport that have had the effect of extending port hinterlands, and identified actions of government that could support this trend
- We have drafted the last two editions of UN ESCAP's biennial Review of Developments in Transport and Communications in the ESCAP region, which included case studies on institutional reforms in all transport sectors

- Meyrick and Associates managed a review of the provision of government shipping services to the outer islands for the Fiji Government Ministry of Transport and Civil Aviation. The Government subsequently adopted our recommendation to establish a non-vessel operating Government Shipping Corporation
- We were specialist adviser to the SEATEC Consulting group in a major Thai government project to identify future opportunities for the development of the Thai fleet, and to frame appropriate policies to assist such development in a way consistent with economic efficiency and Thailand's international commitments
- We were Project Manager for a review of institutional, financial, managerial and operational conditions in the two largest ports of Vietnam. The review was undertaken in the context of possible equitisations of the port organisations
- We have applied mathematical models developed in previous studies to a review of current developments in container shipping to from and within Asia, and assess trade flows, shipping capacity needs and port facility requirements, and presented a series of workshops on the outcome study in a range of ESCAP member countries
- We critically reviewed plans of a major Philippines transport company for an integrated multimodal transport system for domestic LCL freight, and assessed the feasibility of each major component of the plan, proposed modifications and revisions to overcome identified weaknesses, and made recommendations for further research and analysis required to prepare for the forthcoming public listing of the company
- Recommended an appropriate framework for a port management contract for the ports of East Timor. Develop a detailed implementation plan and draft appropriate contract documents
- As part of the World Bank's Fiji Transport Planning Unit project, we developed a discussion paper and reform model for the Fiji maritime Sector
- We undertook a review of the financial feasibility of a regional container service between a number of regional Australian ports and key transshipment hubs in South East Asia
- We prepared and delivered a commissioned paper on trends and prospects in maritime transport within North Asia for this University of California-based Institute
- We assessed the performance of Australia's major ports relative to international best practice. Focus was on Australian and overseas ports which handle containerised cargo and bulk coal. Meetings were held with many port authorities and terminal operators around the world including those at all mainland Australian capitals, Newcastle (Aus.), Port Kembla (Aus.), Abbot Point (Aus.), Hay Point (Aus.), Gladstone (Aus.), Richards Bay (SA), Wellington (NZ), Tauranga (NZ), Klang (Mal.), Johor (Mal.), Hampton Roads (USA), Laem Chabang (Thai.), Singapore, Oakland (USA), Baltimore (USA), Tilbury (UK), Zeebrugge (Bel.), Rotterdam (Neth.) and Roberts Bank (Can.)
- We investigated the nature of the structural changes taking place in liner shipping within the ESCAP region. Report on changes in national policy and trade structure, institutional change in the shipping industry, the strategic directions adopted by principal liner shipping companies, and the likely direction of change over the next decade

APPENDIX B - RESUMES

Steve Meyrick

Managing Director

Level 2, 63A Market Street
Wollongong NSW 2500
Australia
TEL +61 2 4227 1484



Steve is a transport economist with over twenty years experience. In the last fifteen years he has been principally concerned with the maritime transport sector, working for a wide range of national and international organisations, including shippers, shipping companies, port authorities, government departments and inquiries, United Nations Economic and Social Commissions, international research institutions, Asian Development Bank and the World Bank. He has a particular interest and an extensive track record in the financial and economic evaluation of maritime projects; analysis of global liner shipping; ports policy and management; and pricing and economic regulation.

Professional Qualifications & Associations

BE(Hons) BEc BA MEngSc DipMath(Dist)

Member, Chartered Institute of Transport and Logistics, Australia

Member, International Cargo Handling Coordination Association,

Member, International Association of Maritime Economists,

Member, Economic Society of Australia (Victorian Branch)

Projects

- Promoting efficient and competitive intra-ASEAN shipping services, ASEAN Secretariat, 2005
- Non-tariff barriers to the trade in transport services, APEC, 2002
- Facilitation of maritime transport, APEC, 2000
- Transport and regional integration in SE Asia, ADB, 2005
- Development of regional shipping and port development strategies, Korean Maritime Institute / APEC, 2006-07
- Redevelopment of global liner shipping network model, UNESCAP, 2006
- Liner shipping regulation assistance, Singapore Competition Commission, 2006
- Review of trends in transport and logistics in the ESCAP region for UN ESCAP, 2003-05
- Review of port regulation in Victoria for Essential Services Commission, Victoria, 2003-04
- Develop policy guidelines for ports in the ESCAP region for UN ESCAP, 2003
- Economics of liner shipping conferences, Shipping Australia Limited, 1998
- Conduct feasibility study for the establishment of a Government Shipping Corporation In Fiji, 2003

- Conduct a diagnostic audit of Hai Phong and Sai Gon ports in Vietnam for AusAid/DANIDA, 2001
- Quantify the potential benefits of the further liberalisation of maritime trade, Dept of Transport and Regional Services, 2001

Guy Reynolds

Senior Consultant

Level 4, 12-20 Flinders Lane
Melbourne VIC 3000
Australia
TEL +61 3 8643 4100



Guy Reynolds is a shipping and maritime economist with specific expertise in the area of container shipping, pricing and operating agreements, freight procurement and service contract management. Guy, formerly based in Rotterdam in The Netherlands, joined Meyrick in November 2004, as a Senior Consultant. He has a background of over 20 years in the marketing, planning and business development of container ports and container shipping ventures, as well as maritime research, working for MARIN (Maritime Research Institute of the Netherlands), and liner shipping companies - the Royal Nedlloyd Group, and Sea-Land Service Inc. His current clients include the Australian Departments of Agriculture and Fisheries, Defence, and the Australian Maritime Group, the Victorian Department of Industry, Innovation and Regional Development, several ports, and the private sector (shippers, shipping lines and manufacturers).

Professional Qualifications & Associations

Masters of Science in Shipping and Maritime Studies Liverpool Polytechnic, U.K.
Bachelor of Economics and Business Studies Cardiff University, U.K.

Recent Projects

- Review container trade for Port Kembla Port Corporation, 2006
- Review government transport, distribution and logistics policy with a view to policy integration in Victoria for the Victoria Department of Industry, Innovation and Regional Development, 2006
- Undertake an international and domestic shipping and ports study to identify current and future developments and their implications for Australian ports for the Australian Maritime Group, 2006
- Review existing and future logistics operations for an international venture company, 2006
- Provide global seafreight tender and contract support for major shipper, Melbourne, 2005/2006
- Undertake Domestic Ballast Water Shadow Project for Australian Department of Agriculture, Fisheries and Forestry, 2005
- Supply of AusNZ global container trade statistics for a global shipping line, 2005
- Sea-Land (1992-1996) - Operational and financial analyses for container vessel deployment, rationalization proposals, terminal and inland studies; joint-venture feasibility studies for container terminal projects in Vostochny and St. Petersburg, and Trans-Siberian Express Service (TSES), Russia; development of competitor monitoring tools

- Nedlloyd (1986-1991) – Group marketing, business planning and strategy development for transport and shipping (liner & bulk); feasibility study and contract negotiations for a joint-venture distribution centre in Tianjin, China; feasibility study for offshore oil mobile productions systems

Dr Chuyang Liu

Senior Consultant

Level 4, 12-20 Flinders Lane
Melbourne VIC 3000
Australia
TEL +61 3 8643 4100

Chuyang is a specialist in maritime policies and international trade with extensive working experience in China, Europe and Australia over the past 15 years. In China she was a lawyer specialised in shipping and trade affairs; consultant of Ministry of Communications; and lecturer in school of law of higher education. She worked in Europe as researcher and consultant of maritime transport services under WTO jurisdiction and regional organizations. She has specific expertise in international liner shipping, coastal shipping, access to and use of port facilities as well as jurisdictional and dispute settlement issues in these areas. Her recent work in Australia as legal/business consultant involves advising Australian government and private corporations on their overseas trade and business development, especially in Asia-Pacific regions.

Professional Qualifications & Associations

MBA, Victoria University, Melbourne, Australia;
Doctoral (PhD) of Law, Faculty of Law, University of Bern, Switzerland;
Master of Law, College of Law, Dalian Maritime University, China;
Bachelor of Art, Department of English, Dalian Foreign Languages University, China;
Member, Senior Associates, Financial Services Institute of Australasia (SA Fin);
Member, World Trade Institute (Bern, Switzerland);
Member, China Maritime Law Association

Recent Projects

- Advising Australian companies in China and Malaysia: corporate acquisition and joint venture transaction; legal and financial due diligence; market research and legal/corporate compliance work; project implementation and management, 2005-06
- Comparison study between EU block exemption system and US anti-trust immunity system on liner shipping, the EU Competition DG, Brussels, 2003-04
- Interaction between trade and competition in different regional institutions including APEC, esp. on the prospect of reinforcing WTO core principles in the field of liner shipping, World Trade Institute and WTO Secretariat, Geneva, 2002-03
- Maritime transport services in WTO and the law of the sea, Swiss National Foundation, 2001-04
- Maritime safety and marine environmental impact assessment, Ministry of Communications, China, 1999-2000

- The Application of Law of Contract of Carriage of Goods by Sea between Hong Kong & Mainland Ports, Ministry of Communications, China, 1998
- The Application of Logistics Models in the Handling Capacity of Harbours, Shenzhen Port Authority, China, 1997

APPENDIX C – COPIES OF INSURANCE AND INDEMNITY CERTIFICATES

The following are copies of Meyrick and Associates' current certificates of insurance and indemnity.



10 August 2006

CERTIFICATE OF CURRENCY

This is to confirm that **Meyrick Consulting Group Pty Ltd** hold a current **Broadform Liability** Insurance policy.

Insured: Meyrick Consulting Group Pty Ltd

Occupation: Management Consulting Services

Policy No: 26F017104GLG

Expiry date: 15th July 2007

Insurance Company: Zurich Australia Insurance Limited

Interest Insured:

General Liability (any one occurrence)	\$20,000,000
Products Liability (any one period)	\$20,000,000

Situation: Australia Wide

Trusting this information meets with your requirements.

Yours faithfully



Naomi Baines

Macey Insurance Brokers Pty Ltd - ABN 92 003 364 065 - Registered General Insurance Broker - Lic. No. 20500
144 Junction Street **Nowra** NSW 2541 - 188 Bong Bong Street **Bowral** NSW 2576 - 306B Crown Street **Wollongong** NSW 2500
☎02 4421 5055 ☎02 4423 3162 ☎02 4862 1966 ☎02 4862 1965 ☎02 4229 7799 ☎02 4228 3711





Wednesday, 24 January 2007

 QBE WORKERS COMPENSATION (NSW)
 LIMITED – AGENT FOR THE NSW
 WORKCOVER SCHEME
 ABN 83 564 379 108 004

 Workers Compensation
 Level 2, Crown Tower
 200 Crown Street
 Wollongong NSW 2500

 Postal Address
 Locked Bag 32
 Wollongong NSW 2500

 Telephone: (02) 4224 3487
 Facsimile: (02) 4224 3429
 DX 5173 Wollongong

 MEYRICK CONSULTING GROUP PTY LTD
 LEVEL 2 63A MARKET ST
 WOLLONGONG NSW 2500

Dear Sir or Madam:

Certificate of Currency

The following policy of insurance covers the full amount of the employer's liability under the Workers Compensation Act 1987.


 This Certificate is valid from the Date of Issue to **24/05/2007**.
 (Maximum period to be no more than 4 months from date of issue of certificate).

Insured: MEYRICK CONSULTING GROUP PTY LTD
Policy No: 1GF0074811GWC154

WIC	Industry	No. Of Employees (Including contractors/deemed workers – see 4 below)	Wages*
785500	MANAGEMENT CONSULTANCY SERVICE	19	\$791,000

***Total wages estimated for the current 12-month period**
Please note:

- Principals relying on this certificate should ensure it is accompanied by a statement under section 175B of the Workers Compensation Act 1987. Principals should also check and satisfy themselves that the above information is correct and ensure that proper workers compensation insurance is in place e.g. Compare the number of employees on site to the average number of employees estimated as above and that the wages estimated to be paid are reasonable to cover the labour component of the work being performed.
- A Principal contractor may become liable for any outstanding premium of the sub-contractor if the principal has failed to obtain a statement or has accepted a statement where there was reason to believe it was false.
- This certificate covers the above number of employees and the industry/industries noted above.
- Schedule 1 of the Workplace Injury Management and Workers Compensation Act 1998 defines certain individuals as being 'deemed' workers. Principals and employers should ensure that where 'deemed' workers are engaged the full amount of the contract payments are included in the total estimated wages. The Act extends the definition of workers to persons not generally considered to be employees. These include for example, some contractors, taxi drivers, and outworkers. Even though such people may not be employees they are 'deemed' to be workers for the purposes of workers compensation insurance. A business that engages contractors who are 'deemed' to be workers is considered to be an employer even if the business has no direct employees.



 Yvonne McCarry
 W/C Underwriter

29/03 '06 WED 09:28 FAX 61 2 82244030

CGU PROFESSIONAL RISKS

002



CGU Professional Risks Insurance 388 George Street Sydney NSW 2000 PO Box H90 Australia Square Sydney NSW 1215
Tel. (02) 8224 4655 Fax (02) 8224 4030 www.cgu.com.au


CERTIFICATE OF CURRENCY

DATE: 29/03/2006
POLICY NUMBER: 02 MIS 576984 **CLASS:** Civil Liability Professional Indemnity
THE INSURED: MEYRICK CONSULTING GROUP PTY LTD
T/AS MEYRICK & ASSOCIATES
MEYRICK AND ASSOCIATES
ADDRESS: Level 2, 63A Market Street
Wollongong NSW 2500
PROFESSIONAL SERVICES COVERED BY THIS POLICY: Management Consultancy
SUM INSURED: \$5,000,000 any one claim and \$10,000,000 in the aggregate.
EXCESS: \$15,000 (Costs exclusive)
RETROACTIVE DATE: The retroactive date is without limitation of date. Claims arising from known circumstances excluded from cover.

THIS POLICY IS SHOWN BY OUR RECORDS AT THIS DATE AS BEING IN FORCE FROM:

28/03/2006 TO 28/03/2007

FOR AND ON BEHALF OF THE COMPANY


Cindy Yeh
CGU
0 000000000 Insurance
A Division of CGU Insurance Limited ABN 27 004 478 371
An IAG Company

00005

CGU Professional Risks Insurance A Division of CGU Insurance Limited ARN 27 004 478 371
An IAG Company

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