



KOREA SHIPOWNERS' ASSOCIATION

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Mr. Gary Webb
Chief Executive Officer
Newcastle Port Corporation
Cnr Scott and Newcomen Streets,
Newcastle NSW 2300,
Australia

6 November 2009, Seoul

Dear Mr. Gary Webb,

We, Korea Shipowners' Association, would like to express our views on Vessel Arrival System(VAS) of your esteemed corporation, which was presented to the membership of KSA on 14th. Sep. 2009.

Before anything else, we are concerning about the possibility that the stage 3 of VAS may hamper the economic efficiency and the safety of vessels calling on the port of Newcastle due to uncertainty for the system.

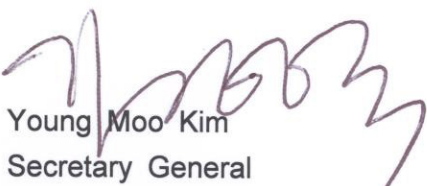
It, therefore, would be greatly appreciated that you could review our opinions and clarify questions raised in order that the new system stably be set in compliance of the objectives.

- 1) Although the start of laytime normally is based on the time of Notice of Readiness(NOR) subject to the contract between ship operators and shippers, in this case, we are not confident when we would tender the NOR and how we would calculate the laytime. Therefore the article stipulating the available time of NOR should be referred to the draft rules or any requirements, at least, should be delivered to concerned parties in any ways in order to avoid any disputes about calculation of laytime among them.
- 2) There is no articles giving the transparency, fairness and rationality by establishing the priority of vessel entering the port.
- 3) In terms of the aforesaid safety, drifting or anchoring under no control by any authorities may rather hamper the safety and security of vessels, then further treatments, such as designating specific areas where a number of waiting vessels can be safe, should be taken into account.

- 4) The commencement of the system should be delayed until the completion of verification and preparation, because the system will cause many changes in the scope of ship-operation in case of entering the port of Newcastle.
- 5) To ensure rights and benefits of concerned parties, the steering organization, composed of ship operators, shippers and consignee, etc., need to be set up.

Look forward to your positive development and I remain

Yours respectfully,



Young Moo Kim
Secretary General
Korea Shipowners' Association