Port community systems: a vital role to play

Richard Morton, secretary general, European Port Community Systems Association, Brussels, Belgium

The EU Directive

The EU Directive 2010/65 on reporting formalities for ships sets a clear deadline: by 1 June 2015, all EU member states must accept electronic reports via a Single Window.

To clarify, these new requirements apply to the reporting formalities applicable to maritime transport for ships arriving in and ships departing from ports in EU countries. The aim is to provide the business community with a streamlined process for submitting export and import information to customs and other government agencies.

"Every EU country must ensure that the reporting formalities at their ports are requested in a harmonized and coordinated manner," states the Directive summary.

It adds: "EU countries shall accept electronic reports via a Single Window as soon as possible and, at the latest, by 1 June 2015. The Single Window will be the place where all information is reported once and made available to various competent authorities and the EU countries."

As members of the European Port Community Systems Association point out, there are obvious and important parallels with existing port community systems and the operators of these systems are already well placed to take up the Single Window challenge.

"Port community systems can, and will, play a major role as Europe moves towards the Single Window concept," says EPCSA chairman Pascal Ollivier, who is director of corporate development at the French PCS operator SOGET. "The implementation of 2010/65 is a major project for EPCSA's business applications committee. Port community systems can act as clearing centers; we emphasize that 2010/65 implementation should harmonize on a European level."

EPCSA and port community systems

When EPCSA was first set up at the end of 2010, its founding members made clear their intention to provide an important source of expert opinion with regard to any new Directive being considered, says Ollivier. "And we will continue to offer clear and concise direction and give support in the practical implementation of European Commission policy. We can save the European Commission time, money and effort by creating a picture of what is already possible."

In many cases, the first priority was to explain exactly what a port community system does.

They are, of course, all about simplifying the complexities of day to day trade across Europe. Customs, forwarders, shippers, shipping lines, terminal operators, inspection agencies, hauliers and railway operators – all of these, and more, need access to smart, real time information.

The electronic platform provided by a port community system is at the heart of the 'spider's web' of the logistics intelligence required for smooth trading, relaying messages and enabling the re-use of data wherever possible, so that the many stakeholders involved need enter their data only once. The alternative can be a sea of paper, allied with inefficiencies, inaccuracies and far too much duplication of work.

Gareth Lewis, senior technical manager, World Customs Organization, speaking at the EPCSA conference held last summer, in Brussels.

"In the business processes of port logistics, the port community systems are well established, which means that they already have active interfaces with most of the carriers, terminals and local authorities," says Mr Ollivier. "After a first analysis of the reporting formalities listed in the Directive 2010/65, it should be noted that today a significant part of the messages is already communicated via the port community system. The remaining messages could be created from existing reports, possibly by adapting the set of data."

EPCSA is recommending that the port community system should take over the function of a clearing center – including receiving messages, processing the data in accordance with the requirements, and forwarding these messages to the stakeholders and authorities, or to a Single Window.

"The advantages of the port community system acting as clearing center are obvious," says Alan Long, managing director of Felixstowe based Maritime Cargo Processing, another founding member of EPCSA.

"Port community systems act as a trusted third party, guaranteeing the confidentiality of all players involved. Double input or notifications by the stakeholders can be avoided. The existing infrastructure in the ports can be used further – that means no additional investments in new infrastructure, and also that it will enable faster implementation of the Directive."

The UN and port community systems

The important role that port community systems are playing in the move towards the Single Window concept has already been highlighted at UN level. The conclusions of the UN's Global Trade Facilitation Conference held in Geneva at the end of 2011 recognized the importance of port community systems.

"The Single Window models vary greatly from one country to another, depending on a country's readiness and priorities," said the conference report. "Models include paperless customs, port community systems and Single Window systems that link government agencies on the national and regional level."

Most advanced trading countries have not implemented the national Single Window concept, said the report: "Instead, other forms of Single Window networks, in particular port community systems and Customs Single Windows, are being successfully used to support a high performing logistics sector."

EPCSA, then less than a year old, played an active part in the conference, which was organized by five UN regional commissions as part of the new 'Joint UN Regional Commissions' Approach on Trade Facilitation' initiative.

It was an ideal platform for EPCSA to explain how and why port community systems act as the vital cog in millions of supply chains across Europe – and how port stakeholders can work together to create such a system where there is none.

Europe's future

Europe is home to some of the most efficient port community systems in the world. Port communities already 'signed up' to a comprehensive port community system probably wonder how on earth they managed before it existed – yet, still, there are many ports within and beyond Europe that lack an integrated port community system. As a result, users often have to input the same data several times into several different systems, duplicating work and creating obvious inefficiencies.

EPCSA's stated mission is to influence public policy at the EU level in order to achieve e-logistics throughout all European ports, operating as a key element of the EU maritime, shipping and logistics industry.

So far, its activities have included the publication of a unique guide entitled 'How to Develop a Port Community System', which sets out 12 'actions', or basic steps, to developing a system that suits the specific environment it will serve and provides the solution to bottlenecks or delays that can create inefficiencies.

"There has been a great deal of interest in this guide," says Pascal Ollivier. "It does not lay down a definitive way in which a port community system should be created, but rather gives an outline to show organizations how this issue relates to their local circumstances."

An essential message, he says, is that community involvement and communication are the most vital parts of setting up a system – in other words, everyone must be 'on the same side'.

"Organizations may feel challenged by the technology side of the process, but in fact it is bringing the port community together with a common purpose and understanding, and agreeing the way forward, that proves to be the most time consuming part."

EPCSA White Paper

EPCSA has also produced a comprehensive White Paper examining the role of the port community system in the development of the national Single Window concept, and here it makes clear that some things should remain firmly private sector led and organized. The message is: "Competitiveness remains an essential element for motivation and differentiation. This principle applies to Single Window systems regardless of the standardization and harmonization achieved between port community systems, cargo community systems or other national or international Single Windows."

The association believes that Europe's world leading position in terms of its port community systems could only have been achieved under competitive conditions. "Business to business areas should not be placed under state control. This safeguard will ensure that new technologies enter the logistics sector as quickly as possible, and that Europe remains the market leader in global logistics knowhow and the development of Single Window."

EPCSA was set up towards the end of 2010 and has six founding members: SOGET (France), dbh (Germany), Maritime Cargo Processing (UK), Portbase (Netherlands), PORTIC (Spain) and DAKOSY (Germany).

It provides port community systems with a common lobbying position at the EU. Port community system operators now

Maritime Cargo Processing (MCP), one of the founder members of EPCSA, has its roots at the Port of Felixstowe but now serves the needs of ports all around the UK.

Courtesy: Port of Felixstowe

How to develop a Port Community System – the twelve actions.

have a voice – and, clearly, they are already being heard. New members and associate members are signing up, and EPCSA's influence is growing.

Conclusion

Mr Ollivier emphasizes that this is a dynamic sector. Nothing stands still. "The port community system environment is going through a total rethinking process due to the evolution of global trade and EU regulations," he says. "Most of our systems have been designed years ago to address local needs and have been upgraded over months and years according to user needs and EU regulations.

"But, in the meantime, the world has changed; globalization of shipping lines, freight forwarders, terminal operators. Those stakeholders are thinking global before thinking local. When those stakeholders address the EU market, they think global as well."

Parallel to this, EU regulations are becoming more and more part of daily life, he says.

"Port community system operators need to 'think different' and match the needs of public and private stakeholders from a European perspective, no longer from a local perspective. That is why EPCSA is so important to SOGET and to the whole port community system sector."
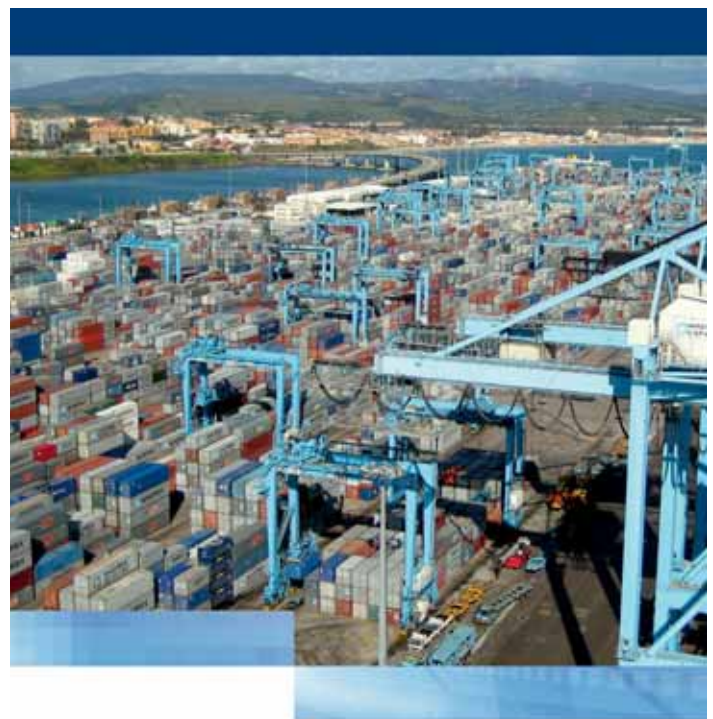
ABOUT THE AUTHOR

Richard Morton is a well respected independent ports and maritime consultant, working with port and logistics organizations and a number of EU driven projects across Europe. As secretary general of EPCSA, he works closely with the association's members to lobby at a European level, ensuring a regular dialogue between port community system operators and the European Commission and maintaining regular contacts with DG MOVE and the TEN-T Executive Agency.

ABOUT THE ORGANISATION

The establishment of the **European Port Community Systems Association** (EPCSA) has given port community systems a voice and common lobbying position at the EU. EPCSA is committed to working closely with the European Commission as the Commission develops a number of initiatives and directives such as e-customs, e-freight and e-maritime.

ENQUIRIES

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