

New EU Port and Customs Policy, Impact on Ports: What will the Future Bring with non-EU Countries

Experience of the Port of Valencia in Simplifying Customs Procedures to Improve the Efficiency of Cargo Flows



Riga, November 2007

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Why shall Port and Customs collaborate?

Customs are a fundamental piece in the port activity.

- In fact all commercial Spanish Ports are considered Customs Areas and consequently are subjected to customs security protection.



The performance of the port depends on the performance of Customs, but also the performance of Customs depends on the performance of the port.

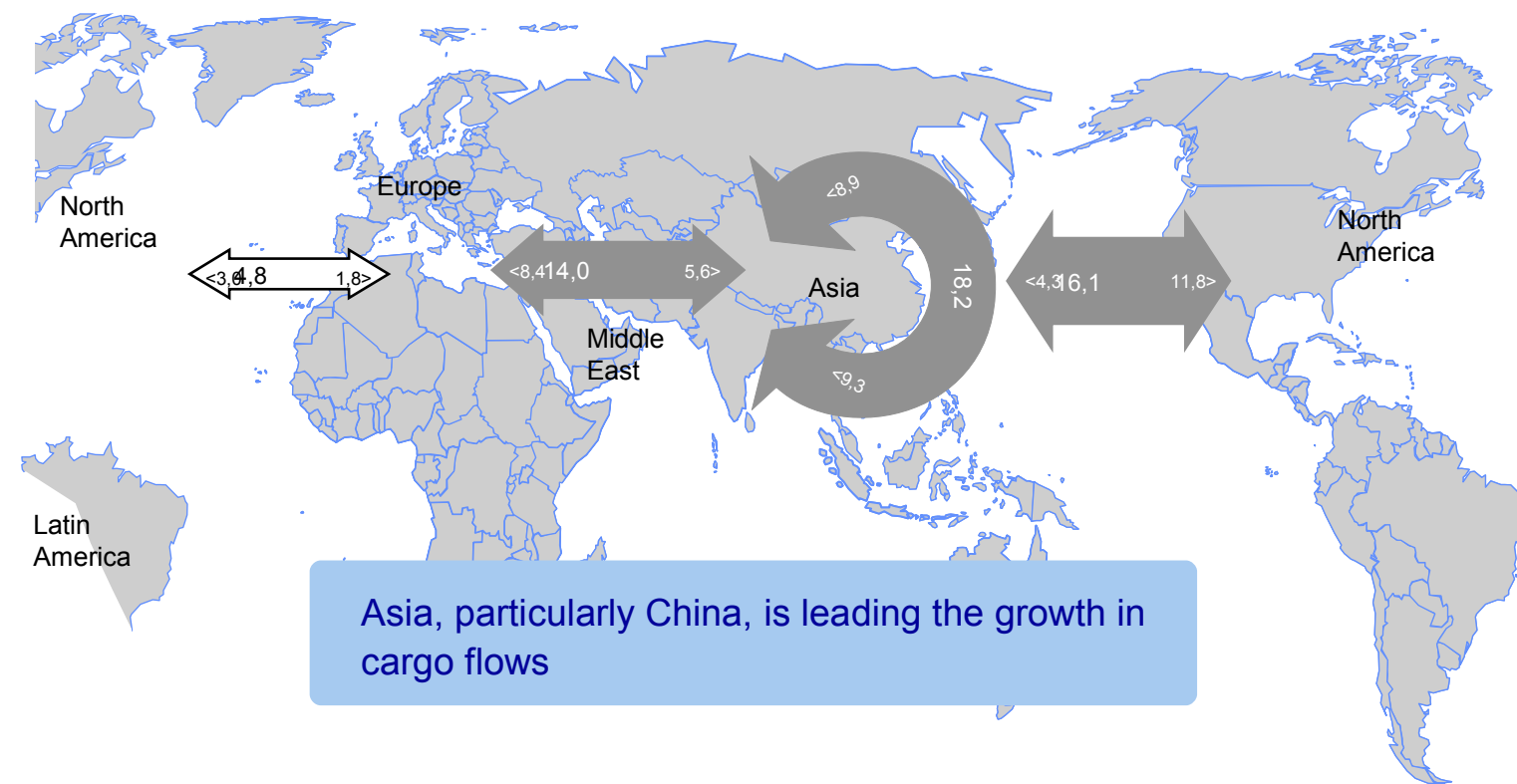
- This tighten relationship between Ports and Customs has motivated a strong collaboration between the Port Authority of Valencia and the Valencia Customs Office.
- As a result of this collaboration the Port of Valencia has successfully introduced new more efficient procedures, most of them pioneer in the Spanish Port System and even some of them in Europe.

More efficient procedures in the control of cargo flows have reported important benefits to the port community and the Customs, simplifying the formalities but, at the same time, maintaining or even enhancing the customs control ensuring more secure transport chains.

The explosion of trade in containerized maritime transportation is increasing pressure on the leading sea ports

Traffic of main global containerized cargo routes (M TEUs 2004)

Not exhaustive
Issues for leading ports



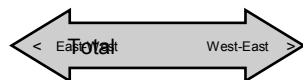
Strong growth in containerized cargo

Highly fragmented industry with a large number of agents

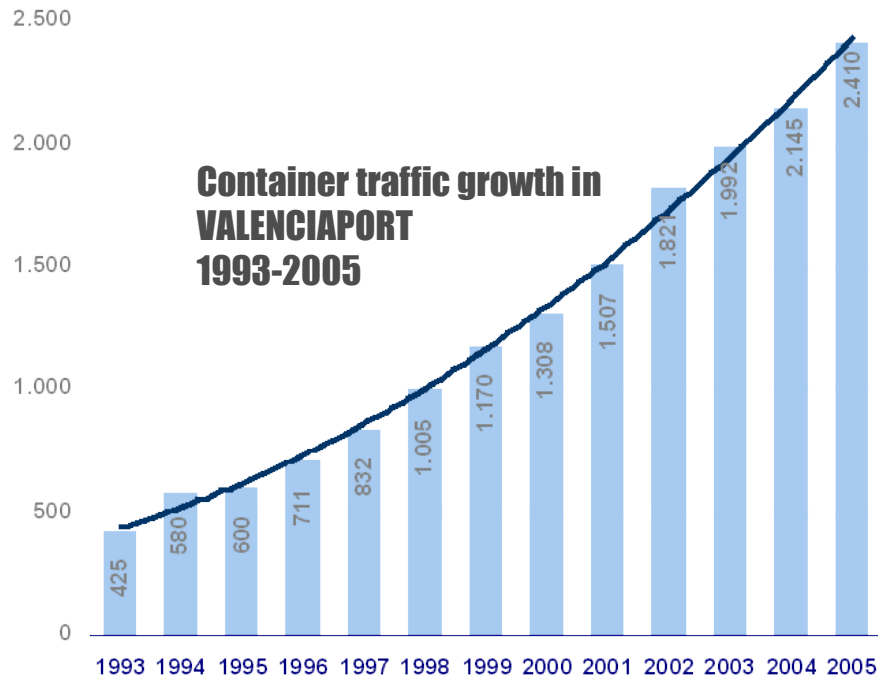
Increased pressure to comply with international security and safety requirements

Need for accurate information for planning and operations

- 10-15% forecasted CAGR 2002-2007
- 5-10% forecasted CAGR 2002-2007
- 0-5% forecasted CAGR 2002-2007



Main reasons for improving existing procedures and practices



POSITIVE GROWTH FORECASTS FOR THE NEXT FEW YEARS

2004

traffic	20'	40'	TEUs
FULL			
loaded	321.555	101.694	524.943
discharged	101.431	178.244	457.919
total	422.986	279.938	982.862
EMPTY			
loaded	12.560	106.675	225.910
discharged	204.276	43.587	291.450
total	216.836	150.262	517.360
TRANSIT			
transit			609.112
TOTAL			2.109.334



Forecast 2015

traffic	20'	40'	TEUs
FULL			
loaded	695.298	154.637	1,004.571
discharged	197.833	268.078	733.989
total	893.131	422.715	1,738.560
EMPTY			
loaded	65.449	302.759	670.967
discharged	480.103	76.859	633.821
total	545.552	379.618	1,304.788
TRANSIT			
transit			1,278.402
TOTAL			4,321.750

Background

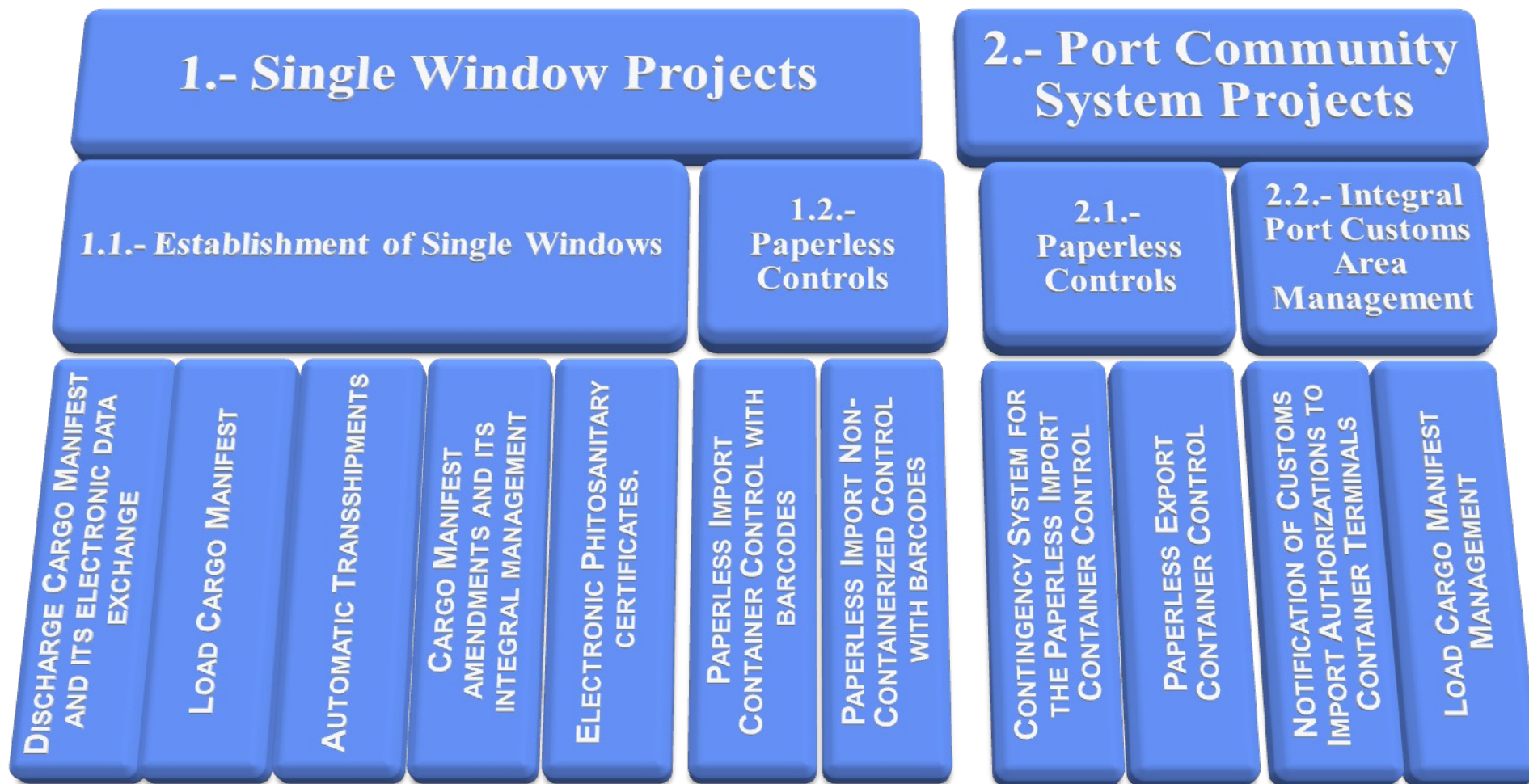
The constant growth in container traffic at the Port of Valencia has resulted in a parallel increase in the volume of container-related services

This growth has been combined with the increased pressure to comply with international security and safety requirements.

This change of framework has overloaded manual procedures and practices used to handle these services and revealed how inadequate they were.

This situation has encouraged inefficient control procedures to be shelved and be replaced by other methods in which technological solutions play a key role in identifying areas for improvement.

Ports, as main international trade point nodes in the European economy, have an important role in implementing solutions that can marry security and safety concerns with trade facilitation.



The Establishment of Single Windows

What is a Single Window?

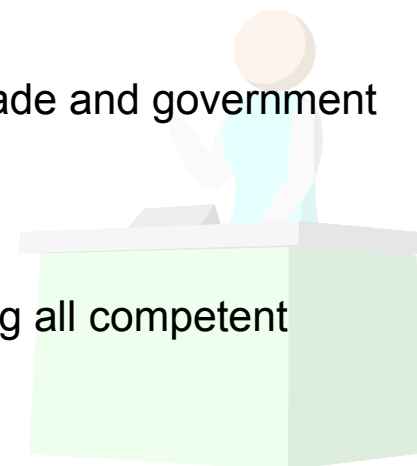


UN/CEFACT
Recommendation 33
Published 2005

A Single Window is defined as a facility that allows parties involved in trade and transport to lodge standardized information and documents with a single entry point to fulfill all import, export, and transit-regulatory requirements. If information is electronic, then individual data elements should be submitted once.

Objective

The Single Window aims to expedite and simplify information flows between trade and government and bring meaningful gains to all parties involved in cross-border trade.



Advantages

- Improvement in the availability and management of relevant information among all competent authorities.
- Simplification and speed up of administration formalities.
- Major harmonization and simplification in sharing information between administrations.
- Important cost savings for the administration and trade.
- Improvement of efficiency and control of competent authorities:
 - Optimization of available resources for security and supervision (human and financial).
 - Major reliability of information and enhanced trader compliance.
 - Better control of duties and taxes.
 - Better risk management and improved levels of security.
 - Gains in productivity and competitiveness.

The first pilot project of a Single Window between Customs and the Port Authority was concluded in 1992 in the Port of Valencia.

The objective of this project was the establishment of a Single Window for submitting electronically the Discharge Cargo Manifest in the Import Processes for improving Port Authority and Customs management and control activities.

- Spanish Port Authorities require this information to apply Cargo Port Duties:

Cargo Port Duty (Spanish Port Law 48/2003)

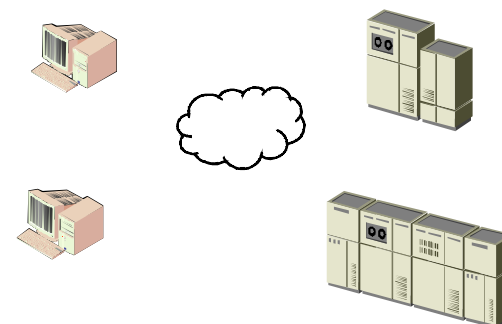
"The taxable item of this duty is the use of basic port infrastructures, associated commercial areas, road and rail accesses and roads and other fixed port equipment"

- Customs require this information to comply with the European Customs Code (at that time Council Regulation EEC 2913/92):

Community Customs Code (EC Regulation 648/2005)

Article 36a.. "Goods brought into the Customs territory of the Community shall be covered by a summary declaration ... " "The summary declaration shall be lodged at the customs office of entry ... " "The summary declaration shall be lodged before the goods are brought into the customs territory of the Community ... "

Article 36b. "... The summary declaration shall be made using a data processing technique. Commercial, port or transport information may be used, provided that it contains the necessary particulars ... "



Cargo Port Duties – Grouping System	
First	0,37791 € /Tm
Second	0,65892 € /Tm
Third	1,03683 € /Tm
Fourth	1,74420 € /Tm
Fifth	2,44188€ /Tm

HS Code	Group	Description
...
3006	5	Pharmaceutical
3101	2	Animal fertilizers
3102A	2	Mineral fertilizers
...

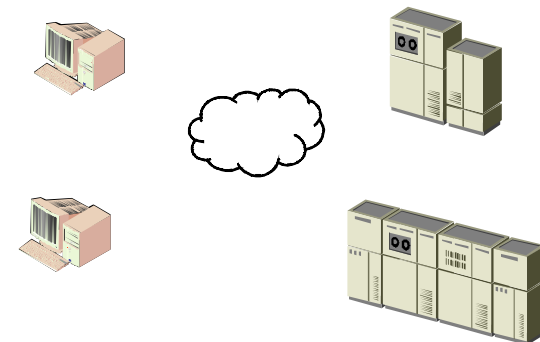
A ministerial order in 1995 established the summary declaration model for maritime traffic and formalized the collaboration channels between the Spanish Tributary Agency and Ports of the State.

“The demands of the involved sectors in accelerate the clearance of cargo in the maritime customs requires the modernization and simplification of the formalities. With this objective:

- *The summary declaration model is adapted to simplify the customs automatization.*
- *It is developed the possibility of presenting and accepting this declaration by Electronic Data Interchange (EDI) using, to this end, normalized messages. This possibility has been included in article 4 bis of Regulation (EC) 2453/93.*
- *It is authorized to lodge this declaration before the vessel arrival.*

At the same time, and with the objective previously mentioned, the appropriate channels of collaboration have been established between the Spanish Tributary Agency (AEAT) and Ports of the State to create a Single Window System, in the maritime premises, for the lodging of the summary declaration which will have effect to both Administrations.

In summary , the Public Entity Ports of the State will act as a collaborator of the AEAT, in charge of the reception of the summary declarations, lodged in paper as well as in EDI, and submitting this declarations electronically to Customs.”

[illegible]

The Enhancement of the Single Window: Extension to the Departure Cargo Manifest and the Automatic Transshipments

The rest of the initiatives related with the Single Window have been deployed at national level after the experience of the Customs Office of Valencia as a pilot.

The normative framework of the Single Window has changed to respond to the amendments of the Community Customs Code and to extend its initial scope.

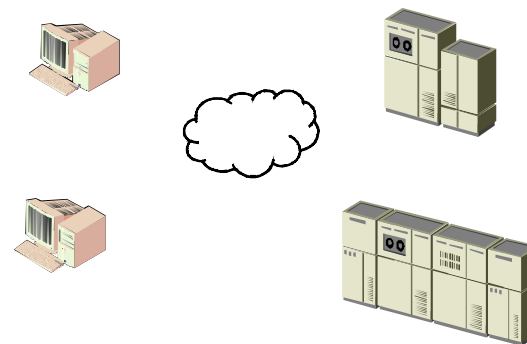
Ministerial Order 18th June 1998

- *Presumption of Community Status of goods: "The presumption of the Community Status of Goods in maritime transport among two ports of the Community Customs Territory will be only recognized when this transport is executed by an Authorized Regular Service"*
- *It is allowed to send summary declaration amendments through EDI.*

Ministerial Order 28th December 2001. Establishment of the particular instructions to present the Departure Cargo Manifest for maritime transport

"The Departure Cargo Manifest is the declaration which enables the control of the effective departure of cargo in maritime transport, as well as the control of the transshipments, simplifying the compliance of the customs surveillance of the cargo."

"At the same time, taking advantage of the computerization in the management of these declarations, a simplified procedure is enabled for automatic transshipments. This procedure, subject to an authorization by Customs, allows the substitution of the document requesting this operation by the departure cargo manifest and the information provided in the arrival cargo manifest."



- EDI lodging
 - Preliminary presentation
 - Amendments
 - Use of Digital Certificates
- Arrival Cargo Manifest (Summary Declaration)
- Departure Cargo Manifest
- Single Administrative Documents (SAD)
- Automatic Transshipment
- Computerized cargo clearance control from the information of the Summary Declaration and import SADs.


Coordination of actions between Customs and other Official and Inspection Bodies: What the future will bring?

Export Licences Import Licences	<ul style="list-style-type: none"> • Foreign Trade General Secretariat (Community quantitative restrictions) • Foreign Trade General Branch of Defense Material and double use • Customs and Special Taxes Department (substances capable of diversion) • General Direction of Public Health (psychotropic products and drugs) • Environmental Health General Branch (dangerous chemical products)
Export Certificates (AGREX) Import Certificates (AGRIM)	<ul style="list-style-type: none"> • Foreign Trade General Secretariat
Quality and Product Certificate SOIVRE	<ul style="list-style-type: none"> • Foreign Trade General Branch for Inspection, Certification and Technical Assistance
CITES Certificate (Endangered Species of wild flora and fauna)	<ul style="list-style-type: none"> • Foreign Trade General Branch for Inspection, Certification and Technical Assistance
Certificate of Origin	<ul style="list-style-type: none"> • Official Chambers of Commerce
Certificate of Foreign Health	<ul style="list-style-type: none"> • Foreign Health and Veterinary General Branch
Phytosanitary Certificate	<ul style="list-style-type: none"> • Phytosanitary General Branch
Veterinary Certificate	<ul style="list-style-type: none"> • Animal Health General Branch
Accompanying Document	<ul style="list-style-type: none"> • Customs and Special Taxes Department (product subjected to special taxes, suspensive regimes)
Approvals	<ul style="list-style-type: none"> • Produced by different organisations

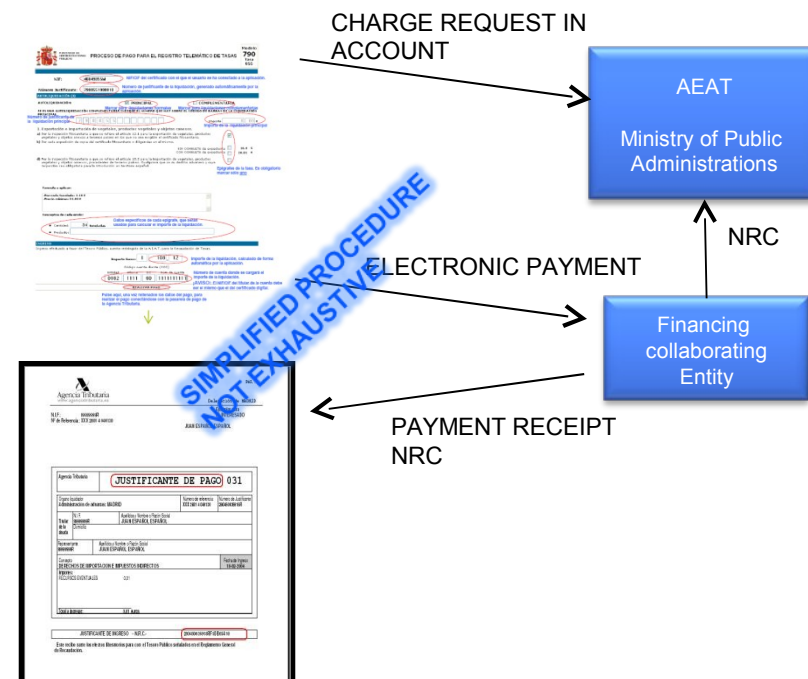
NRC: Complete Reference Number. This number may be used as the payment receipt when issued by authorised financing entities and as a Certificate Conformity when issued by an Inspection or Certification Body.

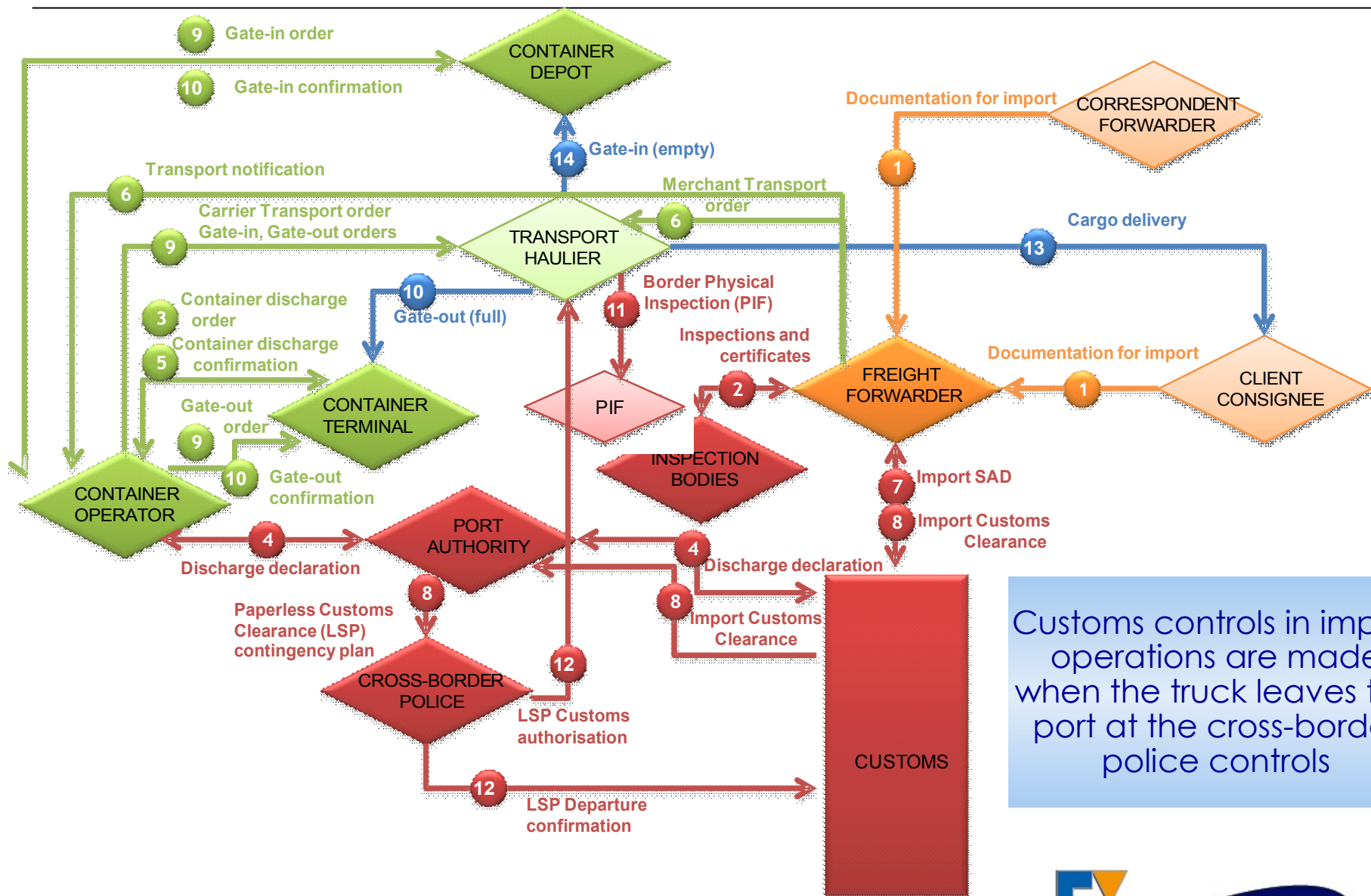
The NRC reference enables the electronic payment of taxes to the General Administration of the Spanish State and to its Public Organisms (Ministerial Order HAC/729/2003).

Additionally, when the particular Cross-Border Inspection Service supports this possibility, the Conformity Certification, issued for assigning a Customs Treatment in relation with the cargo, will include a Complete Reference Number (NRC). This number introduced in the SAD will have the consideration of conformity by the corresponding service.

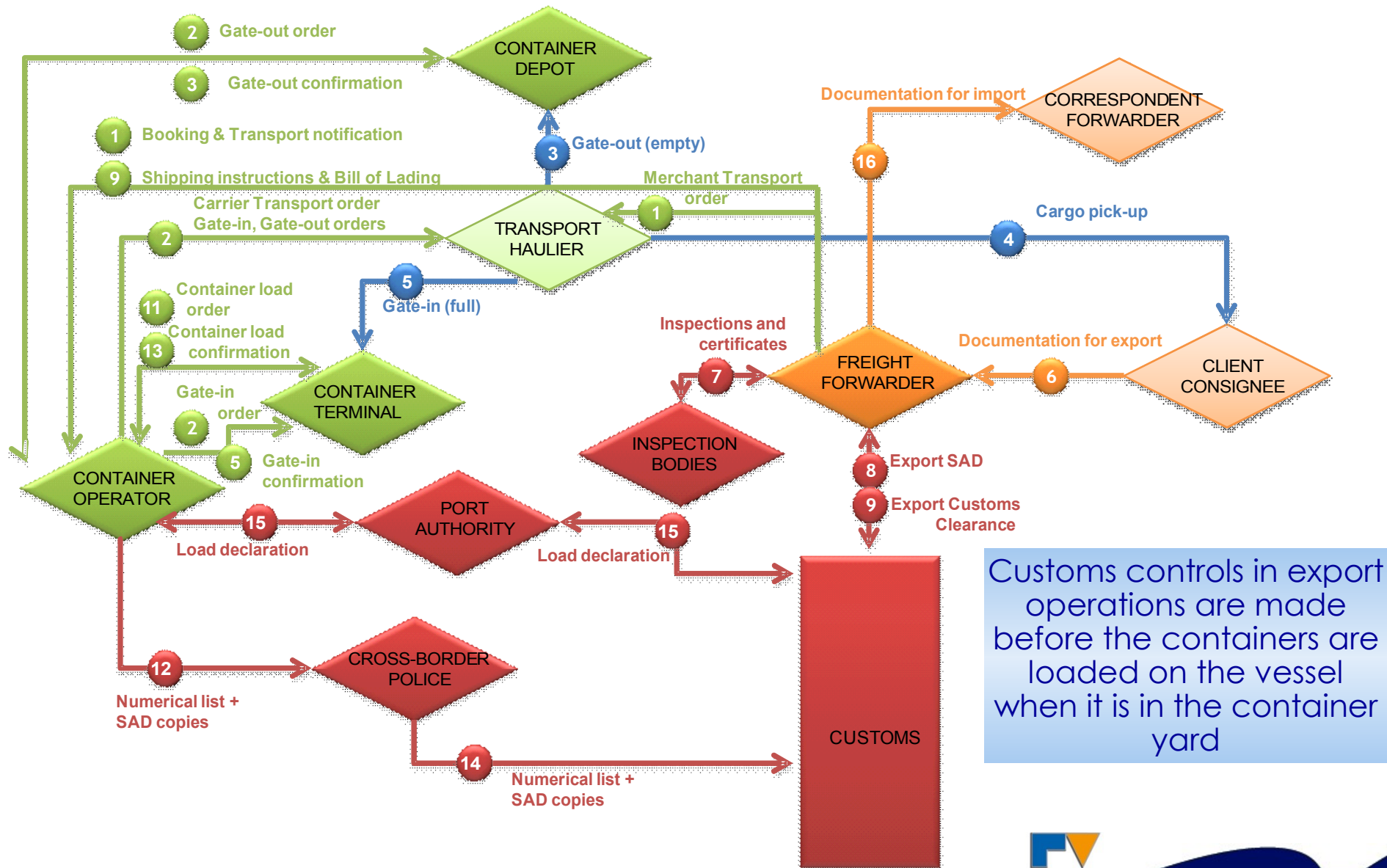
ORGANISM	SYSTEM
SOIVRE (Quality & Product)	ESTACICE
PHITOSANITARY	SIFI / SIFEX 
FOREIGN HEALTH	SISAEX

The new systems of the Inspection Bodies allow the electronic lodging of inspection and certificates requests and the generation of NRC codes. When these NRC codes are included in the SAD, it ensures the validity of the certificate that was submitted on paper.





Customs controls in import operations are made when the truck leaves the port at the cross-border police controls



The channels of collaboration between Customs and Port Authorities have allowed new high added value procedures that have enabled a more efficient goods customs clearance

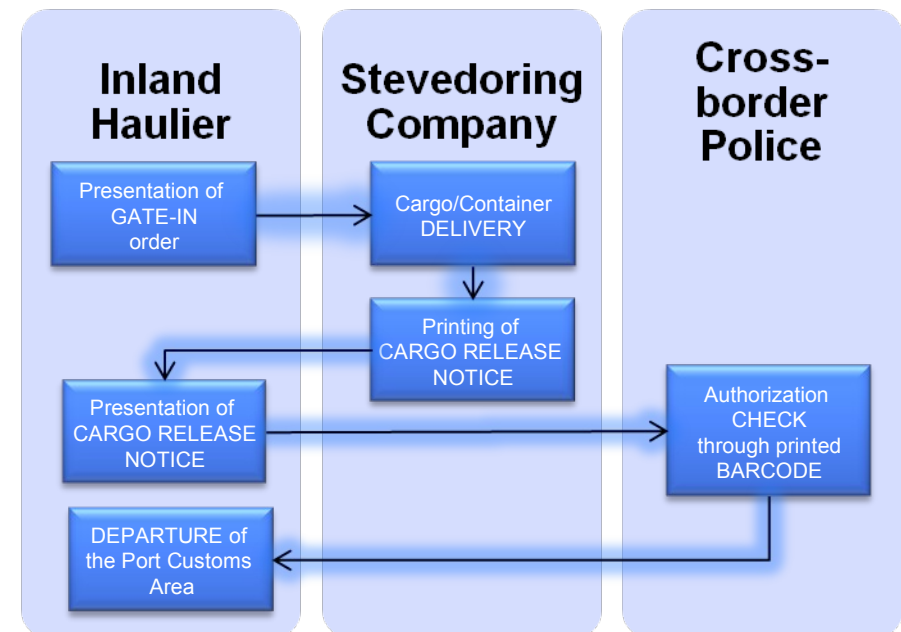
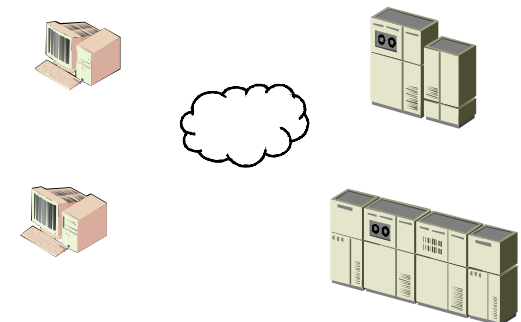
Paperless Import Customs Clearance procedures allow more efficient controls using the same human resources and offer significant advantages to the transport operator, as for example, the exemption of presenting the physical customs document.

Main advantages:

- Streamlines the goods departure from the port customs area.
- Simplifies the customs authorization by the cross-border police.
- Avoids errors and delays.
- Enables the logistic operator to take anticipated decisions.
- It uses barcode technology to check the departure authorizations and its recording.
- It has successfully been applied to import containers as well as to non-containerized cargo.

Key Points of the System:

- Automatic cargo clearance capabilities through the combination of the summary declaration data with the import SADs data.
- Structured declaration of container numbers in the electronic import SAD.
- Weight and pieces balance control in non-containerised paperless import clearance.
- Dedicated applications of the Tributary Agency (Customs) to check the Import Paperless Clearance through printed barcodes.
- Computer connected to the private network of Customs in the Customs Check Points.

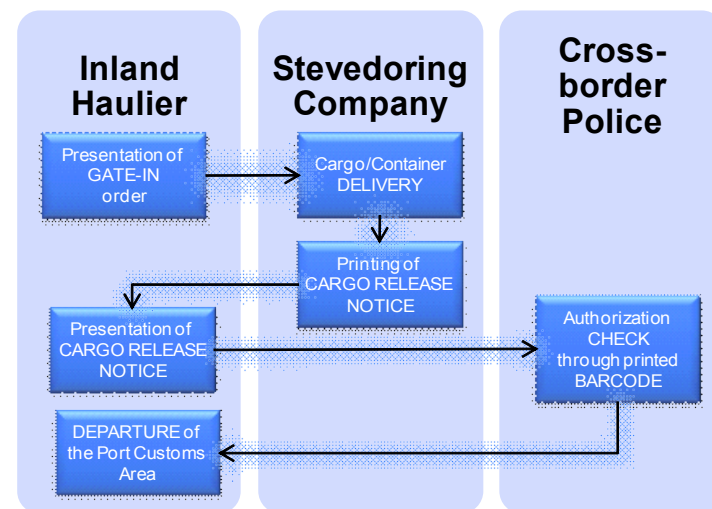


The Paperless Import Clearance Procedure for Containers was activated for the first time in the Port of Valencia in 2002.

This paperless control was extended afterwards for non-containerized goods.

Use of barcodes:

- The use of barcodes simplifies and speeds up the authorization checking process avoiding errors in introducing the information in the Customs System.
- The stevedoring companies print the barcode in the dock's receipt document.
- Road hauliers are exempted to present the original customs document (usually copy nº 9 of SAD).
- Code 128 B for barcodes are used to allow the introduction of letters and numbers.
- Barcode structure for containerized transport:
 - *Container Number / Truck vehicle plate*
AMFU8623850/V4145GY
- Barcode structure for non-containerized transport:
 - *Terminal Code (4611T1)*
 - *Dock's receipt reference (7054785)*
 - *Weight or Units indicator (K or U)*
 - *Weight or Units quantity (026600)*
 - *Customs document type (DUA)*
 - *Customs document number (461171948800001)*
 - *Truck vehicle plate (V9368EW)*



AMFU8623850/V4145GY

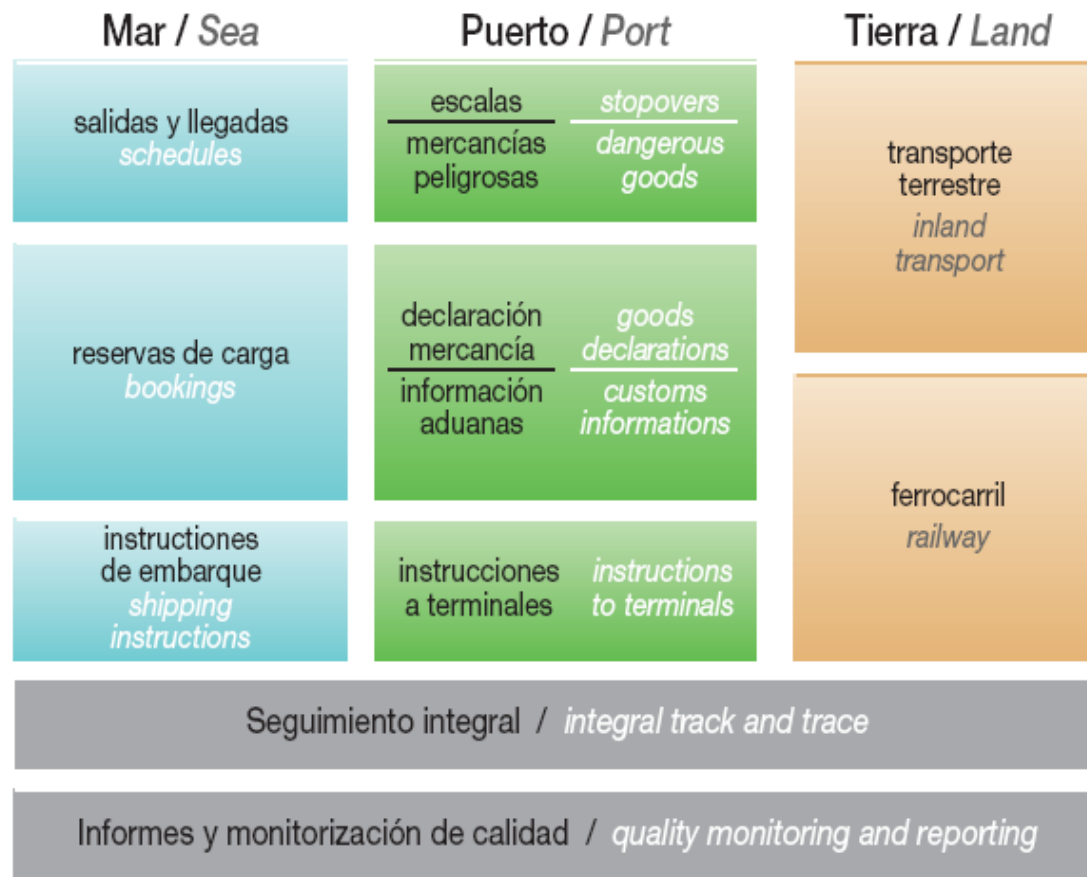


4611T17054785K026600DUA4611717948800001V9368EW

The Port Community System support of Customs Procedures

A Port Community System is an open INFOSTRUCTURE that enables a secure and efficient flow of information among all the agents in the port community (public or private).

A PCS improves the quality of the port activity and saves important resources (human, financial, infrastructures, ...) through a tighter coordination of activities, a straight sharing of information and, consequently, an optimized planning of operations.

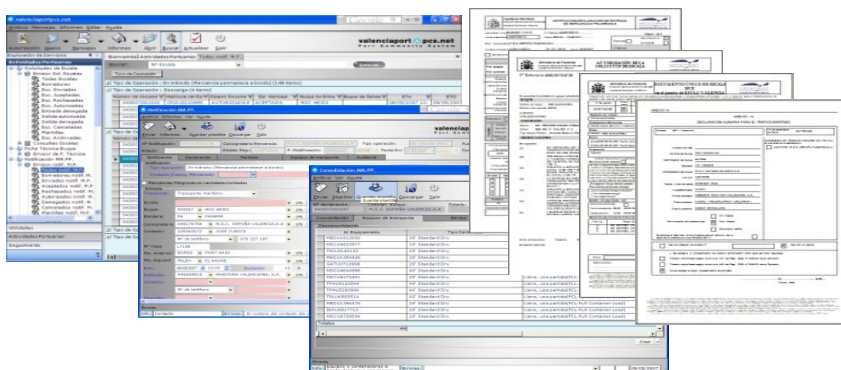


valenciaport pcs.net
 Port Community System



valenciaportpcs.net has allowed to extend the concept of Single Window for its use by the private sector of the port community with the objective of simplifying all commercial and operational transactions as well as coordinating the operations in the container transport flows.

Valenciaportpcs.net Port Services allow to efficiently connect the existing Single Windows in the Port of Valencia to the end users and offer new value added information services



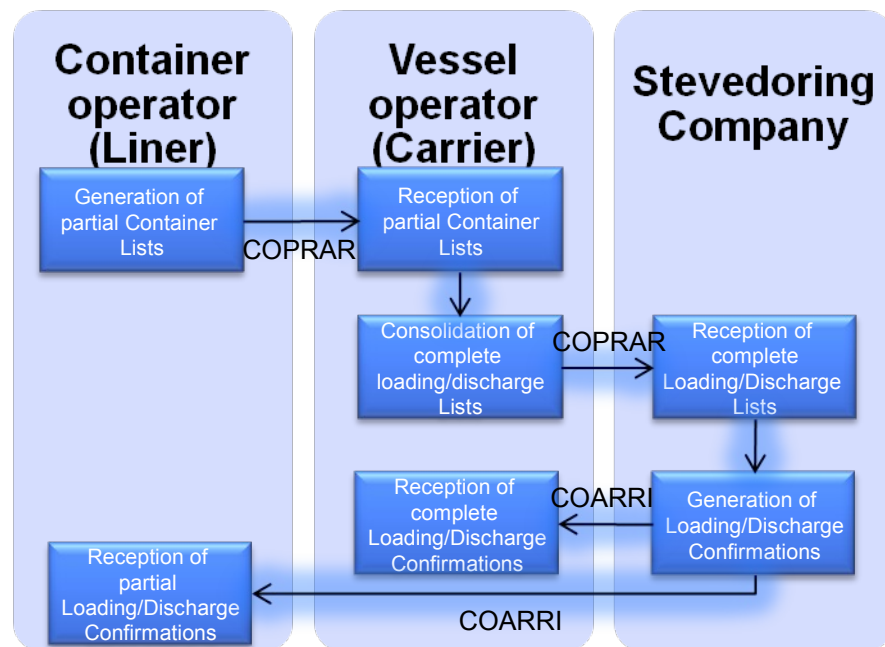
Port Services

Vessel Port Calls and Berth Booking: Single Window in front of the Port Authority, Harbour Master Office and Customs. Unique vessel port call reference for all these public entities.

Dangerous Goods Management: Single Window in front of the Port Authority and the Harbour Master Office.

Container Terminal Instructions: Organization of the container load and discharge operations of the vessel.

The loading lists also enable the recently opened up PAPERLESS EXPORT CUSTOMS CLEARANCE procedure for containers.



Solving existing weaknesses of the Paperless Import Clearance Procedure

Paperless Import Clearance Procedure Weakness

Communication failures between customs check points and customs' system originated serious problems in the departure of import containers. This situation was hindering the benefits of the LSP procedure and caused important congestions at the port.



The solution of this problem was achieved in MATAARI Interreg IIIB project, with the definition of a contingency plan and development of related ICT tools to enable the authorization checking even in these circumstances.

The reception and storing of customs' authorizations in the valenciaportpcs.net system has been a key element to solve this important weakness in the Paperless Import Clearance Procedure.



A new functionality for communicating the authorizations to container terminals was also created. This new functionality has allowed to minimize incidents in the departures and maintain the same control of container departure with less cross-border police effectiveness.

valenciaportnet - Admón Valenciana

Archivo Editar Ayuda

Actualizar

Salir

Explorador de Servicios

Inicio

Lista de equipamientos

Lista de carga/descarga

Monitoreo

Consultas

Consultas de Equipamiento

Bienvenida Instrucciones o terminales Consultas de Equipamiento

Consignatario Mercadería:

Matricula:

Escala:

Tipo Operación:

Matricula:

Buscar

Tipo Operación

Libero o Vacío

Estado

Tipo Operación = Carga (0 items) MatriculaTotal = 88, Incluido = 66, Confirmado = 88

Libero o Vacío: Llena partida (PCL) (0 items) MatriculaTotal = 84, Incluido = 45, Confirmado = 84

Est Estado: Exportación (61 items) MatriculaTotal = 61, Incluido = 42, Confirmado = 45

Matricula	Autorizada	Confirmada	Autoriza	Tip	DUAL	Linea	KLU	Logu	UPT	Puerto	Extensión	U	Número Escala	Peso Total D	Peso Total V	KLIN	
KXU731848	✓	✓	✓	1	4510	KKLU	USCHS	USCHS	MVAL	120079351	18000	0				KLIN	
AKU6501301	✓	✓	✓	1	4510	KKLU	USCHS	USCHS	MVAL	120079351	14000	0				KLIN	
CAU5799109	✓	✓	✓	1	4200	MSCU	MEDERRANEAN SHIPPING CO.		MVAL	120079351	21028	35057,00				T160-M	
CAU5606974	✓	✓	✓	1	2200	20	CCBC	USNYC	USNYC	MVAL	120079351	23000	20412,00			T073-C	
CBU1572134	✓	✓	✓	4	4200	40	CCBC	USNYC	USNYC	MVAL	120079351	24000	18763,00			T073-C	
CBU1574641	✓	✓	✓	1	4200	40	CCBC	USNYC	USNYC	MVAL	120079351	23000	14590,00			T073-C	
CBU15502473	✓	✓	✓	1	2200	20	CCBC	USNYC	USNYC	MVAL	120079351	22000	20569,00			T073-C	
CBU15880112	✓	✓	✓	1	2200	20	CCBC	USNYC	USNYC	MVAL	120079351	22000	20440,00			T073-C	
CRU20203283	✓	✓	✓	1	2200	MSCU	USBAL	USBAL	MVAL	120079351	22700	20500,00				T160-M	
CRU20212803	✓	✓	✓	1	2200	MSCU	USBAL	USBAL	MVAL	120079351	22894	41400,00				T160-M	
CRU14411501	✓	✓	✓	2	4200	MSCU	USBOS	USBOS	MVAL	120079351	24130	20412,00				T160-M	
FSU6170092	✓	✓	✓	1	4510	40	MSCU	USNYC	USNYC	MVAL	120079351	25000	43000,00				T160-M
GATU574454	✓	✓	✓	1	2200	MSCU	LYMBA	ITSPF	MVAL	120079351	22372	161856,00				T160-M	
GATU4448266	✓	✓	✓	1	4210	YMLU	USORF	USORF	MVAL	120079351	24000	19980,00				T160-M	
GATU547660	✓	✓	✓	1	4510	KKLU	USCHS	USCHS	MVAL	120079351	14000	121000,00				KLIN	
SLU5050306	✓	✓	✓	1	2200	MSCU	LYMBA	ITSPF	MVAL	120079351	22432	161856,00				T160-M	
GSU5532338	✓	✓	✓	1	4200	MSCU	USNYC	USNYC	MVAL	120079351	25000	21500,00				T160-M	
KKU1768950	✓	✓	✓	1	4510	KKLU	USORF	USORF	MVAL	120079351	20000	72241,00				KLIN	
KKU1719631	✓	✓	✓	1	4500	KKLU	USORF	USORF	MVAL	120079351	19000	72241,00				KLIN	
KKU17217932	✓	✓	✓	1	4510	KKLU	USCHS	USCHS	MVAL	120079351	12000	121000,00				KLIN	
KKU17235453	✓	✓	✓	1	4510	KKLU	USORF	USORF	MVAL	120079351	18000	40975,00				KLIN	
KKU17237306	✓	✓	✓	1	4510	KKLU	USORF	USORF	MVAL	120079351	20000	72241,00				KLIN	
KKU17254540	✓	✓	✓	1	4510	KKLU	USCHS	USCHS	MVAL	120079351	7000	121000,00				KLIN	
KKU17259642	✓	✓	✓	1	4510	KKLU	USCHS	USCHS	MVAL	120079351	12000	121000,00				KLIN	
KKU17335149	✓	✓	✓	1	4510	KKLU	USCHS	USCHS	MVAL	120079351	20000	19850,00				KLIN	
KKU17452802	✓	✓	✓	1	4510	KKLU	USCHS	USCHS	MVAL	120079351	14000	121000,00				KLIN	
KKU17541307	✓	✓	✓	2	4510	KKLU	USORF	USORF	MVAL	120079351	18000	113216,00				KLIN	
KKU17608716	✓	✓	✓	1	4510	KKLU	USCHS	USCHS	MVAL	120079351	15000	121000,00				KLIN	
KKU17625955	✓	✓	✓	2	4510	KKLU	USORF	USORF	MVAL	120079351	17000	113216,00				KLIN	

Utilidades

Instrucciones o terminales

Seguimiento

The Paperless Export Control has been initiated in Valencia on 19th November 2007.

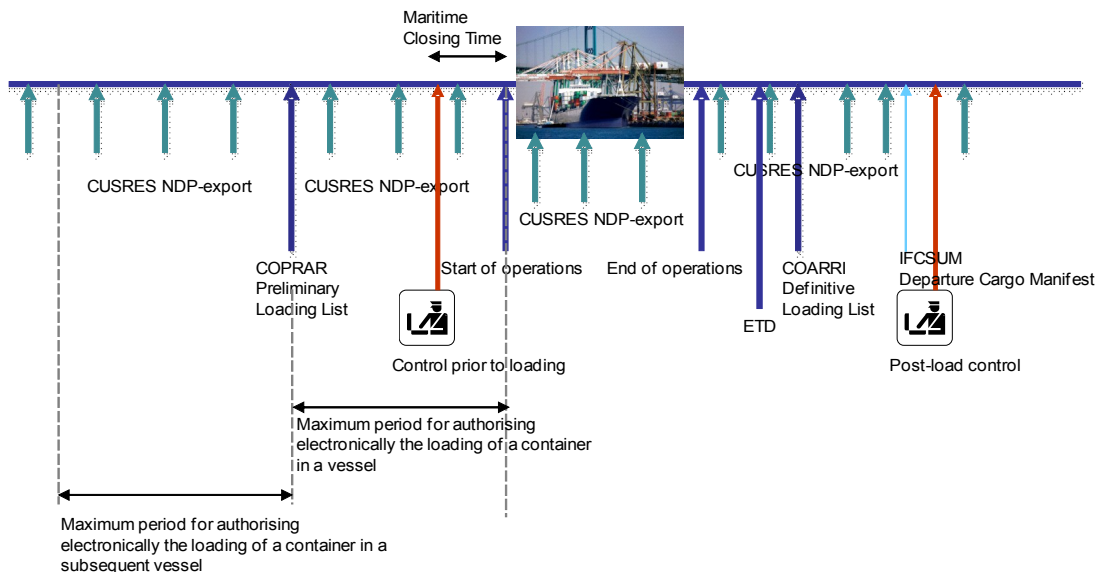
The Paperless Export Clearance of Containers is the first system of these characteristics that is operative in Spain.

This system is reporting important benefits to shipping agents, cross-border police and customs.

What is the Paperless Export Clearance of Containers?

It is a Customs Procedure defined in the Port of Valencia to simplify the documentation that the shipping agents shall present to the cross-border police for the required control of containers before loading.

With the use of this procedure, shipping agents are not required to present the original customs authorization documents whenever this authorizations are able to be checked electronically by the cross-border police.



The projects for the integral management of the Port Customs Area involve a re-definition of the controls performed by customs in the port areas and the collaboration of port terminals in the customs management of the cargo.

For the integral management of the port customs area, port terminals shall do a control of the goods or containers that enter and leave the terminal (by land or sea) including information regarding the Customs Treatment.

This initiative implies the creation of new procedures for:

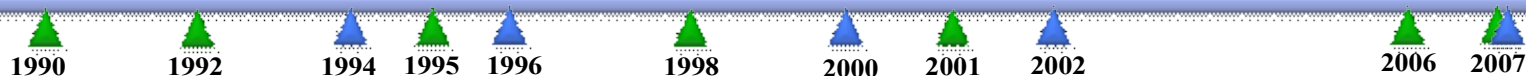
- Control of goods or containers that enter the terminal (by land or sea)
- Control of goods or containers that leave the terminal (by land or sea)
- Control of goods or containers that are inside the terminal including information regarding its Customs Treatment.

The outlines of the integral management of the Port Customs Area are:

- The entry into force of the Modernized Customs Code and the introduction the Authorized Economic Operator (AEO).
- Possibilities of having new definitions for the authorised exporter of goods, port customs area, customs warehouses, etc.
- Requirements for the control of goods or containers inside the terminal including information regarding its Customs Treatment.
- Needs to put in place new procedures or modify existing ones as well as to clearly define what new roles and responsibilities assume the terminals and what remain in the direct control of the customs.
- Consideration of the required mechanisms for the electronic transmission of information and contingency plans.
- Consideration of new initiatives being developed at European level (eCustoms initiative).



Simplifying procedures to improve the efficiency of cargo flows



✂ The Valenciaport experience

✂ A strong commitment and a clear will to create single window services is required by the Administrations that take part in this process.

✂ A pilot experience that demonstrates the viability and convenience of the single window is required in the case that its creation does not come determined by legislation.

✂ The amendment of legislation is often required.

✂ Interoperability is a critical aspect in the effective adoption of single windows.

✂ User adoption is an important issue in consolidating these procedures. Solutions taken in Valenciaport:

- ▶ Well defined approval process between Port Authority and declaring agents to ensure correct use of the system.
- ▶ Discounts in port taxes (up to 3%)
- ▶ Free distribution of applications.

