

Workshop on “The ongoing improvements of documentary procedures in short Sea Shipping” of 20th of November 2001.

Working group 1: Customs affairs:

Introduction:

Custom controls are time-consuming and often there just are too many controls. Furthermore some documents have to be translated for each country, this is also a time-consuming work that can lead to mistakes and misunderstandings. These may lead to the blocking of goods for a couple of days.

There is also the fact that the application of simplified procedures in some countries is difficult and in other countries is a general rule. The lack of a consistent custom policy and the different interpretation of each country are hampering business. Beside this, businesses need clear information about procedures and the required documents.

Customs centres of excellence may be part of the solution. But the gap between the easy customs procedures and documents for transport by road and the more complex customs procedures and documents in short sea shipping will probably never be bridged. Sometimes it is also difficult to communicate with the customs officials. Some customs authorities can even not be reached by E-mail.

The first workshop on customs affairs can be subdivided in 3 aspects. We can make a distinction between:

- *the standardisation and internal market;
- *the application of simplified procedures;
- *communication.

Recommendations:

The following recommendations were made on each topic.

1. Standardisation:

- 1) The working procedures have to be standardised, each country has an interpretation and as a result every country has a different application of the rules.
*Instruments: Customs 2002-programme, RALPH-Programme
- 2) Customs are part of the logistic chain, there have to be found possibilities for less interruptions of the logistic chain, such as sealing a container and examination at the consignee's premises to avoid unnecessary costs.
*Instruments: Customs 2002-programme, national customs programmes

- 3) The overall service level (for example opening hours) of the customs is not satisfactory.
*Instruments: Communication with national customs, Benchmarking
- 4) There must be the opportunity to give input on ongoing communication initiatives (vademecum) so that the language is understandable and clear for the users.
*Instruments: Review of Transit Manual, Vademecum
- 5) The different automated (customs and port) systems must be compatible and must be linked. In the end there must be 1 European IT-system.
*Instruments: RALPH Project
- 6) Not only customs but also excise procedures must be harmonised according to best practises
*Instruments: European benchmarking, Customs 2002 programme
- 7) Within the EU there should be no customs procedures for short sea shipment, therefore the problems with mixed consignments have to be overcome.
*Instruments: Communication with Commission
- 8) The quality of checks must be harmonised. Guidelines should be written.
*Instruments: Communication with Commission
- 9) There must also be standardisation in comparison with road transport. This makes intermodal transport easier.
*Instruments: Communication with European Commission

2. Application of simplified procedures:

- 1) The application of simplified procedures must be in a transparent mode.
*Instruments: Benchmarking, Centre of excellence
- 2) The use of a common language or format should be made available across the EU. Translations are time-consuming, expensive and increase the chance of errors, which delay goods even more.
*Instruments: Communication with Commission
- 3) The proof that goods have a community status provide delays whereas it is much easier for transport by road.
*Instruments: Communication with Commission
- 4) The transport for barge carriers between inland ports and for SSS-ships that head for inland ports shouldn't have controls in the first port they pass but at the destination of the goods.
*Instruments: Communication with Commission, Identification of best practices
- 5) Changes should be reported well in advance by the customs, so that businesses can anticipate them.
*Instruments: Communication with Commission
- 6) Liner services status should not be based on the vessel but on the line. An additional difficulty is that liner status can not be obtained when touching third country port.
*Instruments: Communication with Commission

3. Communication:

- 1) The special position of SSS is not widely known. The public has to be informed about documents and procedures by promotion agencies and custom information centres.
*Instruments: Enhancing promotion activities
- 2) Communication between the customs of different countries must improve.
*Instruments: Communication with national customs, identifying best practices, Customs 2002-programme, Impact-seminar
- 3) The automation of communication with the customs is a key-element, so that the input of data must be only once
*Instruments: Communication with Commission
- 4) The distribution of information of the customs need to be speeded up, sometimes a change in legislation is reported only days before it is implemented.
*Instruments: Communication with national customs authorities, implementation of time delays
- 5) There should be better communication and promotion with the persons in companies who are responsible for the transport policy of that company. These people often come from the road transport sector and do not always make logical decisions.
*Instruments: Enhancing promotion (materials)
- 6) The communication from all players must be clear and open and logic.
- 7) Initiatives should be taken to explain the logic behind customs legislation to the transport community.
*Instruments: Communication role with customs
- 8) The work on the bottleneck exercise should be resumed and the communication about it improved. What is happening now with this exercise is a commonly heard question.
*Instruments: Communication with Commission

Working group 2: Procedures on dangerous goods, veterinary controls, sanitary controls.

Working Group 2 dealt with the action points on IMO FAL forms, Ship certificates and licenses, ADR versus IMDG, information flow on dangerous goods, veterinary and (phyto-)sanitary controls and one single authority boarding vessels, proposed in the PriceWaterhouseCoopers (PWC) Study regarding “the documentation flow and administrative procedures in Short Sea Shipping”

Working Group 2 proposed actions and made recommendations:

1. On the IMO FAL Forms:

- Analysis: the IMO FAL forms should be further harmonised and made more easily available. A simple web-related electronic carrier at European level should therefore be created and financially supported.
- Recommendation: When implementing the EU Directive on FAL forms (the EU Directive on reporting formalities for ships arriving in and departing from Community ports), Member States should:

- address the availability problem of the IMO FAL forms by indicating in which administration(s) these forms are or will be available (In Belgium, IMO FAL forms are available in the Administration of Navigation and Maritime Affairs of the federal Ministry of Communication) and by questioning whether all the information required is really needed;
- analyse what formalities are really necessary to fulfil when a ship is calling at a port in order to diminish burdens on short sea shipping.

This recommendation is addressed to the Transport Ministries of Member States (with a copy to the European Commission).

2. On Ship certificates and licenses

- Analysis: Ship certificates and licenses should be further harmonised and simplified and EDI should be more used. In the United Kingdom, delays regarding short sea shipping have been addressed by allowing shipagents to act as “go-between” between shipowners and the competent authorities. Shipagents in the UK not only collect ship certificates and licenses but also control them to see whether these documents are still valid or not. The legal responsibility for these documents remains, however, with the shipowner or master of the vessels. In Belgium, shipagents can only collect ship certificates and licenses and distribute them to the competent authorities. They cannot control them.
- Recommendation: a similar system to the UK is to be further examined (more information is required).

3. Transport of dangerous goods: ADR (road transport) versus IMDG (sea transport)

- Analysis: One set of rules, based on the international IMDG Code, for both road and sea transport regarding documentation of transport of dangerous goods is required. This uniform set of rules should, however, take into account local specificities and circumstances (e.g. requirements are to be adapted whether a ship is calling a port located next to (e.g. Antwerp) or far away (Zeebrugge) from a city.
- Recommendation: a harmonisation of both the ADR and IMDG legislation should be stimulated as far as possible and taken up with the national authorities of the Member States, in coordination with the European Commission.

4. Information flow on dangerous goods

- Analysis: In case of accidents, information flows on dangerous goods flows is easily available electronically within ports. Information exchange on dangerous goods between ports is still in process. Between the Flemish ports there is already an electronic information exchange system, the so-called ECOWARE-system. A harmonized electronic system for exchanging information on dangerous goods should be created at EU level, not a new directive in analogy with the MARPOL-directive.
- Recommendation: a link should be made with the proposed Directive establishing a Community monitoring, control and information system for maritime traffic, whereby information has to be exchanged between vessels and port authorities through

transponders. Information exchange, by means of new technology applications at EU level, is to be taken up by ports, national authorities and the European Commission.

5. On veterinary and (phyto-)sanitary controls

- **Analysis:** In general, veterinary and (phyto-)sanitary controls do not affect short sea shipping and measures taken in recent years in this field have substantially improved the position of short sea shipping. Nevertheless, veterinary and (phyto-)sanitary controls procedures and inspections should be further made harmonised across Europe in order not to burden short sea shipping. Therefore:
 - EDI and a single format should be used everywhere within Europe for all cargoes and all types of control;
 - Mobile checks within ports should be enhanced;
 - One single administrative checking point should be established within ports for all veterinary and (phyto-)sanitary inspections.
- **Recommendation:** actions should be taken up with national authorities and the European Commission.

6. Only one single authority boarding vessels?

- **Analysis:** not one single authority (government, port authorities or the shipagents) but all competent authorities should continue to board vessels in respect of their competences regarding documents and administrative procedures.
- **Recommendation:** All competent authorities should co-ordinate their inspections before boarding vessels. The Belgian federal Ministry of Communication should take an initiative in this field (on the Belgian level the Belgian Coast Guard in development may be a co-ordination point for all inspections on board vessels calling Belgian ports).

Working group 3: Commercial documents.

Introduction:

At the start of the workshop it was again stressed that the intention was not to have a seminar making another inventory of the existing situation and problems but to go beyond it. A brainstorming should be made to obtain ideas, even being controversial or futuristic, which could be transformed into recommendations.

The documents which were discussed were : the (way) bill of lading and delivery order and briefly mentioned the special condition control sheets (in relation of possible claims).

1. Brainstorm

The brainstorm was built up around 3 key questions:

1. Do we need a bill of lading at all ? How produced : paper or electronic ?

2. How can the data transmission be organised : Edi – web-based –... ?
3. Can an automatic registration of cargo facilitate ? How should this be done : barcode – transponder – chip ?

1.1. Key question 1 : do we need a bill of lading ?

- **Introductory questions and statements**

The discussion was based on the statement ‘Do we need a bill of lading compared to the one document required for road transport (CMR) ?’ The remark was made that for letter of credit reasons a bill of lading could be needed : but does it have to be printed, signed and stamped ? Or should the banks not accept an electronic version of the bill of lading ? Is it maybe not out of habit that bills of lading are still used ?

Shouldn't we say : reduce the bunch of paper and forget the bill of lading at least under the conventional form. We can use the non negotiable way or cargo bill of lading, sent via EDI. It was however also clear that some sort of transport agreement, based on maritime law and regulations, reflecting the liabilities, was required between the parties.

Ludo Cami mentions that an important issue is to convince the industry that it is possible to work without a Bill of Lading. With the CMR-document (road) delivery of goods can happen immediately ; the Bill of Lading is not travelling with the goods, which means that goods might not be able to be delivered just in time.

The experience learns that especially for transshipment cargo, the Bill of Lading is not needed because there's a direct link with the destination.

For countries outside the EU, a letter of credit is needed; this is not the Bill of Lading, but a letter of guarantee.

Luc Hens says that for certain trade lines, it works well using a way Bill of Lading. The transport agreement is the important document: when working under the discussions of this agreement, the booking can be made and sent by EDI, fax or internet; no paper document is needed.

It might be possible to generalise this way of working, preferable under standard conditions.

- **Recommendation**

The following recommendation was formulated and has to be directed to the owners and especially their P&I clubs :

“It's recommendable to establish ‘Standard Shortsea Conditions of Carriage’, valid for the Shortsea territory, in consultancy with parties like shippers, banks.... Herein the conditions and liabilities should be clearly stated and being made commonly known and accepted, allowing bookings to be accepted and Shortsea transports being carried out, based on the ‘Standard Shortsea Conditions of Carriage’. Result would be that the bill of lading would no longer be required, as the cargo details can be transferred separately.”

1.2. Key question 2 : how can the cargo-related info be transmitted ?

- **Introductory questions and statements**

Assuming to drop the bill of lading and also the cargo info mentioned on it, we have to concentrate on the transmission of the cargo related info via the cargo manifest or a similar document reflecting all required cargo info for the agent at the other side. An option could be transmitting the info via a European EDI platform. As there are different port community systems working already, the first step could be to make an inventory of the existing systems to see if there's good technology used which could be the basis for the European platform.

- **Recommendation :**

“For the cargo related information (including info for customs and in relation to dangerous goods), it's recommendable to establish a European EDI platform. The set up and management should be done on European level, ensuring the system would be implemented and work in a uniform way without 'national' exceptions. The European Commission can be asked to investigate the possibility for support to the project. The first step should be to make an inventory of the existing port community systems”.

1.3. Key question 3: entry of the cargo into the system

- **Introductory questions and statements**

The statement made was if the entry of the cargo into the system could be facilitated. The cargo (containers or breakbulk) could be 'equipped' with a barcode, a chip or a transponder which would allow to register the cargo when passing a 'gate' where the cargo was registered before going on board. The info could easily be transferred into a 'cargo loading list or manifest', which could be completed and sent via the European EDI platform to the receiving agent.

- **Recommendation :**

“An automatic registration of cargo before entrance of the ship by means of a chip or transponder could facilitate the entry of the cargo details into the computer-system and completed for transmission via the European EDI platform. The different levels of info connected to the chip/transponder would allow to use the info for sending the messages for dangerous goods, custom purposes etc... via the same way. It's recommendable to extend such a system of automatic registration to the whole transport-chain when combining different transport-modes.”