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Single solution

EU Member States must adopt a maritime ‘single window’ reporting system by 1 June 2015. Dr Takis Katsoulakos of Inlecom Systems explains how the deployment of an intelligent shipboard reporting gateway could deliver additional value for industry stakeholders

The European Union (EU) is the largest Customs union in the world, with an internal market of some 500 million citizens. EU Customs services handle nearly 20% of world imports, some 1,545 million tonnes of sea cargo and 3 million tonnes of air cargo each year. In addition to collecting over €12 billion in tariffs and taxes each year, EU Member States’ administrations (MSAs) have to guard against smuggling, fraud, environmental contamination and counterfeiting. They protect endangered species, the area’s cultural heritage, and intellectual capital rights, and they also collect trade statistics to help policymakers address economic trends.

In 2012, EU Customs offices processed over 200 million document and paper-intensive declarations. Today, a number of Customs Trans-European Systems are in operation, including the New Computerised Transit Systems (NCTS); Export Control System (ECS); and Import Control System (ICS). The problem is that each country has produced different implementations.

In addition to Customs declarations, ships arriving at ports need to comply with ship formalities and vessel traffic monitoring (VTM) regulations for port clearance and safety/emergency management. The problem is that at each port there are different requirements reflecting national

and port-specific by-laws, thus creating a complex reporting environment. This takes too much time from a vessel’s Master, and it also offers little value to authorities due to the difficulties associated with paper-based information and the lack of data quality.

As part of the EU’s drive to streamline and standardise the reporting formalities for ships arriving in and/or departing from ports of the Member States, it has introduced wide-ranging legislation. EU Directive 2010/65/EU, commonly known as the ‘Reporting Formalities Directive’, mandates that Member States must adopt a ‘Single Window’ system as soon as possible and, at the latest, by 1 June 2015.

Such a system allows parties involved in trade and transport to submit, just once, standardised information using electronic data transmission with a single entry point to fulfil all ship, import, export, and transit-related regulatory requirements.

The Master, or any other person duly authorised by the operator of the ship, must provide the competent national authority with notification, prior to arriving in an EU port, of the information required under the Reporting Formalities Directive.

The EU’s stated aim of introducing a Maritime Single Window is driven by a desire to simplify the administrative burden for ships entering and leaving EU ports. As indicated, the current reporting require-

ments are extremely onerous and, due to elements of overlapping legislation, there is often a need to submit similar information to different authorities in different formats.

Furthermore, individual ports have their own by-laws so reporting requirements vary considerably. Very little information is transmitted electronically with paper forms the preferred media. In short, the current system is labour intensive, inefficient and delivers little value to any of the stakeholders.

In 2011, the EU introduced a policy to promote the increased use of maritime transport by creating the European Maritime Transport Space Without Barriers. The concept is aimed at eliminating or simplifying administrative procedures in intra-EU maritime transport, thus making it, ‘more attractive, more efficient and more competitive’.

As part of this, the Directive 2010/65/EU was introduced which mandates Member States to adopt the electronic Maritime Single Window by 1 June 2015. It is important to emphasise the *Maritime* Single Window because in the past there have been a number of single windows particularly associated with Customs clearance.

The important element of Directive 2010/65/EU is that each Member State must introduce a Maritime Single Window so that ships arriving at EU ports can submit the required reporting information

‘Today, a number of Customs Trans-European Systems are in operation, including the New Computerised Transit Systems (NCTS); Export Control System (ECS); and Import Control System (ICS). The problem is that each country has produced different implementations’

once, to a single point, and that information will be disseminated as required to all authorities that need access to it.

Furthermore, from 1 June 2015, the directive prohibits the acceptance of reporting formalities in paper form so everything from that date will have to be submitted electronically. In terms of satisfying the EU's goal of reducing the administrative burden for shipping companies, the deployment of the Maritime Single Window should, in the long term, be a major success with a number of additional benefits to ports and regulative bodies. The major issues lie in building and deploying a system that is robust, flexible and fit for purpose.

There will be two main channels for submitting reporting formalities to Maritime Single Windows. First, through the Port Community Systems (PCS) or other port systems that the industry is already using – these systems have a proven track record in transmitting information to various authorities electronically.

This methodology reflects current electronic reporting routes used, for example, in the United Kingdom, the Netherlands, France and Spain. The other is through reporting gateways and applications that shipping companies and their agents may decide to use by extending their own systems or by adopting new/extended compliance applications.

This approach is followed by Finland and Norway which operate central single window systems which transmit information to ports. Both routes have their merits and it is possible that both will be made available and interconnected, in order to provide maximum flexibility for all stakeholders.

As a result of its involvement in a number of pilot projects over the last five years focussing on developing systems and demonstrating proof of concept, Inlecom identified that while the Maritime Single Window would be highly beneficial on its own, the addition of an integrated reporting gateway could add significant value in a number of areas.

Inlecom has developed i-Ship, an innovative software application, enabling ship representatives to fulfil their reporting obligations to European and international maritime and Custom authorities with greater speed and efficiency. Developed as part of the part EU-funded FP7 eMAR project, i-Ship has been designed specifically to automate reporting formalities in a timely and correct manner taking into account the type of ship and/or voyage and

'A "single window" system allows parties involved in trade and transport to submit standardised information using electronic data transmission with a single entry point to fulfil all ship, import, export, and transit-related regulatory requirements'

it is fully compliant with Directive 2010/65/EU.

Creating a new way to interconnect ships with operational stakeholders and reporting authorities, i-Ship offers a collaborative web-based reporting environment, designed to meet the needs of ship managers and their business associates. It acts as a common gateway to all reporting nodes (port systems, national single windows and Customs authorities), providing a single link for shipping companies to submit their reporting formalities.

Major shipping companies routinely record crew lists, passenger lists, manifests and other important data electronically so there is a clear operational benefit in inputting data once and using i-Ship to deliver reports to multiple stakeholders.

i-Ship has been developed to offer a range of advanced reporting features and key benefits including flexibility and ease of use, including easy pre-loading and change of data repeated frequently in notifications such as ship particulars and port codes. Users will also benefit from a streamlined reporting

process that affords harmonisation with international standards such as ISO 28005, World Customs Organization (WCO), EDIFACT and EU specific formats and requirements.

From a purely operational standpoint, the implementation of i-Ship would allow a ship's Master to complete his administrative duties in a fraction of the time it currently takes and focus on his primary duties relating to the safe operation of his vessel. There is also a huge potential benefit for the authorities receiving the information, as the combination of i-Ship and the Maritime Single Window will allow stakeholders to move away from an inefficient paper-based system to a highly efficient digital system in a very short period of time.

Other benefits include complete systems integration and customisation. A reduction of IT complexity can be achieved through software as a service (SAAS) whilst the system is designed to be easily customisable. Finally, i-Ship provides visibility of the reporting and compliance status of the fleet by the shipping management team plus a full range of time and cost efficiencies stemming from a reduced reporting burden, berthing synchronisation and vastly reduced lead times.

Currently, through the e-Compliance project (www.e-compliance-project.eu), Inlecom is working closely with the Port of Barcelona (PORTIC) and Danaos to investigate improved ways of integrating i-Ship with PCS to support arriving ships with all their obligations, going beyond ship formalities.

Another issue that Inlecom has considered throughout the development of the Maritime Single Window and i-Ship is building in suitable flexibility and standardisation of messages to allow roll-out beyond the EU. There have been discussions with the WCO but currently there isn't the will to drive international harmonisation, although this is likely to change once the pan-EU rollout is complete and operational.

With the 1 June 2015 deadline for the Reporting Formalities Directive rapidly approaching, it is clear that the impact of the EU's Maritime Single Window will undoubtedly be positive. What stakeholders are beginning to come to terms with is that using i-Ship to aggregate accurate data in an easily manipulated digital format can turn the Maritime Single Window from a compliance exercise to a business benefit.

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