

# **FELIXSTOWE SECURITY CHARGE – Q&A**

## **Q. Why the need to introduce a charge?**

A. We regret that this has become necessary, but this has been imposed upon us by the following:

**Legislation** – The International Ship and Port facility Security Code (ISPS) which is incorporated into the SOLAS Convention, (will affect Ports worldwide) as defined by the International Maritime Organisation (IMO), controlled in the UK by the Transport Security Directorate (TRANSEC), at the Department for Transport (DfT), the requirements of which will be incorporated in UK Law effective from 1<sup>st</sup> July 2004.

**Initiatives**- US Customs Container Security Initiative (CSI), Customs-Trade Partnership Against Terrorism (CT-PAT), and other related security initiatives, including the UK government's requirement to monitor all import cargo for radiation.

**Customers**- Shipping Lines are also affected and will be making their own arrangements, which further require that the Port is fully compliant.

## **Q. Will other UK Ports be affected by the legislation?**

A. Yes, all ports should comply worldwide, as the requirements are issued through the I.M.O. Container and Ro-Ro ports like the Port of Felixstowe will meet the new measures based on factors such as the geographical operational areas, physical attributes, and volumes. Each port is different and therefore it is likely that the cost of complying will also vary.

## **Q. Why isn't the UK government meeting these costs?**

A. Despite lobbying, directly and through the UK Major Ports Group, the UK government have clearly stated that the industry should pay and envisage that Ports will recharge customers.

## **Q. How much will the Security Charge be?**

A. Import full containers (all categories) will attract a tariff rate of £10.50 and Export full containers £5.50.

## **Q. When will the charge be introduced?**

A. The security charge will be introduced with effect from 1<sup>st</sup> February 2004.

## **Q. Why is the Port introducing the charge before full implementation?**

A. In order to become fully compliant the Port must begin to make the necessary investment to secure areas by 30<sup>th</sup> June 2004. In fact Felixstowe may be some months ahead of other UK container ports, with regard to radiation monitoring as installations at Felixstowe need to be operational end of March 2004.

## **Q. How will the start date be applied for imports and exports?**

A. Import units out-gated on or after the 1st February 2004 will incur the security charge. Export units loaded to any vessel, which berths on or after 1st February 2004, will incur the security charge.

## **Q. Will the charge include all categories of containers/cargo?**

A. At this stage only export full and import full containers will incur the security charge.

# **FELIXSTOWE SECURITY CHARGE – Q&A**

## **Q. Will break-bulk, general cargo and ships stores incur a charge?**

A. At this stage it is not envisaged that these categories will incur a security charge, but this may have to be reviewed at a later stage.

## **Q. Will transhipments incur a security charge?**

A. There will be no charge for transhipments. At first, this may not seem logical but transhipments will eventually pick up a charge at each end of their overall journey and multiple charges through multiple ports will destroy the transhipment market. In any case, if the UK became uncompetitive as a transhipment hub, not only the security revenue would be lost but the subsequent need to spread the Ports costs and overheads, over a smaller volume, would inevitably lead to increased stevedoring charges on import and export traffic.

## **Q. Will export units consolidated with cargo on Port incur a security charge?**

A. Yes, the £5.50 security charge will be incurred, as the unit will be system loaded to vessel as a full unit.

## **Q. Will UK imports transhipped via coastal feeder incur the charge?**

A. UK import containers destined for onward shipment by coastal vessel, which are declared, as transhipments are likely to incur a charge at each end of their overall journey. Therefore a security charge will not be raised on such units transiting through the Port of Felixstowe

## **Q. Will Ro-Ro traffic attract the same charge?**

A. The position for Ro-Ro traffic at Felixstowe and Harwich is still under review and will be communicated under separate cover.

## **Q. Who will be charged?**

**Import Full Containers (Non EU)** = By container to the nominated clearing agent, at time of out-gate.

**Import Full Containers (EU)** = By container to the agent who made the Community Status declaration on FCPS, at the time of out-gate.

**Export Full Containers (Non EU and EU)** = By container to the export declarant (FCPS badge holder who enters the UCR - Unique Consignment Reference - or makes the Community Status Declaration), normally the shipping line, on FCPS at the time of loading.

## **Q. For the purposes of the charge who is the export declarant?**

A. The export declarant is the badge holder on FCPS who enters/adds the UCR (Unique Consignment Reference) to the container record. Therefore this is not to be confused with the exporter who originally declared the cargo via CHIEF.

## **Q. Who will incur the security charge on import groupage containers?**

A. The nominated clearing agent indicated on FCPS against the 9 digit UCN for the container on FCPS at the time of out-gate, will incur the £10.50 security charge.

## **Q. What about the Agents/Declarants cost incurred in collecting the charges?**

A. Our invoices to you will reflect this and will show a reduction, in respect of a handling fee per container, hence the net cost will be £10.00 and £5.00 respectively.

# **FELIXSTOWE SECURITY CHARGE – Q&A**

## **Q. How will the charge be levied?**

A. Import Non EU and EU containers will be charged out on a weekly basis, split by vessel, to the nominated clearing agent/manifest agent, as per current terms and conditions. The charge will be triggered when units are out-gated.

Export Non EU and EU containers will be charged on a weekly basis, split by vessel, as per current terms and conditions to the FCPS declarant (FCPS badge holder who enters the UCR, or makes the Community Status declaration). The charge will be triggered when containers have been system confirmed loaded to vessel.

## **Q. What information will be shown on the invoice?**

A. Import invoices will include the vessel name, date of arrival and the vessel rotation number. The container numbers will be listed along with the relevant agents reference number. Due to system limitations the agents' reference will not be available when amalgamated entries have been made.

Exports will include the vessel name, date of arrival and the vessel rotation number. The container numbers will be listed along with the relevant agents booking reference.

## **Q. Will the security charge be negotiable.**

A. No. The principle for the charge has been that the Port will achieve zero net present value, by discounted cash flow analysis, at a commercially viable cost of capital. On this basis, after tax, cash flow will be negative in the early years, as a result of capital investment. Equally, this approach has made some key assumptions about ongoing security costs, including projected container moves and hence the unit cost per container.

## **Q. Will customers notice the changes the Port makes to meet the legislation?**

A. In response to the legislation the Port is developing Restricted Secure Areas and Controlled Buildings into which the flow of equipment and personnel will be strictly controlled. All persons in these areas will have to have positive means of ID. This will also entail employing additional high calibre security staff, together with methods of driver identification – possibly driver registration and personal driver ID Cards.

## **Q. Will identification cards be charged separately?**

A. No

## **Q. Why not charge the haulier for access control measures?**

A. To meet the high level of security specially chipped identification cards or similar will eventually be introduced at no charge. Replacements will be charged to Haulage Companies.

## **Q. How many security levels are there?**

A. There are 3 levels of security; level 1 is the lowest involving increased physical security such as fences, CCTV and a percentage of traffic that will be searched. Level 2 involves increased vigilance and level 3 is the highest, which may entail stopping and searching every container. You will understand that actual security measures must be kept confidential.

## **Q. Will we be advised of the different levels of security?**

A. Security levels for both ships and port facilities will be decided by National Authorities. It is not expected that this information will be in the public domain.

# **FELIXSTOWE SECURITY CHARGE – Q&A**

## **Q. How will vessels determine the security level?**

A. This will be advised through their declared flag's security services.

## **Q. What if a vessel arrives with a higher/lower security state than the Port?**

A. Security procedures outlined in the ISPS Code make allowance for this.

## **Q. What about vessel security?**

A. The ISPS Code applies equally to ships as well as Port facilities. All ships will be in possession of an International Security Certificate and have their own security regime in place.

## **Q. What about service vehicles entering the Restricted Areas?**

A. These will be stopped checked/verified and escorted in accordance with the requirements of the security level at the time.

## **Q. What about pedestrian access to the Restricted Areas?**

A. Pedestrians will be checked through specific access points and control methods will be employed, and depending on the security level this may include escorting or transporting pedestrians.

## **Q. When will the access control measures be introduced?**

A. Temporary measures will be in place from February 2004, gradually increasing as additional security staff complete their training, building up so that we have the ability to meet the highest security level by 1<sup>st</sup> July 2004.

## **Q. How will the current gate-system at the container terminals be affected?**

A. All drivers will be required to show an acceptable form of ID (probably drivers licence) to obtain a temporary pass and wear this whilst within the Restricted Area. Additional security measures will be put in place at the gates, and will eventually include the ability to positively identify all drivers on arrival.