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PRIMARY TRADE UNION ORGANISATION  
OF FORWARDERS OF ODESSA REGION

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To: Head of the Interagency Working Group  
for Introduction of the “Single Window –  
Local Solution” Technology in the Operation Area  
of the Pivdenna Customs House and Odessa  
Region Ports

In this speech I would like to outline the position of the trade union of Odessa Region forwarders, which largely coincides with those of AIFU, Regional Council of AIRCU in Nikolayev and Odessa Regions and an absolute majority of forwarding companies operating in the Odessa, Ilichivck and Yuzhnyi Ports.

The forwarding community certainly does not call the feasibility of introducing electronic document circulation into question and strongly supports these processes, but we have questions regarding the manner in which it is embodied. To date, the main users of this system are freight forwarders, and one of the main objectives of the PCIS implementation is:

- Elimination of the human factor influence on the process of moving goods and vehicles;
- Reducing the threats of unpredictable subjective circumstances;
- Make it most profitable for both the business community and control bodies; and
- Limitation of bureaucratic procedures and the fight against corruption.

The aim of the system is to minimize the paperwork when performing technological operations at the port, processes optimization, reducing the time for each of operations by providing all participants in the transportation and cargo processes with correct and legitimate information.

However as at the moment not all participants have agreed to integrate into the system, and, besides, the key ones for the forwarders, i.e. container lines have not confirmed their consent to participate in such system.

The implementation of this scheme was carried out in a non-transparent way, namely, at the end of 2013 the forwarding companies received a letter signed by the top management of ASPU and its Odessa branch concerning the need to enter into contractual relations with a commercial organization PPL 33-35 and the impossibility of continuing economic activities, if such relationships were not established.

At that point PCIS was unable to realize and manifest itself as the legal documents governing the liability of the system members had not been developed and adopted, the cargo clearance procedure had not changed and the problematic issues that existed in the paper document circulation still existed; the system just duplicated everything what

happened to the paper documents, nothing more than that.

At the same time all forwarding companies were placed before an accomplished fact that the existed document circulation system would be void and since 1 January 2014 all freight forwarding documents would be submitted through PCIS, but with a payment of 48 hryvnias per container, despite the fact that a unit of information measurement in the system was a document (work order) and that was the payment for only a part of the forwarding process, i.e. for the work order endorsement by the customs. What will be the cost of complete tracking of an electronic work order in PCIS including its getting through the required forms of control and completion of customs clearance in the required mode?

We are also outraged by the cost of these services. In the ports of Great Britain the cost of similar services is about 1.8 pounds for importation and 0.7 pounds for export.

The Pivdenna Customs do not abide to the protocols decisions, namely the maintenance of the work orders initialling electronic line (and this is the only function that is currently executed by the electronic order with the use of PCIS) is broken on a regular basis. According to our information, up to 90% of the work orders are signed out of turn and at present we do not know any facts of making such officials of the supervising bodies responsible for such actions.

Currently, the goal is not reached and none of the tasks is completed. The confirmations of such information are as follows:

- average time of the vehicles stay in the territory of the port;
- periodic critical situations with the cargo clearance because of the illegal actions / inaction of the control bodies officials;
- lack of liability of the control bodies officers for delaying the cargo clearance, application of unjustified forms of control, efficiency of customs inspections, etc.; and
- the control services integration process is not over.

The approbation of PCIS currently has no desired results and is not competitive as against the existing paper workflow scheme of cargo clearance and is not able to motivate the members of the companies that track the clearance of the cargo in containers to start working in the system.

No state structure is entitled to impose paid services on a private company for the purpose of carrying out business with it. Introduction of electronic declaration by the customs authorities creates more comfortable and profitable conditions for business transfer to this form of document circulation, but even after that the customs do not rule out the possibility for the companies to work with the paper-based information.

Currently, in addition to the former requisitions of the regulatory authorities the forwarding community should pay for the services of a private company, too.

We express our concern about good slogans concerning the implementation of the electronic document circulation as similar to the above example they may conceal corruption schemes involving commercial organizations.

In connection with the stated above we request to:

1. Recommend that the Interagency Working Group should carry out the designing, implementation and maintenance of the electronic document turnover solely at SE ASPU (using the example of development and implementation of electronic document circulation systems applied for the clearance of goods by SCSU and cargo railway transportation by UKRZALIZNYTSIA) excluding any commercial structures or organizations;

2. Recognize the work on organizing the implementation of the electronic document

circulation as unsatisfactory in connection with the introduction of the groundless mandatory payment and lack of concrete outcomes for the forwarding community;

3. Eliminate collection of any money from the forwarding companies for using PCIS (both directly and through the use of commercial organizations); and

4. Provide the said services free of charge until all port community members are integrated in PCIS and the final product from the ED introduction is obtained.

V. V. Berestenko,  
Head of Trade Union Committee