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VBS Phase 2 – Review of feedback

Following my letter posted to the website on the 9th February 2011, I would like to thank all those who have provided feedback on the proposed changes to VBS, either via the Felixstowe Port Users Association (FPUA) or directly through our VBS2feedback email account. We recognise the important role played by the haulage community in the development of the port and we are endeavouring to find solutions which work for the majority of stakeholders.

In the last letter, we committed to provide feedback to comments received by 11th March. Of the numerous responses we received, there were a consistent set of questions and concerns raised. Those new concerns not already addressed through the published FAQs, have responses at the end of this letter. We have only addressed those comments which relate specifically to the proposed changes, rather than those which relate to existing haulier or wider port operations. The majority of questions raised can be grouped into one of following headings:

- Service levels
- The role of the Customer Service Centre (CSC) and the use of the remote access code (RAC)
- The refund process
- Auto-return of bookings to the exchange
- Pre-allocated bookings
- Specific issues relating to Shunters
- The approach to consultation

In recognition of some of the comments raised, and to allow all issues to be fully considered, we have decided to extend the consultation period. This extension is intended to provide an opportunity for hauliers to put forward any further suggestions they have for addressing some of the issues we are aiming to tackle through the proposed changes, for example, encouraging off peak arrivals, the provision of timely information and managing no shows, all of which impact the effective operation of VBS for all users. We will review any suggestions received up until Friday, 1st April, prior to publishing our final position for VBS phase 2.

In terms of next steps, during April we will provide further information about implementation timings and activities, including re-registering for VBS and detailed information about when and how pre-allocation and automatic return of bookings to the exchange will take place.

Thank you again for your comments,

Yours faithfully

David Gledhill
CEO HPUK
16 March, 2011

Responses to feedback

As outlined in the letter above the feedback received through the VBS Phase 2 consultation process can be grouped into the following sections.

Service Levels

The Port of Felixstowe is committed to providing the highest levels of service to all our customers. We constantly review our operational activities with the aim of improving the service we offer. Within the port's haulier operations, our ability to provide improved levels of service is heavily dependent on the information we have to work with in terms of knowing when hauliers will arrive, the type of job and the details of the containers they are exchanging. Without accurate and timely information the port simply cannot achieve a consistent improvement in service levels.

The revised service levels published as part of the previous FAQs are designed to assist hauliers when planning their visits to the port. Once a high level of accuracy is achieved in regard to container and arrival information, we remain confident that we will be able to significantly improve the current indicative service levels for multi-part jobs.

Service levels will continue to be measured from time of in-gate to time of out-gate.

The role of the Customer Service Centre (CSC) and Remote Access Codes (RAC)

The CSC will continue to provide a customer service function for port users. As ever, VBS is intended to be a web-based booking system, although we recognise the practical difficulties of this for some hauliers, eg owner drivers. It will remain the case that VBS users will still have the option to make a booking via telephone, however, if the number of bookings for that time period are taken, the CSC team will offer the next available time slot to the haulier.

The introduction of Guaranteed Bookings is expected to provide a mechanism for hauliers to gain access to additional bookings at short notice if alternative suitable times are not available within the general booking pot.

The use of the RAC code will continue to be available although this may incur a charge in the future. More details of such charges will be communicated in due course.

Cancellation of charges

This has been addressed in the FAQs. For clarification:

- For peak bookings which are liable for charge of £2.00 per booking, where those bookings were not completed in accordance with the indicative timeframe then VBS will refund the booking fee to the haulier.
- If the indicative service levels are not met for bookings meeting the Late Notification criteria, and a haulier has a subsequent No Show for a booking (with containers associated) between two and three hours later, then the No Show charge would not be raised.

This is not a rebate mechanism but a cancellation of the charges that would otherwise be incurred. This is a clear indication of the port's intention to improve the service levels received by hauliers.

Auto return of bookings to the exchange

As set out in the FAQs, bookings will automatically be returned to the exchange if they do not have associated container information provided within three hours of the start of the booked hour (eg, a booking for 09:00 will be returned to the exchange at 06:00). The intention of this is to reduce a haulier's exposure to No Shows and to make these bookings available via the exchange. The rules will be built into VBS to grab back bookings automatically, this will improve the access to bookings for those who can provide the information required within the desired timeframes. The port is

willing to conduct this on a trial basis initially; if we determine that this is of no benefit to hauliers, or that the timing of the automatic returns could work better, then we will review the rules.

Pre-allocated bookings

In order to qualify for pre-allocated bookings a haulier must meet all of the following criteria:

- The number of VBS bookings a haulier uses at the Port of Felixstowe must account for greater than 1% of the total VBS bookings used over a defined period (at this stage deemed to be 8 weeks).
- A hauliers daily VBS arrival pattern must be split between peak/off-peak at a minimum 65% off-peak arrivals
- A container-to-VBS booking ratio equal to, or in excess of, 1.65 containers per booking on average.

A rule will be applied to ensure that non-qualifying hauliers have fair access to bookings during all hours of the day. This rule will ensure that the proportion of bookings left for non-qualifying hauliers will be greater than the total proportion of business that they collectively represented over the same period (8 weeks).

Please note that pre-allocated bookings will not be exempt from peak period booking charges, no show charges or auto-return to the exchange.

It is the Port of Felixstowe's intention to consult with those hauliers who meet the qualifying criteria to detail how and when bookings will be pre-allocated, prior to its introduction.

Specific issues relating to Shunters

During the consultation process those companies considered to be Shunters clearly indicated that the proposed changes will be a challenge to them. The port is willing to consider suggestions from the haulage community which would transparently justify the need to define and treat shunting operations differently.

The port is willing to consider this purely in relation to the Auto Return to the Exchange mechanism.

The approach to consultation

The intention of any consultation process is to provide sufficient information and time to enable stakeholders to comment on proposals.

The Port of Felixstowe commenced discussions about proposed VBS changes in December 2010. As part of this process we have had a number of meetings with port users as well as publishing the letter from our CEO and FAQs, with the opportunity for all port users to provide comments.

We are pleased to advise an extension to the consultation process. This extension is intended to provide an opportunity for hauliers to put forward any further suggestions they have for addressing some of the issues we are aiming to tackle through the proposed changes, for example, encouraging off peak arrivals, provision of timely information and managing no shows, all of which impact the effective operation of VBS for all users. We will review any suggestions received up until Friday, 1st April.

When the port has finalised plans for VBS Phase 2, we will communicate more details on how and when we will implement the changes and what VBS users will need to be aware of.