





STRATEGIC FRAMEWORK. SURVEYS TO PORT AUTHORITIES

The Port Authorities and Puertos del Estado demand that other administrations act as "facilitators."

- Ornella Chacón met with chairs and directors to analyze the result of the baseline diagnosis for the Port System Strategic Framework.
- Diverse opinions about the governance model.
- Consensus about several key topics, including a rejection of a "general drop" in fees.

<u>06-02-2019</u> (Spanish Ministry of Public Works and Transport). Puertos del Estado (PE) finished the first discussion about the diagnosis for the new Strategic Framework. The results report lists several agreements, such as demanding greater leadership from the Port Authorities (PAs) as drivers of logistics and strengthening their management autonomy. Additionally, a shortage of "involvement" has been identified with regard to other administrations, which fail to engage in finding solutions to the sector's problems; and the role of PE as a coordinator was reaffirmed.

On Tuesday and Wednesday, Ornella Chacón, the President of PE, met with the chairs and directors of the 28 Port Authorities in Palma de Mallorca. During two hectic days, the meeting attendees analyzed the result of the questionnaire on the Strategic Framework completed by the PAs. The process began in October 2018 with a view to preparing a document to update and exceed the current Framework (1998).

"We got a very honest and realistic view on the aspirations of each Port Authority as well as the system as a whole, during a remarkable exercise in responsibility and commitment by the management teams, which I congratulated," explained the President.







Ornella Chacón added that "we're not looking for self-complacent answers with these surveys; we're looking for in-depth and constructive self-critique to serve as the basis for the port system in the upcoming decades."

GOVERNANCE AND PUERTOS DEL ESTADO

As regards the governance model, there are two main points of view: PAs which are larger in size and/or economic power suggest that a port segregation, classification or aggregation process be started, in general, to gain greater management autonomy and thus be able to better meet demand; and medium- or small-sized PAs wish to maintain or even reinforce the port system as a guarantee of the desired balance in port supply on the basis of general criteria or objectives.

All attendees agree that other administrations should be asked for more "involvement" in reaching solutions to problems hindering the good performance of ports and their activities. This includes administrations such as CECIR (human resources), Puntos de Inspección Fronteriza (PIF; border inspection points) and Intervención General de la Administración del Estado (IGAE; Public Accounts Department of the State Administration).

LEADERSHIP BY PORT AUTHORITIES

Port Authorities came forward and claimed a bigger leadership role in the market.

Additionally, they will strive to protect the general interest, principles and goals set by the public sector for the economic, social, cultural and environmental spheres.

As such, they ask that Puertos del Estado performs its control, coordination and support duties on the basis of effectiveness, objectivity and transparency, primarily with the aim of harnessing or at least expediting he administrative proceedings so that they are not a barrier to the role of PAs or a restriction on their current management autonomy.







FEE STRUCTURE ON A CASE-BY-CASE BASIS

There is consensus about the need to act correctly and precisely when port fees are reduced. Consequently, a "general drop" in fees was unanimously rejected and a "case-by-case" approach was chosen instead.

The fee application system is deemed to be sufficiently flexible to selectively lighten the tax pressure on port clients without changing the balances within the port system or decapitalizing the PAs, which must preserve their ability to face possible new investment cycles.

Port system managers agreed to assume the following basic objective: to achieve full integration of general-interest ports in the transport, logistics and trade networks, while guaranteeing their efficiency, sustainability, security and digitalization as per the European and Spanish transport policies and depending on the regional and local circumstances.

To this end, all agreed to keep orchestrating their efforts at three levels: infrastructures, service provision and infostructure with the latter level being essential to bring the ports to economy 4.0.

The process for creating the new Strategic Framework is now moving to the analysis of specific surveys for the non-port public sector, port community and system clients. The draft document with the findings from all surveys should be completed by September 2019.