



Port of Felixstowe
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www.portoffelixstowe.co.uk

Dear Port of Felixstowe Haulage Operator

Introduction of VBS peak-time charging

On Tuesday 7th January the Port of Felixstowe communicated the intention to introduce charges for VBS bookings made for peak time hours. In order to clearly communicate the detail of these charges, and allow all customers the opportunity to ask further questions, the Port hosted an open meeting on Tuesday 14th January.

As detailed during this process, we originally raised and withdrew the introduction of peak time VBS charges in 2007. More recently in 2011, following an initial period of consultation for VBS2, it was decided that as a goodwill gesture to the haulage community we would again not implement peak time charges. You will remember at that time our intention was to charge £2.00 per booking across the hours of 1300 – 1800.

This year, we now believe it is the right time to raise this issue again and trust that the haulage community value the significant concessions made previously, especially since other major UK ports have continued to charge for access, through both morning and afternoon peak periods.

As we have explained, for all UK major ports there is a significant daily cost to support the yard resource needed to service haulage demand during these times. As such, we remain committed to the implementation of a nominal charge to cover Peak Hour VBS bookings.

After careful consideration of all industry feedback received (both at the open meeting and otherwise) we have listened, and have suspended the charge during morning peak hours (05:00-07:00). This limits the charge to afternoon access only between the hours of 1200-1700. We have also reduced the charge to a nominal amount of £1.50 per VBS booking.

As requested, in order to provide a little more time for customer communication, we intend to postpone the implementation date until Monday 10th March, again we trust this is appreciated.

Additional information, including updated VBS FAQs will be published on the Port of Felixstowe VBS website prior to Monday 10th March.

Sincere regards

Paul Wallace
Commercial Director



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VBS Peak Charging - FAQs

Why is the Port introducing charges for peak time VBS slots at this stage?

The Port recognises that it is critical to a haulier and their end user that a consistent service level is provided at the Port of Felixstowe. The Vehicle Booking System was originally introduced in 2007 to enable the Port to proactively manage customer demand, providing a faster turnaround. In turn, this has reduced the cost to hauliers of having vehicles unproductively queued.

Providing optimal service at the peak times requires a high resource commitment from the Port. To allow us to continue to provide that service, in January this year the Port announced the intention to introduce charges for the VBS.

After discussion with the haulage community we reduced the proposed amount from £1.75 to £1.50 per booking and reduced the charging period from all peak hours to afternoon peak only (1200-1700hrs). Unlike other UK Ports we will not levy charges for morning peak hour access.

Does the proposed £1.50/afternoon peak cover the cost of resourcing?

No, it is a contribution towards a much greater cost of serving peak hour demands, the remainder of which will continue to be borne by the port.



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How will you spend the money and what do we get in return?

Whilst this is a contribution towards a much greater cost, the Port will seek to benefit hauliers by:

- Maximising the deployment of RTG resource during peak haulage hours
- Additional staffing – The port is already engaged in a recruitment campaign for new Port Operatives on flexible contracts, reflecting today`s customer demands. The first intake will enter the business in March 2014 and a large percentage of this additional resource will be consumed by peak hour operations.
- Offering additional Peak time VBS slots between vessel movements or periods of low shipping demand

Importantly, if we do not achieve our committed service levels – then we *will not collect the charge*.

How will this Service Level Rebate work?

The Port recognises that it is important to a haulier and their end user that a consistent service level is provided at Felixstowe. If a haulier supplies the Port their VBS details greater than 60 minutes before the booking hour starts, and is subsequently not serviced within the agreed SLAs *there will be no charge*.



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We want to see more VBS bookings made available than those presently made available during peaks.

Under The Freight Management Plan agreed with statutory authorities, we are legally bound to regulate and manage traffic flows to and from the port. As ship side demand allows, we shall introduce more VBS Peak bookings over and above present levels, but still within Traffic Plan limits – which is what we have already demonstrated during the first two months of this year.

We don't have time to explain this to our customers before March 10th implementation date

The intention to introduce charges for peak time VBS was first announced in January. At this time all mainline shipping companies were contacted and informed, alongside the haulage community. Those still unsure of the details of the charges can access them at <http://vbs.portoffelixstowe.co.uk/>

Any charge for lifting containers to trucks is already included in the terminal handling charge. Shouldn't the Port collect this charge from the shipping lines?

This charge is related to the cost of peak time access, not the operational activity of lifting containers to and from trucks.

The Port is mindful of the pressures facing the haulage industry as a whole and has looked to help haulier by delaying the introduction of this charge as long as possible and by mitigating the hours covered in the charge. Unlike some other UK ports, we



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have only introduced peak charging for afternoons and not mornings as well.

If VBS is about controlling the peaks, why not just reduce the amount of bookings made available during such periods reducing access to haulage and the need for charges?

Customer feedback and demand levels tell us that hauliers need optimal access to the port at these times to satisfy their customers' demands. Reducing access to VBS during peak times may ease some pressure on our container yards, but would not support these access requirements.

By charging hauliers to access the port during peak hours you are essentially adding to the attractiveness of Rail which will take further work away from haulage. Is this the Ports goal?

The Port of Felixstowe is committed to providing a range of intermodal connectivity options for our customers. Haulage remains of vital importance as a modal choice, moving the vast majority of containers to and from Felixstowe. The Port has, and will continue to support the haulage industry in Felixstowe, as demonstrated in our opposition to A14 tolling and by containing peak time charging for afternoon hours only.

How can we be sure that you will not impose a charge for all hours in the future?

This is a peak charge supporting peak time haulage operations. It is not our intention to introduce these charges at non-peak times.