



Interreg



EUROPEAN UNION

Danube Transnational Programme DAPhNE

National report on port management models

Work Package 4

Activity 4.2

PP Responsible: VP, a.s.

Date: 30/11/2017

Version: 1.0 [Final]



Document History

Version	Date	Authorised
Version 0.1	31/05/2017	Thury
Version 0.2	19/06/2017	Alexieva
Version 0.3	26/06/2017	Thury
Version 1.0	30/06/2017	Thury

Contributing Authors

Name	Organisation	Email
Veronika Haszilló	ICG Ex Ante Consulting Ltd.	haszillo@icg-exante.hu
Zoltán Barna-Lázár	ICG Ex Ante Consulting Ltd.	barna@icg-exante.hu
Monika Thury	HFIP	popeiproject@gmail.com
Snezhina Alexieva	BPICo	s.alexieva@bgports.bg

Table of Contents

Table of Tables	3
1 Scope of the document.....	4
1.1 General terms	4
1.1.1 Port and infrastructure / Definitions	4
2 Introduction of the Port Management Models.....	5
2.1 Operation and management models in Slovakia	12
2.2 Analysis of the port management and operation model in Slovakia	13
2.2.1 Characteristics of the operation models.....	13
2.2.2 Nature and content of the contractual relationships	14
2.2.3 Rules and legislation.....	15
2.2.4 Relevance of Regulation (EU) 2017/352	17
2.3 SWOT – analysis of Port Management Models	23
2.3.1 SWOT analysis of port management model 1	23
2.3.2 SWOT analysis of port management model 2	24
2.4 Potential success factors	25
2.4.1 Success factor 1.....	25
2.4.2 Success factor 2.....	25
2.4.3 Success factor 3.....	26
2.4.4 Success factor 4.....	26
2.4.5 Success factor 5.....	26
2.4.6 Success factor 6.....	26
2.4.7 Success factor 7.....	27
2.4.8 Applicability of the identified success factors for best practices on port management and operation model.....	27
2.4.9 Relevance	27
2.4.10 Applicability	27
2.4.11 Comparability.....	27
3 Best practices.....	28

Table of Tables

1. Table: Cargo volumes.....	7
2. Table: Operation and management models in Slovakia	12
3. Table: applicability of Regulation (EU) 2017/352 in Slovakia.....	18
4. Table: SWOT analysis of port management model VP, a. s.	23
5. Table: SWOT analysis of potential “Tool port model”	24

1 Scope of the document

The business strategies applied by the inland cargo ports in the Danube Region are the scope of this document and how efficiently they are implemented are related to the port management models employed all along the river. **When we use the term of ‘ports’ in this document, it only means the inland cargo ports in the Danube Region. If a port is both maritime and inland cargo port, the activities shall be split between the inland and maritime port functions.** In order to ensure a balanced development of the Danube port sector and enable it to become a key element in the EU transport network, first there needs to be a clear analysis performed in regard to the status-quo. This activity will deal with this topic by first assessing the current practices in the Danube region on the port management and operation models applied and providing for a SWOT analysis thereof. In order to present the port management models of European ports, the key definitions of port operation should be presented as follows.

1.1 General terms

In the context of the port management models of Danube cargo ports, the key definitions of port operation should be understood as follows according to the Commission Regulation (EU) 2017/1084 of 14 June 2017 as regards aid for port and airport infrastructure.

1.1.1 Port and infrastructure / Definitions

Port

‘Port’ means an area of land and water made up of such infrastructure and equipment, so as to permit the reception of waterborne vessels, their loading and unloading, the storage of goods, the receipt and delivery of those goods and the embarkation and disembarkation of passengers, crew and other persons and any other infrastructure necessary for transport operators in the port.

Inland port

‘Inland port’ means a port other than a maritime port, for the reception of inland waterway vessels.

Port infrastructure

‘Port infrastructure’ means infrastructure and facilities for the provision of transport related port services, for example berths used for the mooring of ships, quay walls, jetties and floating pontoon ramps in tidal areas, internal basins, backfills and land reclamation, alternative fuel infrastructure and infrastructure for the collection of ship-generated waste and cargo residues.

1. **Privatization:** Process of incorporating the private sector into the port operations, administration and investments.
2. **Concession:** Rent or leasing of existing facilities, equipment and infrastructure along with the right to grant services using those assets, and the right to charge for those services. This includes the commitment to make specific investments to improve the quality and amount of those services in a long-term period.
3. **Canon:** Cost to the private agent by the use of facilities or services.
4. **Tariffs:** fee charged to the users of the harbour facilities, for the utilization of the ports services.
5. **Employment agency:** Database that contains personal and professional information of capable people to carry out a determined task and that it can be consulted by the employers according to their necessities.
6. **Stevedore Company:** is a company in charge to carry out the port operations of manipulation of the merchandise. Generally, it holds an administrative concession granted by the corresponding port authority, which authorizes to use, with exclusive character, a space located at wharf edge.

Port superstructure

‘Port superstructure’ means surface arrangements (such as for storage), fixed equipment (such as warehouses and terminal buildings) as well as mobile equipment (such as cranes) located in a port for the provision of transport related port services.

2 Introduction of the Port Management Models

Main actors of port management and operation

Port owner

‘Port owner’ of a (public) port shall mean the owner / trustee of the port area. The area of a national public port shall be owned by the state or managed by a trustee company established by decisive state majority. There are also private ports.

The public ports owner in the Slovak Republic is the company called Verejné prístavy, a.s. (a joint-stock company; hereinafter VP, a.s.) which was established on 21 January 2008 on the basis of Act No. 500/2007 Coll., amending Act No. 338/2000 Coll. on Inland Navigation. The company’s founder is the Slovak Republic represented by the Ministry of Transport and Construction of the Slovak Republic. The company was established to optimise the commercial operation of state assets and to make the use of transport infrastructure in public ports more efficient in order to develop national and international water transport.

Port manager

‘Port manager’ of a port shall mean a business company or organization responsible for keeping the entire port in a state suitable for proper operation, as well as for the coordinated operation and development thereof – as owner of the port in case of a public.

According to Act No. 500/2007 Coll., the port manager is the company Verejné prístavy, a.s. It was established with the aim of ensuring the preparation and realisation of the public ports construction, processing the short and long-term concepts of their development, ensuring the operation, registration, maintenance and repairs of premises and facilities in the territories of public ports, leasing the land in the public ports territories and other related activities that are immediately associated with the disposal of assets in the territories of public ports, and collection of fees for the use of public ports. On the basis of this Act. mentioned above, the territory of public ports is delimited on the Danube river in the ports of Bratislava, Komárno a Štúrovo.

Port operator

A (public) port is most often operated by a business company. The ‘port operator’ shall be the owner of the floating establishment / port, and any party entitled to operate such floating establishment / port by contract or on any other title. In our wording, this may include the port owner, the port managers, as well as the port operators of the (public) port.

The port manager of public ports was originally a national enterprise, then a state enterprise called Slovenská plavba dunajská, š.p. (a state-owned enterprise; hereinafter “SPD, š.p.). By delimitation of state property between ŠPS (skratka nebola vyššie spominana) and SPD š.p., the joint-stock company Slovenská plavba a prístavy, a.s. (hereinafter SPaP, a.s.) was established in 1997 with more than 90% of the shares in the National Property Fund. The company SPaP, a.s. owned all the assets and acquired the ownership of the fleet, transfer facilities, warehouses, workshops, maintenance facilities, administrative buildings, as well as infrastructure (roads, private railway, unloading, engineering networks, quay walls in internal basins ...) in the ports of Bratislava and Komárno. Liabilities remained in the state enterprise SPD, š.p., which should have been liquidated by the state. Since 2002, SPaP, a.s. has become a private company.

Public and Private Participation

1. Table: Cargo volumes

Tons per year	Private Ports	Terminals Concession-granted	Ports not given in concession
<i>Solid bulk cargo</i>		1359095	
<i>Liquid bulk cargo</i>		962550	
<i>Containers</i>		4586	
<i>General cargo</i>		875063	

There are three public ports that operate in Slovakia and two of them are cargo ports. All ports have one joint owner and port manager called Verejné prístavy, a. s. The port manager and the owner apply port management model so-called “Landlord model” to all cargo ports. Verejné prístavy, a.s. as the cargo port manager does not provide port services itself. There are only private operators that provide port services (particularly SPaP, a.s.). Therefore private operators have 100% of the shares of performance in the Slovak public ports.

Port authority

The ‘port authority’ is the organisation responsible for the planning, authorisation, coordination and control of services within the port. In some instances, it also provides services.

The port landlord is the entity that owns the land on which the port is constructed and will usually own the essential infrastructure (e.g. the quays and breakwaters) as well. The port landlord is the entity practising the ownership rights: therefore, it is the owner itself or somebody entitled by the owner. Typically, the port authority is also the port landlord, although the landlord may be a separate entity.

In Slovakia, the port authority of public ports is the company Verejné prístavy, a.s.

Port service providers

In order to use a port, a range of intermediary services is often required, which can be provided by the port itself or by independent intermediary parties.

- Towing is a service provided by tug boats which move larger ships that either should not or cannot power themselves.

- Cargo-handling involves the movement of cargo in and around a port. This includes marshalling services (the receipt, storage, assembly and sorting of cargo in preparation for delivery to a ship's berth) and stevedoring services (the loading of cargo onto and discharging cargo from ships).

Operational services in the public ports of Slovakia are provided by the port operator itself or based on the contract with other companies.

Cash management services

Within the territorial area of the public port in Bratislava and Komárno, two categories of charges are levied. The first category follows the “Schedule of payments for the use of public ports on the waterways”. It distinguishes the fees that are charged for the vessel per day (floating equipment), for the inoperable vessel in the territorial area of the public port (i.e. port charges), and for every transhipped tonne of cargo moved from/to vessel (i.e. wharfage fees). The second category of charges deals with the land ownership and the operation of the company VP, a.s., which collect rent related to estate rental.

There are two ways how to pay port charges:

- directly in the port – either in cash or by credit card via payment terminal
- on the basis of invoice issued.

In the case of a contract customer, an invoice with delivery note are issued to him (they are issued monthly). If several delivery notes have been issued to the customer during reference period, the total delivery note and invoice based on it are issued to him. On the other hand, if there is a non-contract customer, delivery note and receipt are issued and the customer pays the fee directly in the port in cash or via a payment terminal. In both cases, the copies of the vessel's arrival and departure reports are enclosed with the documents. The fees for vessel can be charged also to another company, not only to the owner of that vessel. The invoice may be issued more than once, i.e. the system allows to issue more invoices per one period. It is possible to get a discount on berthing in the port. The invoices are printed and sent for signing to the Directorate General.

Electronic reporting and vessel tracking and tracing

Infrastructure of the electronic reporting system enables to generate, send (on the side of the vessel and shore segment), receive, process, transmit, store and archive (on the side of

the operation segment) information about the voyage of the vessel, vessel itself, cargo, persons on board of a vessel, as well as information about the waste disposal, including evidence of statistics. Information of the electronic reporting is transmitted via messages. These messages can be sent in different ways: ship – authority, authority – authority, authority - ship.

Communication authority (harbour master) – the ship primarily runs via radio (transmitter) on designed VHF channels or by telephone. The harbour master uses River Information Services (RIS), a vessel localisation system and tracing through the “Inland AIS”. It enables him to see all waterway vessels, equipped with an AIS transponder, on an electronic map in real time. This system is used by the port manager VP, a.s., as well as by SPaP, a.s.

A major part of radio and navigation communication with the port users is operated by the State professional supervision (ŠOD) Bratislava and Komárno under the auspices of the port manager and the Transport Authority. The port manager under the supervision of the Transport Authority communicates financial matters and the amount of port charges with the port users.

Inland AIS system (the Automatic Identification System) is a standardised way of automatic exchange of nautical information between the ships and offshore facilities. As a tool for tracking and tracing of inland waterway vessels, represents a part of River Information Services (RIS) and its role is to enhance safety and efficiency of inland waterway transport. Data provided via AIS can be displayed in different ways. The most effective way is to show the identity of the vessel and information on its position and movement on a map, and static data in alphanumeric format in the tables. Coastal stations AIS are able to receive these data, and on the other hand to transmit ship’s own data to other vessels.

Transparency of contracts

All contracts between VP, a.s. and private entities, which provide port services, are concluded on the basis of existing legislation. They are disclosed and mostly concluded for 5 years with the possibility of option (applicable to the lease of port location).

Port users

A wide range of customers make use of ports, including freight shippers, ferries, cruise ship operators and private vessels. Depending on the specific port, users may access different parts of the port.

End-customers

The ultimate users of port services are passengers or freight customers who consume a good that has been shipped through a port. Freight forwarders are companies that specialise in arranging shipping services for their customers and thus act as intermediaries to the ultimate consumers of the freight goods. The area in which these customers are located is known as the port hinterland.

In order to better understand the particularities and specialties of different port management and operation models, in the Danube region countries, it is of high importance to analyse in detail how the operation and management structure is set up in the different inland cargo ports.

As defined in the previous chapter there are many different roles and thus actors in most of the ports who mostly define the given operation structure individually?

Public and Private Roles in Port Management: There are five main port management models based upon the respective responsibility of the public and private sectors. They include the public service port, the tool port, the landlord port, the corporatized port and the private service port. Each of these models concerns ports that have different characteristics concerning the ownership of infrastructure, equipment, terminal operation and who provides port services such as pilotage and towage. While service and tool ports mostly exist to promote public interests, landlord ports attempt to balance public and private interests. At the other end of the spectrum, private service ports are maximizing the interests of their shareholders.

- **Public service ports.** The port authority of public service ports performs the whole range of port related services, in addition of owning all the infrastructure. They are commonly a branch of a government ministry and most of their employees are civil servants. Some ancillary services can be left to private companies. Because of the inefficiencies they are related with, the number of public service ports has declined.
- **Tool ports.** Similar in every aspect to a public service port, the tool port differs only by the private handling of its cargo operations, albeit the terminal equipment is still owned by the port authority. In several cases, a tool port is a transitional form between a public service port and a landlord port.
- **Landlord ports.** Represents the most common management model where infrastructure, particularly terminals, are leased to private operating companies with the port authority retaining ownership of the land. The most common form of lease is a concession agreement where a private company is granted a long term lease in exchange of a rent that is commonly a function of the size of the facility as well as the investment required to build, renovate or expand the terminal. The private operator

is also responsible to provide terminal equipment so that operating standards are maintained.

- **Corporatized ports.** Concerns ports that have almost entirely been privatized, with the exception that ownership remains public and often assumed as a majority shareholder. The port authority essentially behaves as a private enterprise. This management model is unique since it is the only one where ownership and control are separated, which lessens "public good" pressures landlord port authority are facing and "shareholder value" pressures private ports are facing.
- **Private service ports.** The outcome of a complete privatization of the port facility with a mandate that the facilities retain their maritime role. The port authority is entirely privatized with almost all the port functions under private control with the public sector retaining a standard regulatory oversight. Still, public entities can be shareholders and thus gear the port towards strategies that are deemed to be of public interest.

2.1 Operation and management models in Slovakia

2. Table: Operation and management models in Slovakia

Name of port	Port (land) owner(s)	Port authority	Port manager(s)	Port operator(s)	Owner(s) of superstructure	Owner(s) of the port equipment	Who define(s) the tariffs of the port	Who is the provider of the different port services	Public service obligations if relevant
Bratislava Port	VP, a. s.	VP, a. s.	VP, a. s.	SPaP, a. s.	SPaP, a. s.	SPaP, a. s.	VP, a. s., approved under the Ministry of Transport and Construction of the Slovak Republic	-	-
Komárno Port	VP, a. s.	VP, a. s.	VP, a. s.	SPaP, a. s.	SPaP, a. s.	SPaP, a. s.	VP, a. s., approved under the Ministry of Transport and Construction of the Slovak Republic	-	-

2.2 Analysis of the port management and operation model in Slovakia

2.2.1 Characteristics of the operation models

Verejné prístavy, a.s. (VP, a.s.) was established on 21 January 2008 on the basis of Act No. 500/2007 Coll. amending Act No. 338/2000 Coll. The company's founder is a state (the Slovak Republic) with 100 % of shares in the company. VP, a.s. has a legal responsibility for:

- realizing the preparation and construction of public ports,
- preparing short and long-term concepts of ports' development,
- ensuring the operation, registration, maintenance and repairs of premises and facilities in the territories of public ports,
- collecting fees for the use of public ports,
- creating conditions for the development of combined transport including the manipulation with cargo units of combined transport.

Current division of ownership between VP, a.s. and other entities that own the infrastructure and superstructure in the public cargo ports in the Slovak Republic (Bratislava, Komárno) does not allow to fulfill all tasks stipulated by the law. VP, a.s. is the owner of aquatic and territory area of the port (land and water areas in public ports). Since VP, a.s. is not the owner of infrastructure (road and railways, overhead lines, notification and security system, water-energy infrastructure, information and telecommunication infrastructure) and superstructure (warehouses, unloading, transshipment mechanisms, manufacturing, assistance and service premises, buildings for container terminal, PHL service stations, etc.), it is not possible to carry out the development activities as it is usual in other inland ports in the Danube Region.

VP, a. s. as the owner and port manager at the same time can not be developed due to the amount of long-term lease contracts that were concluded in the past. Current business relations represent a major brake on the development of public ports. The problem is, in particular, the non-standard division of ownership between VP, a. s., and SpaP, a.s., which owns the infrastructure and superstructure on long-term leased property of VP, a.s.

The company **Slovenská plavba a prístavy, a.s.** (hereinafter SpaP, a.s.) is one of the main entities that leases a land from VP, a.s. The company SPaP, a.s. has leased 64% of available area until 2031 and is the majority cargo port operator in Bratislava.

Another entity, that has an important impact on the development of water transport and ports in the Slovak Republic is the **Ministry of Transport and Construction of the Slovak Republic**. Concerning the development and operation of the public ports, the Ministry is entrusted with the power:

- to determine the concept of the development of waterways and ports in accordance with the Ministry of Environment and the state transport policy intentions,
- to consider the projects on the construction of new port and transshipment capacities of freight and passenger transport, reconstruction and modernisation of existing public ports,
- permit the establishment of ports and define their territory,
- determine the territory of the public ports after the consultation with the relevant local authority,
- consider the leases of the VP, a.s. investment property,
- monitor the application of environmental protection principles in terms of minimizing the negative impacts of water transport on ecology of vessel and port operation,
- monitor the development of port, channel and other charges on the river Danube etc.

State professional supervision over the administration and maintenance of waterways and ports is carried out by the **Transport Authority** – inland navigation division. It also allows the berthing of floating facilities on waterways and in public ports.

Slovenský vodohospodársky podnik, š. p. (a state enterprise, hereinafter SVP, š. p.) is the administrator of waterway where both ports, Bratislava and Komárno, are situated.

SVP, š. p., is ranked among strategically important state-owned enterprises with modified way of management, because it also manages state assets. It cares for the entire waterway and tangible capital assets built on it. Moreover, it takes care of the quantity and quality of surface water and groundwater. One part of SVP's activities is of a public interest nature – that is mainly the flood protection and creation of navigation conditions.

The waterway administrator, who performs the tasks of the waterway manager, is responsible for maintaining and improving the conditions for the operation of the vessels that are tracked on the waterways. He also takes responsibility for setting the waterway, repairing of coastal fortifications, identification of navigational barriers on the waterways and their removal on the basis of the Transport Authority instructions.

2.2.2 Nature and content of the contractual relationships

The company VP, a. s., as the public ports manager is burdened by a number of long-term contracts concluded in the past. Therefore, the existing commercial relations together with the ensuring of sufficient funding represent one of the main obstacles to the further development of the public ports in Slovakia. The center of a problem lies in the non-standard division of ownership between VP, a.s., which owns the land, and the entity that owns the infrastructure and superstructure in public ports and leases the land from the VP, a.s. over a long period. This limitation has a major impact on the formulation of the long-term concept for the development of public ports in Slovakia.

The majority of the leases for the land of VP, a. s., has a long-term (25-50 years) and non-standard character. It means that the tenant is not obliged to provide water transport as a priority business activity. It is not contractually forbidden to lease the used land to the third parties. These trade restrictions are applied in all public ports (Bratislava, Komárno, Štúrovo) that are in the management of VP, a.s.

The main Bratislava public port's identified flaw, which is also transferable to other ports in the field of providing and securing services for the vessels berthing in the port and for the crew of these vessels, is to take on potable water for vessels and connection to electricity during the vessel's berthing in the port as well as possible operation of the grocery store, etc. At present these services are partly substituted by a private operator, but this is not a standard practice for a public port and it is necessary to solve this situation. To this problem, it is also possible to include issue about a waste collection that is available only for domestic vessels; current legislation does not allow to unload the waste (ship-generated wastes during its operation) for foreign vessels.

2.2.3 Rules and legislation

The most important act, which enforces the operation and development conditions of the public ports in the Slovak Republic, is the Act No. 338/2000 Coll. on Inland Navigation and on the amendment and supplementation of certain laws as amended (hereinafter "Act No. 338/2000 Coll.").

Act No. 338/2000 Coll. stipulates conditions of performing inland navigation, the rights and obligations of entities participating in inland navigation, conditions of business in water transport, terms of market regulation in water transport, competences of state administration authorities and state supervision authorities, classification and capability of vessels, rights and obligations of vessel crew, investigation of navigation accidents and sanctions for the breaking the law stipulated by this act.

Act No. 500/2007 Coll., amending Act No. 338/2000 Coll. defines the way and purpose of establishment, the legal relations and the tasks of the public port manager in the Slovak Republic. The law defines the tasks that VP, a.s. as a manager of the public ports in the Slovak Republic should fulfill. However, the current setting of the ownership relations between the company VP, a.s., which owns the land and other entities that own the majority of infrastructure and superstructure, does not allow to fulfill these statutory tasks.

Among other limitations stipulated by Act No. 500/2007 Coll. can be found the classification of VP's, a.s. land into the category of priority investment property, with regard to its location in the boundary area of the public ports. This restriction primarily relates to the limitations on the possible financing an investment event. The reason is that the priority investment property can not be the subject of a lien. In the case of another investor's entry to the VP, a.s., the Act No. 500/2007 Coll. establishes to leave a permanent state shareholding of at least

67%. However, this assures the protection of state property and the security of the public ports.

From the international legislation point of view, VP, a.s. is obliged to protect underground sources of drinking water located on Rye Island.

Activities in the Bratislava and Komarno port are also influenced by law. Roles, responsibilities and opportunities of the port are stipulated by the following legislation:

- Act No 388/2000 Coll. on Inland Navigation and on Amendments of some Acts.
- Act No 580/2003 Coll. amending the Act No 338/2000 Coll. on Inland Navigation.

These acts identify division and management of waterways. Ports are mentioned in § 4 Parts of Waterway and Activities Performed on Waterways and mainly in § 5 Operation and Using of Ports.

- Act No.364/2004 Coll. on Water Sources – identifies conditions for use of water for navigation, floatation as well as using the necessary amount of water in connection with the operation of vessels.
- Decree no. 1740/M-2001 of the Ministry of Transport of Slovak republic by which are issued the safety rules of operation of the vessel on inland waterways in SR.

Furthermore, for the operational and commercial activities in the port, the relevant rules and regulations of different lengths and coverage are issued on demand by the State Navigation Administration or Public Ports Plc.

The port users, who respect the Operating Regulations published by Verejné prístavy, a.s. (hereinafter “Operator”), have the right to enter into the ports in Bratislava and Komárno. If the port user does not prove the eligibility for entry to the port, the port manager or person authorized can forbid him to enter the port. The vessel may enter the port only if it meets the conditions established by the Transport Authority. The port manager has issued the operating regulations in accordance with provisions of section 5 et seq. of the Act No. 338/2000 Coll. on Inland Navigation as amended, which regulates the use of Danube public ports in Bratislava, Komárno and Štúrovo.

The amount of payments is determined by the port manager on the basis of the Rate Book approved by the Ministry of Transport, Construction and Regional Development of the Slovak Republic. Before entering the public ports territories, the boatmaster, who is sailing the main waterway, is obliged to broadcast information about the vessel, dangerous cargo, cargo or passengers, as well as the port of departure and port of arrival over VHF channel to the harbour master. Moreover, the boatmaster, who wants to stay in the port, must announce his intention to the harbour master over relevant communication channel.

The vessel operator, the boatmaster or another authorized individual are obliged to personally announce the arrival of the vessel within 24 hours using the “Arrival Announcement” form and deliver it to the on-duty employee of the Public Port Operator, or electronically. Such announcement must include:

- Name and number of the vessel;
- Registered flag of the vessel;
- Most recent port (from which the vessel travelled);
- Dimensions of the vessel: length (L), beam (B) based on the data transcribed in the valid vessel certificate for the vessel;
- The type and quantity of cargo. If hazardous materials are on-board, the class of hazard and the on-board stowage location must be reported;
- Name and surname or business name of the vessel operator obliged to pay the port fees, its address, invoicing details, phone and email contact information;
- Activity that the vessel shall perform in the port (unloading, loading of cargo, crew replacement, taking on potable water, etc.)

Harbour master records the data to the database. These are data about the arrival of vessel to the port (date and time of arrival, vessel’s name and type, vessel’s heading – upstream or downstream). Subsequently, the vessel is taken by the port manager of VP, a.s. who assigns the vessel a specific port position.

The tonnage of cargo that was loaded or unloaded in the port is presented in the bill of lading. The public port user is obliged to furnish such documentation upon arrival or when leaving the territorial area of the public port to an individual authorized by the public port manager. Apart from this documentation, the port user is obliged to furnish a valid vessel certificate upon request of the port manager to determine the dimensions of a vessel.

The boatmaster is obliged to announce the departure of the vessel to the port manager and pay the fees according to the valid schedule of port fees.

2.2.4 Relevance of Regulation (EU) 2017/352

The Regulation (EU) 2017/352 was issued in 2017 after several years of preparation and consultation with various stakeholders of the European port industry. This regulation has a binding force only on maritime ports, the inland ports are not covered by the legislation. However, rules similar to those laid down in this legal act, might have relevance in the IWW sector. In frame of the current activity, we would like to assess the scale and scope of applicability of these rules for Danube ports in the participating countries.

3. Table: applicability of Regulation (EU) 2017/352 in Slovakia

Regulation (EU) 2017/352	Regulatory item	Answer	Comments
Article 4 (1)	<i>“According to the regulation the managing body of the port, or the competent authority, may require providers of port services, including subcontractors, to comply with minimum requirements for the performance of the corresponding port service.”</i>	Yes	<i>It is already valid, managers and users have to follow the port regulations in the ports and, in the case of business plan, they must submit it for approval</i>
Article 4 (2)	In your country is there any minimum criteria determined by the managing body of the port, or the competent authority in relation to the following: (a) the professional qualifications of the provider of port services, its personnel or the natural persons who actually and continuously manage the activities of the provider of port services;	Partially	<i>The radiotelephone operator certificate is required for port dispatching.</i>
Article 4 (2)	(b) the financial capacity of the provider of port services;	Partially	
Article 4 (2)	(c) the equipment needed to provide the relevant port service in normal and safe conditions and the capacity to maintain this equipment at the required level;	Yes	
Article 4 (2)	(d) the availability of the relevant port service to all users, at all berths and without interruptions, day and night, throughout the year;	Partially	
Article 4 (2)	(e) compliance with requirements on maritime safety or the safety and security of the port or access to it, its installations, equipment and workers and other persons;	Partially	
Article 4 (2)	(f) compliance with local, national, Union	Yes	

Regulation (EU) 2017/352	Regulatory item	Answer	Comments
	and international environmental requirements;		
Article 4 (2)	(g) compliance with obligations in the field of social and labour law that apply in the Member State of the port concerned, including the terms of applicable collective agreements, manning requirements and requirements relating to hours of work and hours of rest for seafarers, and with applicable rules on labour inspections;	No	<i>The company VP, a. s. does not have the authority to enter the internal rules of private operators.</i>
Article 4 (2)	(h) the good repute of the port service provider, as determined in accordance with any applicable national law on good repute, taking into consideration any compelling grounds to doubt the reliability of the provider of port services.	No	<i>According to current legislation, it is not possible to consider whether the entity meets the criteria of this point.</i>
Article 4 (3)	Does a flag requirement exist for waterborne vessels predominantly used for towage or mooring operations in ports located on its territory?	Yes	<i>The flag requirement is based on the Act. No. 338/2000 Coll., Inland Navigation Act.</i>
Article 4 (4)	Shall the minimum requirements: (a) be transparent, objective, non-discriminatory, proportionate, and relevant to the category and nature of the port service concerned;	Yes	
Article 4 (4)	(b) be complied with until the right to provide a port service expires?	Yes	
Article 4 (5)	Where the minimum requirements include specific knowledge of local conditions, shall the managing body of the port, or the competent authority ensure adequate access to information, under transparent and non-discriminatory conditions?	Yes	

Regulation (EU) 2017/352	Regulatory item	Answer	Comments
Article 5 (1)	Shall the managing body of the port, or the competent authority treat providers of port services in a transparent, objective, non-discriminatory and proportionate manner?	Yes	
Article 5 (1)	Shall the managing body of the port, or the competent authority grant or refuse the right to provide port services on the basis of the minimum requirements established in accordance with Article 4 within a reasonable period?	Partially	
Article 5 (1)	If yes, shall any such refusal, by the managing body of the port, or by the competent authority, be duly justified?	-	
Article 5 (1)	or shall any limitation or termination by the managing body of the port, or the competent authority, of the right to provide a port service be duly justified?	Partially	<i>Limitation or termination of the right to provide a port service is based on a commercial contract between the port manager and the port service provider.</i>
Article 6 (1)	<p>May the managing body of the port, or the competent authority limit the number of providers of port services for a given port service for one or more of the following reasons:</p> <p>(a) the scarcity or reserved use of land or waterside space, provided that the limitation is in accordance with the decisions or plans agreed by the managing body of the port and, where appropriate, any other public authorities competent in accordance with the national law;</p>	Yes	

Regulation (EU) 2017/352	Regulatory item	Answer	Comments
Article 6 (1)	(b) the absence of such a limitation is obstructing the performance of public service obligations as provided for in Article 7, including when such absence leads to excessively high costs related to the performance of such obligations for the managing body of the port, the competent authority, or the port users;	No	<i>In Slovakia, such an obligation is not in the public interest.</i>
Article 6 (1)	(c) the absence of such a limitation runs counter to the need to ensure safe, secure or environmentally sustainable port operations;	Yes	
Article 6 (1)	(d) the characteristics of the port infrastructure or the nature of the port traffic are such that the operations of multiple providers of port services in the port would not be possible;	Yes	
Article 6 (1)	(e) where it has been established pursuant to Article 35 of Directive 2014/25/EU that a port sector or subsector, together with its port services, within a Member State carries out an activity that is directly exposed to competition in accordance with Article 34 of that Directive. In such cases, paragraphs 2 and 3 of this Article shall not apply?	-	
Article 7 (1)	<p>May the Member States decide to impose public service obligations related to port services on providers of port services and may entrust the right to impose such obligations to the managing body of the port, or to the competent authority, in order to ensure at least one of the following:</p> <p>(a) the availability of the port service to all port users, at all berths, without</p>	No	

Regulation (EU) 2017/352	Regulatory item	Answer	Comments
	interruption, day and night, throughout the year;		
Article 7 (1)	(b) the availability of the service to all users on equal terms;	No	
Article 7 (1)	(c) the affordability of the service for certain categories of users;	No	
Article 7 (1)	(d) the safety, security or environmental sustainability of port operations;	Yes	
Article 7 (1)	(e) the provision of adequate transport services to the public; and	No	
Article 7 (1)	(f) territorial cohesion?	No	
Article 7 (1)	Besides the above mentioned is there any rule or regulation concerning the following fields regarding the inland cargo ports in your country?	Yes	<i>Based on the Act Nno. 338/2000 Coll., Inland Navigation Act.</i>
Article 9	Safeguarding of employees' rights	Partially	<i>Trade Unions</i>
Article 11	Transparency of financial relations	Yes	<i>Required in relation to the port authority.</i>
Article 12	Port service charges	Yes	
Article 13	Port infrastructure charges	Yes	<i>In Slovakia, charges are levied by a port service operator (SPaP, a.s.).</i>
Article 14	Training of staff	Yes	
Article 15	Consultation of port users and other stakeholders	Yes	
Article 16	Handling of complaints	Yes	

2.3 SWOT – analysis of Port Management Models

The management and operation model of public ports in Slovakia under the VP 's management, is specific. It is approaching the so-called "Landlord model" of management (i.e. the lease of port areas, infrastructure and adjacent lands to potential managers or providers of port services in the field of water transport by public tender).

In view of the current situation when the ownership over infrastructure and superstructure (currently owned by SPaP, a.s.) is not solved, it is impossible to fully apply the "Landlord model" of port management in the public ports.

The vision of the company VP, a.s. is to apply so-called "Tool port" management model after the resolution of land ownership in the territories of public ports.

2.3.1 SWOT analysis of port management model 1

4. Table: SWOT analysis of port management model VP, a. s.

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> ▪ the same market access conditions for all entities ▪ port charges are not the subject of competition, they are determined by the owner of a port after the approval of the Ministry of Transport and Construction of the Slovak Republic ▪ possibility of absorption of EU funds for development 	<ul style="list-style-type: none"> ▪ non-standard property relations in public ports ▪ current technical state of port infrastructure and superstructure ▪ port transshipping capacity insufficiently used ▪ impossibility to influence operator's transshipment performance ▪ development of a port is determined by location in relation to the residential areas of agglomeration
OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> ▪ Earmarking of funds for the development of the Bratislava port within the Operational Programme 2014-2020 (hereinafter "OP II") ▪ possibility to cooperate with the private sector through Public Private Partnership projects (hereinafter "PPP projects") ▪ possibility of increasing the 	<ul style="list-style-type: none"> ▪ existence of receivables overdue ▪ limited use of EU funds to develop public ports (due to non-standard property relations in ports) ▪ assets managed by VP, a.s. under the Act No. 338/2000 Coll. described as "Priority Investment Assets" ▪ port facilities and territories belong to entities of different nature that leads to

<p>transshipment capacities without the need of port territory enlargement (using the previously unused area owned by VP, a.s.)</p> <ul style="list-style-type: none"> ▪ determination of minimum transshipment performance of operators in the Bratislava and Komárno ports ▪ possibility to extend the portfolio of port services 	<p>the reluctance to invest in new facilities and infrastructure modernisation</p> <ul style="list-style-type: none"> ▪ a high level of risk associated with the investments of private entities and obsolete equipment in ports that limits their competitiveness
---	---

2.3.2 SWOT analysis of port management model 2

5. Table: SWOT analysis of potential "Tool port model"

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> ▪ Investment in port infrastructure and equipment are decided and provided by the public sector, thus avoiding duplication of facilities 	<ul style="list-style-type: none"> ▪ The Port Administration and private enterprise jointly share the cargo handling services (split operation), leading to conflicting situations. Because the private operators do not own major equipment, they tend to function as labor pools and do not develop into firms with strong balance sheets. This causes instability and limits future expansion of their companies. ▪ Risk of under-investment ▪ Lack of innovation
OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> ▪ Improving economic result ▪ Better impact on development activities and focus on port business activities 	<ul style="list-style-type: none"> ▪ Threat by market fluctuations in inland waterway transport ▪ Investments in development bind capital used for building up port facilities as well as increasing the costs of their maintaining ▪ assets managed by VP, a.s. under the Act No. 338/2000 Coll. described as "Priority Investment Assets"

2.4 Potential success factors

2.4.1 Success factor 1

The settlement of property relations in VP, a.s.

Result of the privatisation process led to the fact that VP, a.s. had lost its ownership of the infrastructure that is in the public ports area. The precondition for receiving the unrecoverable financial assistance from the resources of OP II 2014-2020 is to prove the ownership to the land in such a way that the possibility of state aid is eliminated and the transparent conditions for rent are created for the future operators and managers in the public ports of the Slovak Republic. A strategic decision for the future development of existing public ports in the Slovak Republic (Bratislava, Komárno) is the property settlement of ownership to infrastructure and superstructure.

To realise the development projects it is necessary to prove the ownership to the part of the land, which is currently owned by the enterprise SVP, š.p. as well as the city of Bratislava. It can be realised by the transfer of business or a long-term contract. Another option is the purchase of the land.

The risk factors include the uncoordinated development of the city Bratislava along the Danube riverbank.

Measurement method

The amount of financial costs related to the settlement of property relations.

2.4.2 Success factor 2

"Tool Port" - port management model

To operate transshipment services in public ports Bratislava and Komárno via the application of public port management in the form of so-called "Tool Port" model. By resolving the ownership in the port, it is possible to implement the "Tool Port model" that has been successfully used, for example, in Austria and Germany. The company VP, a.s. is to become so called manager of public ports.

Measurement method

Financial indicators, comparison of economic result in the reference periods.

2.4.3 Success factor 3

Submission of a grant application/non-repayable grant application for implementation of VP, a.s. project plans from EU sources

The company VP, a.s. does not have enough financial resources to secure development projects. One option how to obtain finance for development is the absorption of European Union structural funds, especially via the Integrated Infrastructure Operational Programme 2014-2020. PPP projects are also important in order to attract strategic investors.

Measurement method

Amount of approved funds for the implementation of investment projects.

2.4.4 Success factor 4

Impairment of non-recoverable receivables overdue compared to previous periods

Non-recoverable receivables overdue from the previous periods should become, for the company VP, a.s., the sources of funding for the future port development activities.

Measurement method

Value of receivables, comparison of reference periods.

2.4.5 Success factor 5

Awareness raising of the VP's brand

Creating a marketing plan, promotion in professional and mainstream media, marketing activities for the non-professional public.

Measurement method

Standard marketing methods of measurement (survey, etc.).

2.4.6 Success factor 6

Increasing the value of revenue for port services compared to previous periods

To provide port services in the public ports of the Slovak Republic in a quality comparable to that provided in modern Danube foreign ports.

Measurement method

Value of revenue, comparison of revenue between reference periods.

2.4.7 Success factor 7

Increasing the number of ships' landing in the future

Make the mooring of ships in the public ports of the Slovak Republic more attractive by simplifying the choice of port charges (avoiding dual charging, currently the manager as well as the operator). Extension of the main and additional port services provided in the public ports of the Slovak Republic.

Measurement method

Number of landings in the reference period compared to the previous period

2.4.8 Applicability of the identified success factors for best practices on port management and operation model

Fulfilling the success factors means for the company VP, a.s., a step towards increasing the competitiveness of the Slovak public ports in the Danube region. However, it is important to focus on the success factor No. 1, which acts as the main "brake" on the development activities of the public ports in Slovakia.

2.4.9 Relevance

These success factors are the main goals of VP, a. s., which are based on the company's business plan for the current period.

2.4.10 Applicability

It is possible to measure the success factors as a whole. It can be realised on the basis of the evaluation of the company's prosperity over the reference period and comparing it with the previous periods. Individual measurability of these success factors is different; it is specific for each of them.

2.4.11 Comparability

The current management model applied in the Bratislava and Komárno ports is specific and it is not possible to compare it as a whole with management models in other Danube ports. The application of success factors in other Danube ports is possible with the exception of success factor No. 1, which is specific (it relates to property relations between VP, a.s., and port operator).

3 Best practices

The current infrastructure as well as the superstructure are designed to handle the goods and the loading units of combined transport. They are owned by a private entity (SPaP, a. s.) which has de facto monopoly position on the freight water transport market in Slovakia. The starting point for the development of freight water transport as well as combined transport is the fact, that the port manager owns, develops and operates the infrastructure and superstructure necessary to provide the main port activity, i.e. the transshipment (Landlord model).

Such position should be made mainly through trade negotiations with the current tenants and the owners of infrastructure and superstructure in the territories of public ports in Bratislava and Komárno. In the case of cancellation the current leases relating to the land where the transshipment activities are currently carried out, or the transfer of infrastructure and superstructure to the management of public ports, the priority success factor No. 1 about public ownership of infrastructure and superstructure will be successfully fulfilled. The aim of negotiations should be an agreement of all participating parties. This agreement will lead to the conceptual development of the Bratislava public port. In a port where the public ownership is predominant, it is appropriate to implement the "Tool port" management model. The port manager owns, develops, operates and maintains the port infrastructure and superstructure (including transshipment equipment). The trustee company employs the staff who are necessary for operation, maintenance and development of the public port infrastructure and superstructure.

Transshipment and the storage of goods are organised via companies (managers, operators) that rent the transshipment and warehouse storage capacities from the port manager, usually for a long period. These companies also purchase some additional services. According to this model, port basins are divided into quay walls and the port manager leases them together with infrastructure and superstructure to operators.

A tool, by which the manager "pushes" the individual operators to the effective use of the quay wall, is the condition of the minimum annual amount of goods transshipped on one quay wall. Unless a predetermined volume of transshipment is reached, penalties are clearly defined (e.g. in the form of economic instruments laid down in agreements).

The central management of investments performed by the port manager, which is usually a state or association of towns and municipalities, can be considered as an advantage of this management model. Another advantage is the fact that the port manager has a guaranteed regular income from renting the quay wall. The risks due to fluctuation of demand are borne by the operators, not the manager. The advantage of this model is that the operators do not have the costs associated with the maintenance and development of infrastructure and superstructures (these are carried by the manager). The advantage for operators is also the easier management of financial flows (cash flow). The state's willingness to continuously

invest in the development of a public port is a precondition for the success of this management model. Another important step is to strengthen the competitive position of public ports in comparison with other river ports on the Danube. It can be achieved mainly by providing new services outside the portfolio of services that are currently provided within public ports.

From the point of view of financing the port's development activities, possible alternatives are the establishment of a joint venture¹ with a strategic partner, financing through a PPP² partnership, investor's entry³, or within OP II. The vision of the company VP, a.s. in a longer-term perspective, is that the public ports of the Slovak Republic regain their status within the national economy and within the TENT-T international network of an equal, ecological and efficient part of combined transport with an active connection to road and railway transport.

In the historical context, the Bratislava and Komárno ports have a dominant position. This is mainly due to the length of the waterway on the Danube and the capacities set in both ports. The present state of water transport in Slovakia and insufficiently utilized capacity in the ports of Bratislava and Komárno do not identify the need for building another ports.

¹The alternative of a joint venture requires the establishment of a separate legal entity, from the legal, organizational, financial and technical point of view. The source of funding would be the funds invested in public ports by a strategic partner who would be able to provide sufficient funding and would bring the necessary know-how to meet the development goals within a reasonable time horizon. Considering the existing restrictions that limit other forms of financing, the joint venture can be considered as one of the realistic alternatives of financing the development activities of public ports.

²A public-private partnership is a form of partnership between public and private sector with the aim to provide public services through infrastructure whose construction and/or reconstruction and/or operation and maintenance is financed by the private partner. Considering the existing restrictions that limit other forms of financing and the proposed amendment to Act No. 338/2000 Coll. in relation to the possibility of using priority investment property under a concession contract for the implementation of some PPP projects, PPP can be considered as a realistic alternative to financing the development activities of public ports.

³ Compared with a joint venture, the investor's entry is limited to the deposit of funds to a maximum of 33% of the value of the public ports infrastructure and superstructure.