

Digitization

Strengthening Supply Chains Through Data Digitization

Supply chains are digitizing – Ports should lead.

Data is fundamental for an efficient and smooth supply chain. Every component of the supply chain creates, collects, and relies on information, however how that data is managed and used varies. Optimizing the use of data to strengthen and enhance the operation of the supply chain is essential to maintain port competitiveness and protect against disruption. Internationally, there has been an acceleration to digitize maritime data, and it is imperative that the AAPA membership embrace this, otherwise our competitiveness will suffer, and we will be unnecessarily vulnerable to supply chain disruption.

Port Community Systems (PCS) are the future. PCS are neutral, digital platforms where ports, terminal operators, customers, carriers, third-party logistics, regulators, and others can share information to support efficient operations. Such information sharing support end-to-end supply chain optimization, improve the customer and stakeholder experience, maximize operational efficiency, ensure regulatory compliance, and advance the port industry generally.

2020 has highlighted the high stakes and risks of disruption; global pandemic and weather events have been borne out in the cargo volume fluctuations, congestion, displaced assets, and shortages at retailers. As we look to 2021 and the economic recovery of the nation, AAPA must ensure that our ports have the tools and resources to thrive.

To advance port authority capabilities in utilizing data for operational efficiency, AAPA adopts and recommends the following:

1. AAPA will use its technical and policy committees to engage with international standards organizations including the IMO, ISO, WCO and UNCEFACT and national efforts to provide input the ongoing process to create data standards and harmonization.
2. Ports should ultimately agree on data and technical standards to ensure emerging PCS are interoperable and scalable. Supply chains are more effective when each segment in the chain is using internationally recognized standards which allows for interoperability, transparency, and data sharing.
3. AAPA will gather feedback from membership to determine the technical and fiscal needs of members to embrace digitization. Identifying the needs of AAPA membership is key to advocating for federal support.
4. Cybersecurity and Data Protection - More and more business and cargo movement of ports are being captured in sharable and storable data, and any broken link creates risks for the rest of the chain. AAPA has convened discussions on cybersecurity in the past and this topic must remain a priority as does data Protection and confidentiality between stakeholders in the supply chain.

5. Ports, their users, and PCS operators should advocate for public resources for all of the above. In the same way that physical infrastructure of ports is Critical Infrastructure, which serves the economic and security interests of the entire nation, the digital infrastructure of ports should be thought of in the same way. However, existing funding streams may need to be adjusted so that digital infrastructure can successfully compete.
6. Change Management – Port Community Systems and digital transformation are as much about technology as they are about change management of the stakeholders involved, both private and public. Therefore, AAPA aims to help and support policymakers to have a greater understanding of the opportunities and challenges of digital transformation in US ports. This will ensure that US Ports are modern, secure, and interconnected.

It is important not just for the supply chain, but for the associations and trade bodies representing different sections of the supply chain to coordinate their activities. Therefore, and in support of these activities outlined above, AAPA will coordinate and collaborate with, among others, the International Port Community Systems Association to share and exchange global best practices on Port Community Systems, Data and Technical Standards.

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